

# Sanctions and Anti-Money Laundering Bill [HL]

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MARSHALLED  
LIST OF AMENDMENTS  
TO BE MOVED  
ON REPORT

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*The amendments have been marshalled in accordance with the Order of 10th January 2018, as follows –*

Clauses 1 to 4	Clauses 42 to 47
Schedule 1	Schedule 3
Clauses 5 to 41	Clauses 48 to 53
Schedule 2	Title.

*[Amendments marked ★ are new or have been altered]*

**Amendment  
No.**

**Clause 1**

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY

**1** Page 1, line 8, leave out “it is appropriate” and insert “there is a reasonable need”

BARONESS NORTHOVER  
BARONESS SHEEHAN

**2** Page 2, line 7, leave out paragraph (d)

LORD COLLINS OF HIGHBURY  
BARONESS NORTHOVER  
LORD PANNICK

**3** Page 2, line 8, at end insert –

- “( ) promote the resolution of armed conflicts or the protection of civilians in conflict zones,
- ( ) promote compliance with international humanitarian and human rights law,
- ( ) contribute to multilateral efforts to prevent the spread and use of weapons and materials of mass destruction, or
- ( ) promote respect for human rights, democracy, the rule of law and good governance.”

**Clause 1 - continued**

LORD COLLINS OF HIGHBURY

4 Page 2, line 8, at end insert –

“( ) further the prevention of serious organised crime and trafficking, in the United Kingdom or elsewhere.”

BARONESS NORTHOVER  
BARONESS SHEEHAN

5 Page 2, line 8, at end insert –

“( ) prevent the violation of sanctions regulations made under this Act.”

LORD AHMAD OF WIMBLEDON

6 Page 2, line 13, at end insert –

“( ) Section (*Additional requirements for regulations for a purpose within section 1(2)*) contains additional requirements in relation to regulations stating a purpose within subsection (2) above.”

LORD COLLINS OF HIGHBURY

7 Page 2, line 13, at end insert –

“( ) Regulations under this section must be accompanied by the publication of a written memorandum by the appropriate Minister, and such a memorandum must set out –

- (a) how the relevant sanctions are consistent with the overall foreign policy objectives of the UK government, including any specific regional objectives where appropriate,
- (b) clear objectives for the relevant sanctions, including well-defined and realistic demands against which compliance can be judged,
- (c) a coherent overarching diplomatic strategy for achieving the relevant objectives, including steps to actively and systematically communicate with targeted countries or persons on the specific concerns underpinning the sanctions against them,
- (d) a clear exit strategy, including specific and measurable changes in the behaviour of any target or targets to be required as a precondition of any future suspension or lifting of the relevant sanctions, and
- (e) specific steps to be taken by Ministers to promote co-operation with, and where possible the adoption of, any autonomous UK sanctions by other countries.”

8 Page 2, line 13, at end insert –

“( ) Regulations under this section must be accompanied by the publication of a humanitarian impact assessment, and such an assessment must be conducted –

- (a) according to the methodology set out in Chapter 5 of the UN Inter-Agency Standing Committee’s Sanctions Assessment Handbook: Assessing the Humanitarian Implications of Sanctions, published in 2004,

**Clause 1 - continued**

- (b) in advance of the relevant sanctions regulations being made,
- (c) again within six months of the date on which the relevant sanctions regulations come into force, and
- (d) at any time thereafter when the relevant sanctions regulations are subject to any substantial revisions or alterations.”

**After Clause 1**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

9 Insert the following new Clause—

**“Additional requirements for regulations for a purpose within section 1(2)**

- (1) This section applies to regulations under section 1 any of whose purposes (as stated under section 1(3)) is a discretionary purpose.  
In this section “discretionary purpose” means a purpose which is not compliance with a UN obligation or other international obligation but is within section 1(2).
- (2) An appropriate Minister may not decide that it is appropriate to make regulations to which this section applies unless, in respect of each discretionary purpose stated in the regulations, that Minister—
  - (a) has considered whether there are good reasons to pursue that purpose and has determined that there are, and
  - (b) has considered whether the imposition of sanctions is a reasonable course of action for that purpose and has determined that it is.
- (3) In subsection (2)(b) “sanctions” means prohibitions and requirements of the kinds which are imposed by the regulations for the purpose in question (or both for that purpose and for another purpose of the regulations).
- (4) In relation to any regulations to which this section applies, the appropriate Minister making the regulations (“the Minister”) must at the required time lay before Parliament a report which explains in respect of each discretionary purpose stated under section 1(3) in the regulations—
  - (a) why the Minister considers that carrying out that purpose would meet one or more of the conditions in paragraphs (a) to (d) of section 1(2),
  - (b) why the Minister considers that there are good reasons to pursue that purpose, and
  - (c) why the Minister considers that the imposition of sanctions (within the meaning given by subsection (3)) is a reasonable course of action for that purpose.
- (5) Nothing in subsection (4) requires the report to contain anything the disclosure of which may, in the opinion of the Minister, damage national security or international relations.
- (6) In subsection (4) “the required time” means—

