



Proceeds of Crime Act 2002

2002 CHAPTER 29

PART 5

CIVIL RECOVERY OF THE PROCEEDS ETC. OF UNLAWFUL CONDUCT

CHAPTER 2

CIVIL RECOVERY IN THE HIGH COURT OR COURT OF SESSION

Vesting and realisation of recoverable property

266 Recovery orders

- (1) If in proceedings under this Chapter the court is satisfied that any property is recoverable, the court must make a recovery order.
- (2) The recovery order must vest the recoverable property in the trustee for civil recovery.
- (3) But the court may not make in a recovery order—
 - (a) any provision in respect of any recoverable property if each of the conditions in subsection (4) or (as the case may be) (5) is met and it would not be just and equitable to do so, or
 - (b) any provision which is incompatible with any of the Convention rights (within the meaning of the Human Rights Act 1998 (c. 42)).
- (4) In relation to a court in England and Wales or Northern Ireland, the conditions referred to in subsection (3)(a) are that—
 - (a) the respondent obtained the recoverable property in good faith,
 - (b) he took steps after obtaining the property which he would not have taken if he had not obtained it or he took steps before obtaining the property which he would not have taken if he had not believed he was going to obtain it,
 - (c) when he took the steps, he had no notice that the property was recoverable,

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- (d) if a recovery order were made in respect of the property, it would, by reason of the steps, be detrimental to him.
- (5) In relation to a court in Scotland, the conditions referred to in subsection (3)(a) are that—
- (a) the respondent obtained the recoverable property in good faith,
 - (b) he took steps after obtaining the property which he would not have taken if he had not obtained it or he took steps before obtaining the property which he would not have taken if he had not believed he was going to obtain it,
 - (c) when he took the steps, he had no reasonable grounds for believing that the property was recoverable,
 - (d) if a recovery order were made in respect of the property, it would, by reason of the steps, be detrimental to him.
- (6) In deciding whether it would be just and equitable to make the provision in the recovery order where the conditions in subsection (4) or (as the case may be) (5) are met, the court must have regard to—
- (a) the degree of detriment that would be suffered by the respondent if the provision were made,
 - (b) the enforcement authority's interest in receiving the realised proceeds of the recoverable property.
- (7) A recovery order may sever any property.
- (8) A recovery order may impose conditions as to the manner in which the trustee for civil recovery may deal with any property vested by the order for the purpose of realising it.
- [^{F1}(8ZA) If the recoverable property in respect of which the Court of Session makes a recovery order includes heritable property, the Court of Session must, on the application of the enforcement authority, also grant decree of removing and warrant for ejection, enforceable by the trustee for civil recovery, in relation to any persons occupying the heritable property.]
- [^{F2}(8A) A recovery order made by a court in England and Wales or Northern Ireland may provide for payment under section 280 of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—
- (a) the proceedings under this Part in which the order is made, or
 - (b) any related proceedings under this Part.
- (8B) If regulations under section 286B apply to an item of expenditure, a sum in respect of the item is not payable under section 280 in pursuance of provision under subsection (8A) unless—
- (a) the enforcement authority agrees to its payment, or
 - (b) the court has assessed the amount allowed by the regulations in respect of that item and the sum is paid in respect of the assessed amount.]

(9) This section is subject to sections 270 to 278.

Textual Amendments

- F1** [S. 266\(8ZA\)](#) inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), [ss. 29\(3\)](#), [58\(1\)\(6\)](#); [S.I. 2018/78](#), [reg. 3\(1\)](#)

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F2 S. 266(8A)(8B) inserted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), s. 178(8), [Sch. 6 para. 15](#); [S.I. 2005/3136](#), art. 3(c)