**After Clause 1 - continued**

- (a) in the case of regulations contained in a statutory instrument which is laid before Parliament after being made, the same time as the instrument is laid before Parliament;
- (b) in the case of regulations contained in a statutory instrument a draft of which is laid before Parliament, the same time as the draft is laid.”

**Clause 2**

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

10 Page 3, line 11, leave out sub-paragraph (ii)

11 Page 3, line 12, leave out sub-paragraph (iii)

12 Page 3, line 17, leave out sub-paragraph (ii)

13 Page 3, line 18, leave out sub-paragraph (iii)

14 Page 3, line 23, leave out sub-paragraph (ii)

15 Page 3, line 24, leave out sub-paragraph (iii)

16 Page 3, line 28, leave out sub-paragraph (ii)

17 Page 3, line 29, leave out sub-paragraph (iii)

18 Page 3, line 37, leave out sub-paragraph (ii)

19 Page 3, line 38, leave out sub-paragraph (iii)

BARONESS NORTHOVER  
BARONESS SHEEHAN

20 Page 3, line 39, at end insert –

- “( ) striking off from the register of companies a designated person, or a person (other than an individual) owned or controlled by a designated person;
- ( ) closing down a designated person, or a person (other than an individual) owned or controlled by a designated person.”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

21 Page 3, line 46, leave out paragraph (b)

**Clause 2 - continued**

22 Page 3, line 47, leave out paragraph (c)

LORD AHMAD OF WIMBLEDON

23 Page 4, line 2, after “received” insert “, procured”

24 Page 4, line 3, after “received” insert “, procured”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

25 Page 4, line 18, leave out paragraph (c)

**Clause 9**

LORD PANNICK  
LORD JUDGE  
BARONESS NORTHOVER

26 Page 9, line 32, leave out paragraph (b)

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

27 Page 9, line 36, leave out subsection (3) and insert –

“(3) Regulations under section 1 which contain a designation power must provide that where an appropriate Minister –

(a) has made a designation under the power, or

(b) has varied or revoked a designation made under the power (see section 18),

that Minister must without delay take such steps as are reasonably practicable to inform the designated person of the designation, variation or revocation.

(3A) The regulations may include provision, additional to that required by subsection (3), as to steps to be taken as regards notification or publicity where a designation has been made under the designation power or a designation made under the power has been varied or revoked.

(3B) The regulations need not require a person to be notified of an intention to designate the person.”

LORD PANNICK  
LORD JUDGE  
LORD COLLINS OF HIGHBURY  
BARONESS NORTHOVER

28 Page 9, line 36, leave out “may” and insert “must”

**Clause 9 - continued**

LORD COLLINS OF HIGHBURY

29 Page 9, leave out lines 42 and 43 and insert –

- “( ) Notification under subsection (3) means that a person designated under regulations must be informed of their designation, once the relevant regulations have been made, and such notification must include –
- (a) the fullest possible account consistent with the purpose of the regulations of the reasons for the designation of the relevant person or persons, and
  - (b) the requisite steps such persons are expected to take in order to address the concerns which led to their designation.”

LORD PANNICK

LORD JUDGE

BARONESS NORTHOVER

LORD COLLINS OF HIGHBURY

30 Page 9, line 43, at end insert –

- “( ) The Regulations under subsection (3) must, in particular, provide that –
- (a) the designated person is told, as soon as reasonably practicable after designation, why he or she has been so designated and the evidence on which such designation is based;
  - (b) the designated person must be told, as soon as reasonably practicable, if the reason for designation, or the evidence on which it is based, thereafter changes;
  - (c) the Minister may exclude from disclosure under subsections (1) and (2) any information which, in his or her opinion, would be damaging to national security if so disclosed, save that the Minister must, in any event, disclose to the designated person the gist of the case against him or her if the Minister wishes to maintain the designation of that person.”

**Clause 10**

LORD AHMAD OF WIMBLEDON

LORD PANNICK

LORD JUDGE

31 Page 10, line 10, leave out paragraph (b) and insert –

- “(b) considers that the designation of that person is appropriate, having regard to –
- (i) the purpose of the regulations as stated under section 1(3), and
  - (ii) the likely significant effects of the designation on that person (as they appear to the Minister to be on the basis of the information that the Minister has).”

**Clause 10 - continued**

32 Page 10, line 31, at end insert –

- “(7) The regulations must, in relation to any case where the Minister designates a person by name, require the information given under the provision made under section 9(3) to include a statement of reasons.
- (8) In subsection (7) a “statement of reasons” means a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to that person which have led the Minister to make the designation.
- (9) The regulations may authorise matters to be excluded from that statement where the Minister considers that they should be excluded –
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice
- (but the regulations may not authorise the Minister to provide no statement of reasons).”

**Clause 11**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

33 Page 10, line 33, leave out “authorise” and insert “grant a power for”

34 Page 10, line 35, at end insert –

- “( ) The regulations must contain provision which prohibits the exercise of that power except where conditions A to C are met.
- ( ) Condition A is that the description of persons specified is such that a reasonable person would know whether that person fell within it.
- ( ) Condition B is that, at the time the description is specified, it is not practicable for the Minister to identify and designate by name all the persons falling within that description at that time.”

35 Page 10, line 36, leave out from beginning to “the” in line 37 and insert “Condition C is that”

36 Page 11, line 1, leave out paragraph (b) and insert –

- “(b) considers that the designation of persons of the specified description is appropriate, having regard to –
- (i) the purpose of the regulations as stated under section 1 (3), and
  - (ii) the likely significant effects of the designation (as they appear to the Minister to be on the basis of the information that the Minister has) on persons of that description.”

**Clause 11 - continued**

37 Page 11, line 5, at end insert—

- “(3A) The regulations must, in relation to any case where the Minister provides that persons of a specified description are designated persons, require the information given under the provision made under section 9(3) to include a statement of reasons.
- (3B) In subsection (3A) a “statement of reasons” means a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to persons of the specified description which have led the Minister to make the provision designating persons of that description.
- (3C) The regulations may authorise matters to be excluded from that statement where the Minister considers that they should be excluded—
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice
- (but the regulations may not authorise the Minister to provide no statement of reasons).”

**After Clause 12**

LORD PANNICK  
LORD JUDGE  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY

38 Insert the following new Clause—

**“Proportionality**

The appropriate Minister may exercise the power to designate only to the extent that it is proportionate to do so, having regard to the purpose of the designation and the impact of the designation on the person concerned.”

**Clause 14**

BARONESS NORTHOVER  
THE EARL OF DUNDEE  
LORD COLLINS OF HIGHBURY  
VISCOUNT WAVERLEY

39★ Page 12, line 43, at end insert—

- “( ) provide for a system which authorises the use of licences from other jurisdictions where more than one jurisdiction is involved.”



**Clause 14 - continued**

LORD COLLINS OF HIGHBURY

40 Page 12, line 43, at end insert –

“( ) Regulations must include provision for the establishment of a fast-track process for dealing with requests for exceptions and licences for humanitarian purposes.”

41 Page 12, line 43, at end insert –

“( ) The Secretary of State must, within the period of six months of the date on which this Act comes into force, undertake a consultation on measures to establish an overarching framework for exceptions and licences to be granted for the purposes of subsections (2) and (3).”

**After Clause 14**

BARONESS NORTHOVER  
THE EARL OF DUNDEE  
LORD COLLINS OF HIGHBURY  
VISCOUNT WAVERLEY

42★ Insert the following new Clause –

**“Exceptions and licences for government funded humanitarian programmes**

- (1) Where the government is the majority donor to a humanitarian activity that requires a licence under section 14, the appropriate Minister must issue such a licence at the inception of the project's funding.
- (2) Such a licence may cover –
  - (a) the necessary engagement with designated entities in order to deliver the relevant activity;
  - (b) the export of necessary equipment in support of the relevant activity;
  - (c) the processing of payments related to the activity;
  - (d) specific scenarios that may trigger the licence to be reviewed, varied or withdrawn.”

43★ Insert the following new Clause –

**“Reports on the use of humanitarian exemptions and licensing**

- (1) Where regulations are made under section 1, the appropriate Minister must –
  - (a) prepare a report on the matters mentioned in subsection (2) for –
    - (i) the period of twelve months beginning with the day on which the regulations made under section 1 come into force, and
    - (ii) every subsequent twelve month period; and
  - (b) lay a copy of each such report before Parliament.
- (2) The matters are –
  - (a) the number of applications for humanitarian licences made during the reporting period including specific detail about whether licences were requested by EU Member States or the United States of America;

**After Clause 14 - continued**

- (b) the number of humanitarian licences granted, refused or withdrawn during the reporting period;
- (c) the amount of time taken for each application to be processed during the reporting period.”