Commencement Information

I1 S. 266 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

267 Functions of the trustee for civil recovery

- (1) The trustee for civil recovery is a person appointed by the court to give effect to a recovery order.
- (2) The enforcement authority must nominate a suitably qualified person for appointment as the trustee.
- (3) The functions of the trustee are—
 - (a) to secure the detention, custody or preservation of any property vested in him by the recovery order,
 - (b) in the case of property other than money, to realise the value of the property for the benefit of the enforcement authority, and
 - [^{F3}(ba) if decree of removing and warrant for ejection is granted by the Court of Session under section 266(8ZA), to enforce the decree and warrant,]
 - (c) to perform any other functions conferred on him by virtue of this Chapter.
- (4) In performing his functions, the trustee acts on behalf of the enforcement authority and must comply with any directions given by the authority.
- (5) The trustee is to realise the value of property vested in him by the recovery order, so far as practicable, in the manner best calculated to maximise the amount payable to the enforcement authority.
- (6) The trustee has the powers mentioned in Schedule 7.
- (7) References in this section to a recovery order include an order under section 276 and references to property vested in the trustee by a recovery order include property vested in him in pursuance of an order under section 276.

Textual Amendments

F3 [S. 267\(3\)\(ba\)](#) inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), [ss. 29\(4\)](#), [58\(1\)\(6\)](#); [S.I. 2018/78](#), [reg. 3\(1\)](#)

Commencement Information

I2 S. 267 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

268 Recording of recovery order (Scotland)

- (1) The clerk of the court must immediately after the making of a recovery order which relates to heritable property situated in Scotland send a certified copy of it to the keeper of the register of inhibitions and adjudications for recording in that register.

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- (2) Recording under subsection (1) is to have the effect, as from the date of the recovery order, of an inhibition at the instance of the trustee for civil recovery against the person in whom the heritable property was vest prior to that date.

Commencement Information

I3 S. 268 in force at 24.2.2003 by [S.I. 2003/120, art. 2, Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

269 Rights of pre-emption, etc.

- (1) A recovery order is to have effect in relation to any property despite any provision (of whatever nature) which would otherwise prevent, penalise or restrict the vesting of the property.
- (2) A right of pre-emption, right of irritancy, right of return or other similar right does not operate or become exercisable as a result of the vesting of any property under a recovery order.

A right of return means any right under a provision for the return or reversion of property in specified circumstances.

- (3) Where property is vested under a recovery order, any such right is to have effect as if the person in whom the property is vested were the same person in law as the person who held the property and as if no transfer of the property had taken place.
- (4) References to rights in subsections (2) and (3) do not include any rights in respect of which the recovery order was made.
- (5) This section applies in relation to the creation of interests, or the doing of anything else, by a recovery order as it applies in relation to the vesting of property.

Commencement Information

I4 S. 269 in force at 24.2.2003 by [S.I. 2003/120, art. 2, Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

[^{F4}269A Leases and occupancy rights: Scotland

- (1) This section applies where, in making a recovery order, the Court of Session also grants decree of removing and warrant for ejection under section 266(8ZA) in relation to any persons occupying the heritable property.
- (2) Any lease under which a person has the right to occupy the heritable property (or part of it) for residential or commercial purposes is terminated on the granting of decree of removing and warrant for ejection.
- (3) Any other right to occupy the heritable property (or part of it) which subsists immediately before the granting of decree of removing and warrant for ejection is extinguished on the granting of the decree and warrant.
- (4) Subsection (3) does not apply in relation to a right under a lease to occupy or use the property other than those mentioned in subsection (2).

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- (5) Where the heritable property is vested in the trustee for civil recovery under the recovery order, the following enactments do not apply in relation to the heritable property—
- (a) sections 34 to 38A of the Sheriff Courts (Scotland) Act 1907 (removings, notice of termination of tenancy and notice of removal);
 - (b) the Tenancy of Shops (Scotland) Act 1949;
 - (c) the Matrimonial Homes (Family Protection) (Scotland) Act 1981;
 - (d) Parts 2 and 3 of the Rent (Scotland) Act 1984 (security of tenure and protection against harassment and unlawful eviction);
 - (e) sections 4 to 7 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (termination of certain leases);
 - (f) Part 2 of the Housing (Scotland) Act 1988 (rented accommodation: security of tenure etc.);
 - (g) Chapter 3 of Part 3 of the Civil Partnership Act 2004 (occupancy rights and tenancies);
 - (h) Part 5 of the Private Housing (Tenancies) (Scotland) Act 2016 (security of tenure, termination of tenancy and eviction).]