**Clause 16**

BARONESS NORTHOVER  
BARONESS SHEEHAN

44 Page 14, line 11, at end insert –

- “( ) for the Secretary of State, on the basis of relevant information, to wind up companies associated with designated persons if it is expedient and in the public interest to do so;
- ( ) for the Secretary of State to make a disqualification order under section 8 of the Company Directors Disqualification Act 1986 against a designated person who is or has been a director or shadow director of a company or an overseas company, if it is expedient and in the public interest to do so.”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY

45 Page 14, line 13, leave out paragraph (a)

LORD AHMAD OF WIMBLEDON

46 Page 14, line 14, leave out “, including defences and evidentiary matters” and insert “(including provision creating defences)”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

47 Page 14, line 17, leave out subsection (4)

LORD AHMAD OF WIMBLEDON

48 Page 14, line 19, leave out “10 years” and insert “the maximum permitted period”(see subsection (4A))”

49 Page 14, line 25, at end insert –

“(4A) In subsection (4)(a) “the maximum permitted period” means –

- (a) 2 years in the case of an offence (however expressed) of –
  - (i) failing to comply with a condition of a licence or of a direction issued by virtue of section 14 , or
  - (ii) failing to comply with a requirement imposed by virtue of section 15(1)(a) or (b);
- (b) 10 years in the case of an offence not falling within paragraph (a).”

**Clause 16 - continued**

LORD COLLINS OF HIGHBURY

50 Page 15, line 3, at end insert –

“( ) An appropriate Minister must publish guidance from the Crown Prosecution Service on when it is in the public interest for a breach of a sanctions regulation to be prosecuted.”

**Clause 18**

LORD AHMAD OF WIMBLEDON

51 Page 16, line 2, at end insert “(reading that provision, so far as made under section 10(2)(b), as if references to the designation were references to leaving the designation in place)”

52 Page 16, line 4, at end insert “(reading that provision, so far as made under section 11(2)(b), as if references to the designation were references to leaving the designation in place)”

**Clause 19**

LORD PANNICK

LORD JUDGE

BARONESS NORTHOVER

LORD COLLINS OF HIGHBURY

53 Page 16, line 15, after “decide” insert “as soon as reasonably practicable”

**Clause 20**

LORD PANNICK

LORD JUDGE

BARONESS NORTHOVER

LORD COLLINS OF HIGHBURY

54 Page 16, line 43, leave out “3 years” and insert “1 year”

**Clause 26**

LORD AHMAD OF WIMBLEDON

55 Leave out Clause 26 and insert the following new Clause –

**“Review by appropriate Minister of regulations under section 1**

- (1) Subsection (2) applies where any regulations under section 1 are in force.
- (2) The appropriate Minister who made the regulations must in each relevant period review whether the regulations are still appropriate for the purpose stated in them under section 1(3).

**Clause 26 - continued**

- (3) If a purpose so stated in any regulations under section 1 is a purpose other than compliance with a UN obligation or other international obligation, any review of those regulations under this section must also include a consideration of—
- (a) whether carrying out that purpose would meet any one or more of the conditions in paragraphs (a) to (d) of section 1(2),
  - (b) whether there are good reasons to pursue that purpose, and
  - (c) whether the imposition of sanctions is a reasonable course of action for that purpose.
- (4) In subsection (3)(c) “sanctions” means prohibitions and requirements of the kinds which are imposed by the regulations for the purpose in question (or both for that purpose and for another purpose of the regulations).
- (5) An appropriate Minister who has carried out a review under this section must lay before Parliament a report containing—
- (a) the conclusions of the review,
  - (b) the reasons for those conclusions, and
  - (c) a statement of any action that that Minister has taken or proposes to take in consequence of the review.
- (6) Nothing in subsection (5) requires the report to contain anything the disclosure of which may, in the opinion of that Minister, damage national security or international relations.
- (7) For the purposes of this section each of the following is a “relevant period” in relation to regulations under section 1 —
- (a) the period of one year beginning with the date when the regulations are made;
  - (b) each period of one year that begins with the date when a report under this section containing the conclusions of a review of the regulations is laid before Parliament.”

**Clause 27**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

56

Page 19, line 15, at end insert—

- “( ) Regulations made under this section in relation to a request under section 19 , 21 , 23 or 25 must require—
- (a) the decision on any such request to be made as soon as reasonably practicable after the receipt by the appropriate Minister dealing with the request of the information needed for making the decision, and
  - (b) the person who made the request to be informed of the decision and the reasons for it as soon as reasonably practicable after the decision is made.