Textual Amendments

- F4** S. 269A inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), **ss. 29(5), 58(1)(6)**; [S.I. 2018/78](#), **reg. 3(1)**

270 Associated and joint property

- (1) Sections 271 and 272 apply if the court makes a recovery order in respect of any recoverable property in a case within subsection (2) or (3).
- (2) A case is within this subsection if—
 - (a) the property to which the proceedings relate includes property which is associated with the recoverable property and is specified or described in the claim form or (in Scotland) application, and
 - (b) if the associated property is not the respondent's property, the claim form or application has been served on the person whose property it is or the court has dispensed with service.
- (3) A case is within this subsection if—
 - (a) the recoverable property belongs to joint tenants, and
 - (b) one of the tenants is an excepted joint owner.
- (4) An excepted joint owner is a person who obtained the property in circumstances in which it would not be recoverable as against him; and references to the excepted joint owner's share of the recoverable property are to so much of the recoverable property as would have been his if the joint tenancy had been severed.
- (5) Subsections (3) and (4) do not extend to Scotland.

Commencement Information

- I5** S. 270(4)(5) in force (30.12.2002) by [S.I. 2002/3015](#), **art. 2, Sch.**

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- 16** S. 270(1)(2)(3) in force at 24.2.2003 by [S.I. 2003/120](#), [art. 2](#), [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), [art. 14](#))

271 Agreements about associated and joint property

- (1) Where—
- (a) this section applies, and
 - (b) the enforcement authority (on the one hand) and the person who holds the associated property or who is the excepted joint owner (on the other) agree,
- the recovery order may, instead of vesting the recoverable property in the trustee for civil recovery, require the person who holds the associated property or who is the excepted joint owner to make a payment to the trustee.
- (2) A recovery order which makes any requirement under subsection (1) may, so far as required for giving effect to the agreement, include provision for vesting, creating or extinguishing any interest in property.
- (3) The amount of the payment is to be the amount which the enforcement authority and that person agree represents—
- (a) in a case within section 270(2), the value of the recoverable property,
 - (b) in a case within section 270(3), the value of the recoverable property less the value of the excepted joint owner's share.
- (4) But if—
- (a) [^{F5}a property freezing order, an interim receiving order, a prohibitory property order or an] interim administration order applied at any time to the associated property or joint tenancy, and
 - (b) the enforcement authority agrees that the person has suffered loss as a result of the [^{F6}order mentioned in paragraph (a)],
- the amount of the payment may be reduced by any amount the enforcement authority and that person agree is reasonable, having regard to that loss and to any other relevant circumstances.
- (5) If there is more than one such item of associated property or excepted joint owner, the total amount to be paid to the trustee, and the part of that amount which is to be provided by each person who holds any such associated property or who is an excepted joint owner, is to be agreed between both (or all) of them and the enforcement authority.
- (6) A recovery order which makes any requirement under subsection (1) must make provision for any recoverable property to cease to be recoverable.

Textual Amendments

- F5** Words in s. 271(4)(a) substituted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), [s. 178\(8\)](#), [Sch. 6 para. 16\(a\)](#); [S.I. 2005/3136](#), [art. 3\(c\)](#)
- F6** Words in s. 271(4)(b) substituted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), [s. 178\(8\)](#), [Sch. 6 para. 16\(b\)](#); [S.I. 2005/3136](#), [art. 3\(c\)](#)

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Commencement Information

I7 S. 271 in force at 24.2.2003 by S.I. 2003/120, art. 2, Sch. (with arts. 3, 4) (as amended (20.2.2003) by S.I. 2003/333, art. 14)