**Clause 27 - continued**

- ( ) The regulations may authorise matters to be excluded from the reasons given for the decision where the appropriate Minister who made the decision considers that those matters should be excluded –
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice
- (but the regulations may not authorise that Minister to provide no reasons).”

**Clause 29**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

- 57 Page 20, line 6, leave out “the appropriate” and insert “that”
- 58 Page 20, line 10, leave out paragraph (b) and insert –
- “(b) considers that it is appropriate to give the direction, having regard to –
    - (i) the purpose of the EU provision which relates to persons in that list (see subsections (4) and (5) below), and
    - (ii) the likely significant effects of the direction on the person to whom it relates (as they appear to that Minister to be on the basis of the information that the Minister has).”
- 59 Page 20, line 40, at end insert –
- “(7A) Regulations made under subsection (7) must, in relation to any case where a direction under section 28 has been given, require the appropriate Minister who gave the direction (“the Minister”) to take without delay such steps as are reasonably practicable –
- (a) to inform the person to whom it relates that the direction has been given, and
  - (b) where the direction is under section 28(3)(a), to include with that information a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to that person which have led the Minister to give the direction.
- (7B) The regulations may authorise the statement required by virtue of subsection (7A)(b) to exclude matters where the Minister considers that they should be excluded –
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice
- (but the regulations may not authorise the Minister to provide no such statement).”

**Clause 29 - continued**

- 60 Page 20, line 42, leave out “any such direction” and insert “a direction under section 28”

**Clause 30**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

- 61 Page 21, line 24, at end insert –
- “( ) Regulations made under subsection (5) in relation to a request under this section or section 31 must require –
- (a) the decision on any such request to be made as soon as reasonably practicable after the receipt by the appropriate Minister dealing with the request of the information needed for making the decision, and
  - (b) the person who made the request to be informed of the decision and the reasons for it as soon as reasonably practicable after the decision is made.
- ( ) The regulations may authorise matters to be excluded from the reasons given for the decision where the appropriate Minister who made the decision considers that those matters should be excluded –
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice
- (but the regulations may not authorise that Minister to provide no reasons).”

**Clause 32**

LORD PANNICK  
LORD JUDGE  
BARONESS NORTHOVER

- 62 Page 23, line 16, at end insert –
- “( ) In relation to a decision under subsection (1)(c) concerned with the designation of a person by reason of an obligation of the United Kingdom under a UN Security Council Resolution, the court must proceed in the following manner –
- (a) if the court concludes that it would otherwise be appropriate to set aside the decision of the Minister, it must give judgement explaining its reasons and make a declaration to that effect but grant no other relief at that stage;
  - (b) on the making of such a declaration, the Minister must use his or her best endeavours to secure that the person’s name is removed from the relevant UN list as soon as reasonably practicable;
  - (c) if the Minister’s best endeavours under paragraph (b) fail to succeed within a reasonable time, the court must then have power to set aside the decision of the Minister.”

**Clause 36**

BARONESS NORTHOVER  
 THE EARL OF DUNDEE  
 LORD COLLINS OF HIGHBURY  
 VISCOUNT WAVERLEY

**63★** Page 26, line 20, at end insert –

“( ) Where regulations under section 1 make provision as to the meaning of any reference in the regulations to a person “owned” or “controlled” by another person pursuant to section 50(3), the appropriate Minister must issue guidance.”

**64★** Page 26, line 24, at end insert –

- “(d) reporting obligations;  
 (e) licensing requirement provisions.
- (3) Where civilian payments and humanitarian activity are exempt from any prohibitions and requirements imposed by the regulations, the appropriate Minister must issue guidance.
- (4) The guidance under subsection (3) must include –
- (a) best practice for complying with the processing of civilian and humanitarian activities to reduce the risk of funds benefitting designated individuals, entities or organisations;
  - (b) mechanisms to limit the impact of prohibitions and requirements on a permissible civilian and humanitarian activity;
  - (c) circumstances where the prohibitions and requirements may be relevant in the context of the otherwise permissible delivery of a humanitarian activity; and
  - (d) options setting out effective banking and payment corridors for the processing of payments in support of a civilian and humanitarian activity which is not subject to any prohibitions or requirements.”