272 Associated and joint property: default of agreement

- (1) Where this section applies, the court may make the following provision if—
 - (a) there is no agreement under section 271, and
 - (b) the court thinks it just and equitable to do so.
- (2) The recovery order may provide—
 - (a) for the associated property to vest in the trustee for civil recovery or (as the case may be) for the excepted joint owner's interest to be extinguished, or
 - (b) in the case of an excepted joint owner, for the severance of his interest.
- (3) A recovery order making any provision by virtue of subsection (2)(a) may provide—
 - (a) for the trustee to pay an amount to the person who holds the associated property or who is an excepted joint owner, or
 - (b) for the creation of interests in favour of that person, or the imposition of liabilities or conditions, in relation to the property vested in the trustee, or for both.
- (4) In making any provision in a recovery order by virtue of subsection (2) or (3), the court must have regard to—
 - (a) the rights of any person who holds the associated property or who is an excepted joint owner and the value to him of that property or, as the case may be, of his share (including any value which cannot be assessed in terms of money),
 - (b) the enforcement authority's interest in receiving the realised proceeds of the recoverable property.
- (5) If—
 - (a) [^{F7}a property freezing order, an interim receiving order, a prohibitory property order or an] interim administration order applied at any time to the associated property or joint tenancy, and
 - (b) the court is satisfied that the person who holds the associated property or who is an excepted joint owner has suffered loss as a result of the [^{F8}order mentioned in paragraph (a)],a recovery order making any provision by virtue of subsection (2) or (3) may require the enforcement authority to pay compensation to that person.
- (6) The amount of compensation to be paid under subsection (5) is the amount the court thinks reasonable, having regard to the person's loss and to any other relevant circumstances.
- [^{F9}(7) In subsection (5) the reference to the enforcement authority is, in the case of an enforcement authority in relation to England and Wales or Northern Ireland, a reference to the enforcement authority which obtained the property freezing order or interim receiving order concerned.]

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Textual Amendments

- F7** Words in s. 272(5)(a) substituted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), s. 178(8), [Sch. 6 para. 17\(a\)](#); S.I. 2005/3136, art. 3(c)
- F8** Words in s. 272(5)(b) substituted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), s. 178(8), [Sch. 6 para. 17\(b\)](#); S.I. 2005/3136, art. 3(c)
- F9** S. 272(7) inserted (1.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), s. 94(1), [Sch. 8 para. 87](#); S.I. 2008/755, art. 2(1)(a) (with arts. 3-14)

Commencement Information

- I8** S. 272 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, [Sch.](#) (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

273 Payments in respect of rights under pension schemes

- (1) This section applies to recoverable property consisting of rights under a pension scheme.
- (2) A recovery order in respect of the property must, instead of vesting the property in the trustee for civil recovery, require the trustees or managers of the pension scheme—
 - (a) to pay to the trustee for civil recovery within a prescribed period the amount determined by the trustees or managers to be equal to the value of the rights, and
 - (b) to give effect to any other provision made by virtue of this section and the two following sections in respect of the scheme.

This subsection is subject to sections 276 to 278.

- (3) A recovery order made by virtue of subsection (2) overrides the provisions of the pension scheme to the extent that they conflict with the provisions of the order.
- (4) A recovery order made by virtue of subsection (2) may provide for the recovery by the trustees or managers of the scheme (whether by deduction from any amount which they are required to pay to the trustee for civil recovery or otherwise) of costs incurred by them in—
 - (a) complying with the recovery order, or
 - (b) providing information, before the order was made, to the enforcement authority, [^{F10}receiver appointed under section 245E,][^{F11}PPO receiver,] interim receiver or interim administrator.
- (5) None of the following provisions applies to a court making a recovery order by virtue of subsection (2)—
 - (a) any provision of section 159 of the Pension Schemes Act 1993 (c. 48), section 155 of the Pension Schemes (Northern Ireland) Act 1993 (c. 49), section 91 of the Pensions Act 1995 (c. 26) or Article 89 of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) (which prevent assignment and the making of orders that restrain a person from receiving anything which he is prevented from assigning),
 - (b) any provision of any enactment (whenever passed or made) corresponding to any of the provisions mentioned in paragraph (a),
 - (c) any provision of the pension scheme in question corresponding to any of those provisions.

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Textual Amendments

- F10** Words in s. 273(4)(b) inserted (E.W.N.I.) (6.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), [ss. 83\(2\), 94\(1\)](#); [S.I. 2008/755](#), [art. 17\(1\)\(h\)](#)
- F11** Words in s. 273(4)(b) inserted (1.6.2015) by [Serious Crime Act 2015 \(c. 9\)](#), [s. 88\(1\)](#), [Sch. 4 para. 52](#); [S.I. 2015/820](#), [reg. 3\(q\)\(iv\)](#)

Commencement Information

- I9** S. 273 in force at 24.2.2003 by [S.I. 2003/120](#), [art. 2](#), [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), [art. 14](#))

274 Consequential adjustment of liabilities under pension schemes

- (1) A recovery order made by virtue of section 273(2) must require the trustees or managers of the pension scheme to make such reduction in the liabilities of the scheme as they think necessary in consequence of the payment made in pursuance of that subsection.
- (2) Accordingly, the order must require the trustees or managers to provide for the liabilities of the pension scheme in respect of the respondent's recoverable property to which section 273 applies to cease.
- (3) So far as the trustees or managers are required by the recovery order to provide for the liabilities of the pension scheme in respect of the respondent's recoverable property to which section 273 applies to cease, their powers include (in particular) power to reduce the amount of—
 - (a) any benefit or future benefit to which the respondent is or may be entitled under the scheme,
 - (b) any future benefit to which any other person may be entitled under the scheme in respect of that property.

Commencement Information

- I10** S. 274 in force at 24.2.2003 by [S.I. 2003/120](#), [art. 2](#), [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), [art. 14](#))

275 Pension schemes: supplementary

- (1) Regulations may make provision as to the exercise by trustees or managers of their powers under sections 273 and 274, including provision about the calculation and verification of the value at any time of rights or liabilities.
- (2) The power conferred by subsection (1) includes power to provide for any values to be calculated or verified—
 - (a) in a manner which, in the particular case, is approved by a prescribed person, or
 - (b) in accordance with guidance from time to time prepared by a prescribed person.

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- (3) Regulations means regulations made by the Secretary of State after consultation with the Scottish Ministers [^{F12}or, in relation to Northern Ireland, regulations made by the Department of Justice] ; and prescribed means prescribed by regulations.
- (4) A pension scheme means an occupational pension scheme or a personal pension scheme; and those expressions have the same meaning as in the Pension Schemes Act 1993 (c. 48) or, in relation to Northern Ireland, the Pension Schemes (Northern Ireland) Act 1993 (c. 49).
- (5) In relation to an occupational pension scheme or a personal pension scheme, the trustees or managers means—
- (a) in the case of a scheme established under a trust, the trustees,
 - (b) in any other case, the managers.
- (6) References to a pension scheme include—
- (a) a retirement annuity contract (within the meaning of Part 3 of the Welfare Reform and Pensions Act 1999 (c. 30) or, in relation to Northern Ireland, Part 4 of the Welfare Reform and Pensions (Northern Ireland) Order 1999),
 - (b) an annuity or insurance policy purchased, or transferred, for the purpose of giving effect to rights under an occupational pension scheme or a personal pension scheme,
 - (c) an annuity purchased, or entered into, for the purpose of discharging any liability in respect of a pension credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 (c. 30) or, in relation to Northern Ireland, Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.
- (7) References to the trustees or managers—
- (a) in relation to a retirement annuity contract or other annuity, are to the provider of the annuity,
 - (b) in relation to an insurance policy, are to the insurer.
- (8) Subsections (3) to (7) have effect for the purposes of this group of sections (that is, sections 273 and 274 and this section).

Textual Amendments

F12 Words in s. 275(3) inserted (12.4.2010) by [The Northern Ireland Act 1998 \(Devolution of Policing and Justice Functions\) Order 2010 \(S.I. 2010/976\)](#), art. 1(2), **Sch. 14 para. 54** (with arts. 28-31)

Commencement Information

I11 S. 275 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, **Sch.** (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

276 Consent orders

- (1) The court may make an order staying (in Scotland, sisting) any proceedings for a recovery order on terms agreed by the parties for the disposal of the proceedings if each person to whose property the proceedings, or the agreement, relates is a party both to the proceedings and the agreement.

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- (2) An order under subsection (1) may, as well as staying (or sisting) the proceedings on terms—
 - (a) make provision for any property which may be recoverable property to cease to be recoverable,
 - (b) make any further provision which the court thinks appropriate.
- (3) Section 280 applies to property vested in the trustee for civil recovery, or money paid to him, in pursuance of the agreement as it applies to property vested in him by a recovery order or money paid under section 271.