**Clause 38**

LORD AHMAD OF WIMBLEDON  
 LORD PANNICK  
 LORD JUDGE

**65** Page 27, line 1, leave out subsections (2) and (3) and insert –

- “(2) The condition referred to in subsection (1)(b) is that the appropriate Minister making the new regulations –
- (a) considers that the regulations being amended will, as amended, be sanctions regulations within the meaning given by section 1(4) that are appropriate for the purpose stated in them under section 1(3), and
  - (b) if any purpose stated in the regulations being amended is a purpose other than compliance with a UN obligation or other international obligation, considers in respect of each such purpose –
    - (i) that carrying out that purpose would meet one or more of the conditions in paragraphs (a) to (d) of section 1(2),
    - (ii) that there are good reasons to pursue that purpose, and

**Clause 38 - continued**

(iii) that the imposition of sanctions is a reasonable course of action for that purpose.

(2A) In subsection (2)(b)(iii) “sanctions” means prohibitions and requirements of the kinds imposed by the amended regulations for the purpose in question (or both for that purpose and for another purpose of those regulations).

In this subsection “the amended regulations” means the regulations being amended as those regulations will be when amended.”

66 Page 27, line 7, leave out “The purpose stated” and insert “Except as permitted by subsection (4A), the purpose stated under section 1(3)”

67 Page 27, line 10, at end insert –

“(4A) Where the purpose stated under section 1(3) in any regulations under section 1 is or includes compliance with a specified UN obligation or other international obligation, regulations made by virtue of this section may amend that purpose so as to –

- (a) add a reference to a UN obligation, or other international obligation, to which the United Kingdom is for the time being subject,
- (b) substitute such a reference for another reference to a UN obligation or other international obligation, or
- (c) remove a reference to a UN obligation, or other international obligation, to which the United Kingdom is no longer subject.

(4B) The requirements of section 1(1) and (3), section (*Additional requirements for regulations for a purpose within section 1(2)*) and section 26 do not apply in relation to regulations made by virtue of this section.”

**After Clause 38**

LORD AHMAD OF WIMBLEDON

68 Insert the following new Clause –

**“Report where regulations for a purpose within section 1(2) are amended**

- (1) This section applies where –
  - (a) by virtue of section 38 regulations under section 1 are amended by further regulations under section 1 (“new regulations”), and
  - (b) the regulations being amended state under section 1(3) a purpose other than compliance with a UN obligation or other international obligation.
- (2) The appropriate Minister making the new regulations must at the required time lay before Parliament a report which explains why that Minister is of the opinion mentioned in section 38(2)(b).
- (3) Nothing in subsection (2) requires the report to contain anything the disclosure of which may in the opinion of that Minister damage national security or international relations.
- (4) In subsection (2) “the required time” means –



**After Clause 38 - continued**

- (a) where the new regulations are contained in a statutory instrument which is laid before Parliament after being made, the same time as the instrument is laid before Parliament;
- (b) where a draft of a statutory instrument containing the new regulations is laid before Parliament, the same time as the draft is laid.”

**Clause 39**

LORD AHMAD OF WIMBLEDON  
LORD PANNICK  
LORD JUDGE

- 69 Page 27, leave out line 16 and insert –
- “(a) which are not for the time being authorised by Chapter 1 (ignoring section 7), but
  - (b) which are kinds of prohibition or requirement that the United Kingdom –
    - (i) has any UN obligation or other international obligation to impose, or
    - (ii) has at any time had any UN obligation or other international obligation to impose.”

- 70 Page 27, leave out lines 22 and 23 and insert –
- “( ) For the avoidance of doubt, regulations under this section may not add to or amend the purposes mentioned in section 1(1) or amend section 1(2).”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

- 71 Leave out Clause 39

**Clause 41**

BARONESS BOWLES OF BERKHAMSTED  
LORD JUDGE  
LORD PANNICK

- 72 Page 28, line 39, at end insert –
- “( ) Regulations under Part 2, Schedule 2 or section 44(3) may not make provisions that –
- (a) are detrimental to the strength of the regimes for detecting, investigating or preventing money laundering, terrorist financing or risks to the international financial system;
  - (b) prescribe measures to be taken by prescribed persons that are not proportionate to the size, risk and nature of their business and business sector;
  - (c) create new criminal offences; or

**Clause 41 - continued**

- (d) extend the definition of “terrorist financing” beyond the purpose of section 1(2)(a).”

**After Clause 41**

BARONESS STERN  
LORD KIRKHOPE OF HARROGATE  
LORD COLLINS OF HIGHBURY  
BARONESS KRAMER

73★ Insert the following new Clause—

**“Public registers of beneficial ownership of companies in the British overseas territories**

- (1) For the purpose of preventing money-laundering, the appropriate Minister must provide all reasonable assistance to the governments of—
- (a) Anguilla;
  - (b) Bermuda;
  - (c) the British Virgin Islands;
  - (d) the Cayman Islands;
  - (e) Montserrat; and
  - (f) the Turks and Caicos Islands,

to enable each of those governments to establish a publicly accessible register of the beneficial ownership of companies registered in that government’s jurisdiction.