Commencement Information

I12 S. 276 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, [Sch.](#) (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

277 Consent orders: pensions

- (1) This section applies where recoverable property to which proceedings under this Chapter relate includes rights under a pension scheme.
- (2) An order made under section 276—
 - (a) may not stay (in Scotland, sist) the proceedings on terms that the rights are vested in any other person, but
 - (b) may include provision imposing the following requirement, if the trustees or managers of the scheme are parties to the agreement by virtue of which the order is made.
- (3) The requirement is that the trustees or managers of the pension scheme—
 - (a) make a payment in accordance with the agreement, and
 - (b) give effect to any other provision made by virtue of this section in respect of the scheme.
- (4) The trustees or managers of the pension scheme have power to enter into an agreement in respect of the proceedings on any terms on which an order made under section 276 may stay (in Scotland, sist) the proceedings.
- (5) The following provisions apply in respect of an order under section 276, so far as it includes the requirement mentioned in subsection (3).
- (6) The order overrides the provisions of the pension scheme to the extent that they conflict with the requirement.
- (7) The order may provide for the recovery by the trustees or managers of the scheme (whether by deduction from any amount which they are required to pay in pursuance of the agreement or otherwise) of costs incurred by them in—
 - (a) complying with the order, or
 - (b) providing information, before the order was made, to the enforcement authority, ^{F13}[receiver appointed under section 245E,]^{F14}[PPO receiver,] interim receiver or interim administrator.
- (8) Sections 273(5) and 274 (read with section 275) apply as if the requirement were included in an order made by virtue of section 273(2).

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(9) Section 275(4) to (7) has effect for the purposes of this section.

Textual Amendments

- F13** Words in s. 277(7)(b) inserted (E.W.N.I.) (6.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), [ss. 83\(2\), 94\(1\)](#); [S.I. 2008/755](#), [art. 17\(1\)\(h\)](#)
- F14** Words in s. 277(7)(b) inserted (1.6.2015) by [Serious Crime Act 2015 \(c. 9\)](#), [s. 88\(1\)](#), [Sch. 4 para. 53](#); [S.I. 2015/820](#), [reg. 3\(q\)\(iv\)](#)

Commencement Information

- I13** S. 277 in force at 24.2.2003 by [S.I. 2003/120](#), [art. 2](#), [Sch.](#) (with [arts. 3, 4](#)) (as amended (20.2.2003) by [S.I. 2003/333](#), [art. 14](#))

278 Limit on recovery

- (1) This section applies if the enforcement authority seeks a recovery order—
- (a) in respect of both property which is or represents property obtained through unlawful conduct and related property, or
 - (b) in respect of property which is or represents property obtained through unlawful conduct where such an order, or an order under section 276, has previously been made in respect of related property.
- (2) For the purposes of this section—
- (a) the original property means the property obtained through unlawful conduct,
 - (b) the original property, and any items of property which represent the original property, are to be treated as related to each other.
- (3) The court is not to make a recovery order if it thinks that the enforcement authority's right to recover the original property has been satisfied by a previous recovery order or order under section 276.
- (4) Subject to subsection (3), the court may act under subsection (5) if it thinks that—
- (a) a recovery order may be made in respect of two or more related items of recoverable property, but
 - (b) the making of a recovery order in respect of both or all of them is not required in order to satisfy the enforcement authority's right to recover the original property.
- (5) The court may in order to satisfy that right to the extent required make a recovery order in respect of—
- (a) only some of the related items of property, or
 - (b) only a part of any of the related items of property,
- or both.
- (6) Where the court may make a recovery order in respect of any property, this section does not prevent the recovery of any profits which have accrued in respect of the property.

[^{F15}(6A) If—

- (a) recoverable property is forfeited in pursuance of a forfeiture notice under section 297A [^{F16}or an account forfeiture notice under section 303Z9], and

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(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the [F17 notice] is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the forfeited property.]

(7) If—

(a) an order is made under section 298 [F18, 303O [F19, 303R][F20 or 303Z14][F20, 303Z14, 303Z41, 303Z45 or 303Z60]] for the forfeiture of recoverable property, and

(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the order under [F21 that section] is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the forfeited property.

[F22(7A) If—

(a) an order is made under section 303Q instead of an order being made under section 303O for the forfeiture of recoverable property, and

(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the order under section 303Q is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the property that was the forfeitable property in relation to the order under section 303Q.]