- (2) No later than 1 January 2020 the appropriate Minister must prepare an Order in Council, and take all reasonable steps to ensure its implementation, in respect of any British overseas territories listed in subsection (1) that have not by that date introduced a publicly accessible register of the beneficial ownership of companies within their jurisdiction, requiring them to adopt such a register.
- (3) In this section a “publicly accessible register of beneficial ownership of companies” means a register which, in the opinion of the appropriate Minister, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006 (information about people with significant control).”

BARONESS BOWLES OF BERKHAMSTED  
BARONESS KRAMER  
LORD COLLINS OF HIGHBURY

74 Insert the following new Clause—

**“Failure to prevent money laundering**

- (1) A relevant body (B) is guilty of an offence if a person commits a money laundering facilitation offence when acting in the capacity of a person associated with B.
- (2) For the purposes of this section “money laundering facilitation offence” means—

**After Clause 41 - continued**

- (a) concealing, disguising, converting, transferring or removing criminal property under section 327 of the Proceeds of Crime Act 2002 (concealing etc);
  - (b) entering into an arrangement which the person knows, or suspects, facilitates (by whatever means) the acquisition, retention, use, or control of criminal property under section 328 of the Proceeds of Crime Act 2002 (arrangements); or
  - (c) the acquisition, use or possession of criminal property, under section 329 of the Proceeds of Crime Act 2002 (acquisition, use and possession).
- (3) It is a defence for B to prove that, when the money laundering facilitation offence was committed, B had in place adequate procedures designed to prevent persons acting in the capacity of a person associated with B from committing such an offence.
- (4) A relevant body guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine,
  - (b) on summary conviction in England and Wales, to a fine, or
  - (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.
- (5) It is immaterial for the purposes of this section whether—
- (a) any relevant conduct of a relevant body, or
  - (b) any conduct which constitutes part of a relevant criminal offence,
- takes place in the United Kingdom or elsewhere.
- (6) In this section, “relevant body” and “acting in the capacity of a person associated with B” have the same meaning as in section 44 of the Criminal Finances Act 2017 (meaning of relevant body and acting in the capacity of an associated person).”

LORD FAULKS

LORD HODGSON OF ASTLEY ABBOTTS

BARONESS BOWLES OF BERKHAMSTED

LORD COLLINS OF HIGHBURY

75

Insert the following new Clause—

**“Public register of beneficial ownership of UK property by companies and other legal entities registered outside the UK**

- (1) In addition to the provisions made under paragraph 6 of Schedule 2, for the purpose of preventing money laundering in the UK property market and public procurement, the Secretary of State must create a public register of beneficial ownership information for companies and other legal entities registered outside of the UK that own or buy UK property, or bid for UK government contracts.
- (2) The register must be implemented within 12 months of the day on which this Act is passed.”

**After Clause 41 - continued**

LORD NASEBY  
BARONESS BOWLES OF BERKHAMSTED

76 Insert the following new Clause –

**“Registration of companies: anti-money laundering checks**

- (1) The Registrar of Companies must not register a company unless he or she is satisfied that appropriate anti-money laundering checks have taken place.
- (2) The Companies Act 2006 is amended as follows –
  - (a) in section 9, after subsection (5), insert –
    - “(5ZA) The application must provide satisfactory evidence that anti-money laundering checks have taken place.”
  - (b) after section 13 insert –
    - “**13A Satisfactory evidence of anti-money laundering checks**
    - (1) The Registrar is entitled to accept the anti-money laundering registration number of the United Kingdom body that has submitted the application as satisfactory evidence under section 9(5ZA), provided he or she believes that number to be valid.
    - (2) The Secretary of State may by regulations made by statutory instrument specify any other evidence that the Registrar may accept under section 9(5ZA).
    - (3) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

**Schedule 2**

LORD AHMAD OF WIMBLEDON

- 77 Page 45, line 11, after “persons” insert “carrying on business of a kind which entails risks relating to money laundering, terrorist financing or other threats to the integrity of the international financial system (“relevant persons”)
- 78 Page 45, line 12, leave out from “manage” to end of line 14 and insert “those risks”
- 79 Page 45, line 15, leave out first “prescribed” and insert “relevant”
- 80 Page 45, line 30, leave out “prescribed bodies” and insert “the Financial Conduct Authority, the Commissioners for Her Majesty’s Revenue and Customs and such other bodies as may be prescribed”
- 81 Page 45, line 31, leave out “prescribed” and insert “relevant”
- 82 Page 45, line 36, after “as” insert “relevant persons or as”
- 83 Page 45, line 37, leave out “prescribed entities” and insert “relevant persons that are not individuals”