[F23(7B) If—

(a) an order is made under section 303Z44 instead of an order being made under section 303Z41 for the forfeiture of recoverable property, and

(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the order under section 303Z44 is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the property that was the forfeitable property in relation to the order under section 303Z44.]

(8) If—

(a) in pursuance of a judgment in civil proceedings (whether in the United Kingdom or elsewhere), the claimant has obtained property from the defendant (“the judgment property”),

(b) the claim was based on the defendant’s having obtained the judgment property or related property through unlawful conduct, and

(c) the enforcement authority subsequently seeks a recovery order in respect of property which is related to the judgment property,

the judgment is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the judgment property.

In relation to Scotland, “claimant” and “defendant” are to be read as “pursuer” and “defender”.

(9) If—

(a) property has been taken into account in deciding the amount of a person’s benefit from criminal conduct for the purpose of making a confiscation order, and

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(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the confiscation order is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the property referred to in paragraph (a).

(10) In subsection (9), a confiscation order means—

(a) an order under section 6, 92 or 156, or

(b) an order under a corresponding provision of an enactment mentioned in section 8(7)(a) to (g),

and, in relation to an order mentioned in paragraph (b), the reference to the amount of a person's benefit from criminal conduct is to be read as a reference to the corresponding amount under the enactment in question.

Textual Amendments

- F15** S. 278(6A) inserted (1.6.2015) by [Policing and Crime Act 2009 \(c. 26\)](#), s. 116(1), **Sch. 7 para. 106**; [S.I. 2015/983](#), arts. 2(2)(e), 3(ff)
- F16** Words in s. 278(6A)(a) inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. for specified purposes, 16.4.2018 for E.W.S. in so far as not already in force, 28.6.2021 for N.I. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), s. 58(5)(6), **Sch. 5 para. 30(2)(a)**; [S.I. 2018/78](#), reg. 5(3)(a)(i)(ii); [S.I. 2021/724](#), reg. 4(g)
- F17** Words in s. 278(6A) substituted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. for specified purposes, 16.4.2018 for E.W.S. in so far as not already in force, 28.6.2021 for N.I. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), s. 58(5)(6), **Sch. 5 para. 30(2)(b)**; [S.I. 2018/78](#), reg. 5(3)(a)(i)(ii); [S.I. 2021/724](#), reg. 4(g)
- F18** Words in s. 278(7)(a) inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. for specified purposes, 16.4.2018 for E.W.S. in so far as not already in force, 28.6.2021 for N.I. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), s. 58(5)(6), **Sch. 5 para. 30(3)(a)**; [S.I. 2018/78](#), reg. 5(3)(a)(i)(ii); [S.I. 2021/724](#), reg. 4(g)
- F19** Word in s. 278(7)(a) inserted (31.1.2018) by [The Criminal Finances Act 2017 \(Consequential Amendment\) Regulations 2018 \(S.I. 2018/80\)](#), regs. 1, 2
- F20** Words in s. 278(7)(a) substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), s. 219(1)(2)(b), **Sch. 9 para. 6(2)(a)**
- F21** Words in s. 278(7) substituted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. for specified purposes, 16.4.2018 for E.W.S. in so far as not already in force, 28.6.2021 for N.I. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), s. 58(5)(6), **Sch. 5 para. 30(3)(b)**; [S.I. 2018/78](#), reg. 5(3)(a)(i)(ii); [S.I. 2021/724](#), reg. 4(g)
- F22** S. 278(7A) inserted (27.4.2017 for specified purposes, 31.1.2018 for E.W.S. for specified purposes, 16.4.2018 for E.W.S. in so far as not already in force, 28.6.2021 for N.I. in so far as not already in force) by [Criminal Finances Act 2017 \(c. 22\)](#), s. 58(5)(6), **Sch. 5 para. 30(4)**; [S.I. 2018/78](#), reg. 5(3)(a)(i)(ii); [S.I. 2021/724](#), reg. 4(g)
- F23** S. 278(7B) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), s. 219(1)(2)(b), **Sch. 9 para. 6(2)(b)**

Commencement Information

- I14** S. 278 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, **Sch.** (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

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279 Section 278: supplementary

- (1) Subsections (2) and (3) give examples of the satisfaction of the enforcement authority's right to recover the original property.
- (2) If—
- (a) there is a disposal, other than a part disposal, of the original property, and
 - (b) other property (the representative property) is obtained in its place,
- the enforcement authority's right to recover the original property is satisfied by the making of a recovery order in respect of either the original property or the representative property.
- (3) If—
- (a) there is a part disposal of the original property, and
 - (b) other property (the representative property) is obtained in place of the property disposed of,
- the enforcement authority's right to recover the original property is satisfied by the making of a recovery order in respect of the remainder of the original property together with either the representative property or the property disposed of.
- (4) In this section—
- (a) a part disposal means a disposal to which section 314(1) applies,
 - (b) the original property has the same meaning as in section 278.