**Schedule 2 - continued**

- 84 Page 46, line 8, leave out “prescribed” and insert “relevant”
- 85 Page 46, line 42, at beginning insert—  
“(A1) Authorise the Financial Conduct Authority and the Commissioners for Her Majesty’s Revenue and Customs to impose civil monetary penalties in relation to the contravention of prescribed requirements.”
- 86 Page 46, line 42, after “penalties” insert “(other than monetary penalties)”
- 87 Page 46, line 44, leave out paragraph (a)
- 88 Page 47, line 6, leave out from first “to” to end of line 7 and insert—  
“(a) impose civil monetary penalties, and  
(b) publish statements of censure,  
in relation to the contravention of prescribed requirements by supervisory authorities.”
- 89 Page 47, line 9, after “sub-paragraph” insert “(A1),”  
  
LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY
- 90 Page 47, line 14, leave out paragraph 15  
  
LORD AHMAD OF WIMBLEDON
- 91 Page 47, line 15, leave out “, including defences and evidentiary matters” and insert “(but see paragraphs 18 to 18B)”  
  
LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER
- 92 Page 47, line 23, leave out paragraph 18  
  
LORD AHMAD OF WIMBLEDON
- 93 Page 47, line 23, leave out from “for” to “to” in line 24 and insert “an offence created by such regulations”
- 94 Page 47, line 27, at end insert—  
“18A Regulations under section 41 may provide for the creation of a criminal offence only if the regulations also provide for either or both of the following in relation to the offence—  
(a) a mental element necessary for its commission;

**Schedule 2 - continued**

(b) a defence to it (for example, a defence grounded on a person's knowledge or belief, or a defence that a person took all reasonable steps and exercised all due diligence).

18B Regulations under section 41 which confer a power to impose a civil monetary penalty must provide that a person is not liable to such a penalty in respect of acts or omissions for which the person has been convicted of a criminal offence created by such regulations."

95 Page 48, line 14, leave out "persons" and insert "bodies"

96 Page 48, line 22, at end insert –  
 "“relevant person” means a person on whom requirements are imposed under paragraph 3;”

97 Page 48, line 24, leave out “a” and insert “the Financial Conduct Authority, the Commissioners for Her Majesty’s Revenue and Customs or any other”

**Clause 44**

LORD JUDGE  
 LORD PANNICK  
 BARONESS NORTHOVER

98 Page 29, line 31, leave out paragraph (a)

**Schedule 3**

BARONESS NORTHOVER  
 BARONESS SHEEHAN

99 Page 49, line 22, at end insert –

“*Insolvency Act 1986 (c. 45)*

In section 124A (petition for winding up on grounds of public interest), after subsection (1)(d) insert –

“(e) any information notified to the Secretary of State pursuant to regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018;”

**Clause 50**

BARONESS NORTHOVER  
 BARONESS SHEEHAN

100 Page 34, line 29, at end insert –

““company” means means a company registered under the Companies Act 2006 in the United Kingdom or a company that may be wound up under Part 5 of the Insolvency Act 1986 (unregistered companies);”

**Clause 50 - continued**

101 Page 34, line 38, at end insert—

““overseas company” means a company incorporated or formed outside the United Kingdom;”

LORD AHMAD OF WIMBLEDON

102 Page 35, line 4, at end insert—

“( ) Any reference in this Act to a person named “for the purposes of” a UN Security Council Resolution so far as it provides for the taking of particular measures includes any person who, by virtue of—

- (a) being named for any purposes by the Security Council or a subsidiary organ of the Security Council, and
- (b) the terms of the resolution,

is a person in relation to whom the resolution provides for the measures to be taken.

( ) Any reference in this Act to ships designated “for purposes of” a UN Security Council Resolution which provides for the taking of measures in relation to ships includes any ship which, by virtue of—

- (a) being designated for any purposes by the Security Council or a subsidiary organ of the Security Council, and
- (b) the terms of the resolution,

is a ship in relation to which the resolution provides for the measures to be taken.”

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER

103 Page 35, line 15, leave out subsection (4)

**After Clause 52**

LORD COLLINS OF HIGHBURY

104 Insert the following new Clause—

**“Expiry of Act**

This Act expires at the end of five years beginning with the date on which this Act is passed.”

# Sanctions and Anti-Money Laundering Bill [HL]

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MARSHALLED  
LIST OF AMENDMENTS  
TO BE MOVED  
ON REPORT

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*11 January 2018*

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