Commencement Information

I15 S. 279 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, **Sch.** (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

280 Applying realised proceeds

- (1) [^{F24}Subsection (2) applies to sums which are in the hands of the trustee for civil recovery if they are]—
- (a) sums which represent the realised proceeds of property which was vested in the trustee for civil recovery by a recovery order or which he obtained in pursuance of a recovery order,
 - (b) sums vested in the trustee by a recovery order or obtained by him in pursuance of a recovery order.
- (2) The trustee is to make out of the sums—
- (a) first, any payment required to be made by him by virtue of section 272,
 - [^{F25}(aa) next, any payment of legal expenses which, after giving effect to section 266(8B), are payable under this subsection in pursuance of provision under section 266(8A) contained in the recovery order,]
 - (b) [^{F26}then], any payment of expenses incurred by a person acting as an insolvency practitioner which are payable under this subsection by virtue of section 432(10),
- and any sum which remains is to be paid to the enforcement authority.

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- [^{F27}(3) The [^{F28}enforcement authority (unless it is the Scottish Ministers)] may apply a sum received by [^{F29}it] under subsection (2) in making payment of the remuneration and expenses of—
- (a) the trustee, or
 - (b) any interim receiver appointed in, or in anticipation of, the proceedings for the recovery order.
- (4) Subsection (3)(a) does not apply in relation to the remuneration of the trustee if the trustee is a member of the staff of the [^{F30}enforcement authority concerned [^{F31}(but it does apply in relation to such remuneration if the trustee is a person providing services under arrangements made by that enforcement authority)]]].]

Textual Amendments

- F24** Words in s. 280(1) substituted (E.W.S.) (retrospectively) by [Crime and Courts Act 2013 \(c. 22\)](#), ss. 48(7), 61(11)(d), [Sch. 18 para. 5](#) (with s. 48(8), Sch. 25); this amendment extended to N.I. (20.3.2015) by [The Crime and Courts Act 2013 \(National Crime Agency and Proceeds of Crime\) \(Northern Ireland\) Order 2015 \(S.I. 2015/798\)](#), arts. 1(2), [7\(a\)](#)
- F25** S. 280(2)(aa) inserted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), s. 178(8), [Sch. 6 para. 18\(a\)](#); S.I. 2005/3136, art. 3(c)
- F26** Word in s. 280(2)(b) substituted (1.1.2006) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), s. 178(8), [Sch. 6 para. 18\(b\)](#); S.I. 2005/3136, art. 3(c)
- F27** S. 280(3)(4) inserted (1.7.2005) by [Serious Organised Crime and Police Act 2005 \(c. 15\)](#), ss. [99\(2\)](#), 178(7)(a); S.I. 2005/1521, art. 2(1)(b)
- F28** Words in s. 280(3) substituted (1.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), s. 94(1), [Sch. 8 para. 88\(2\)\(a\)](#); S.I. 2008/755, art. 2(1)(a) (with arts. 3-14)
- F29** Word in s. 280(3) substituted (1.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), s. 94(1), [Sch. 8 para. 88\(2\)\(b\)](#); S.I. 2008/755, art. 2(1)(a) (with arts. 3-14)
- F30** Words in s. 280(4) substituted (1.4.2008) by [Serious Crime Act 2007 \(c. 27\)](#), s. 94(1), [Sch. 8 para. 88\(3\)](#); S.I. 2008/755, art. 2(1)(a) (with arts. 3-14)
- F31** Words in s. 280(4) inserted (1.4.2008) by [Serious Crime Act 2007 \(Amendment of the Proceeds of Crime Act 2002\) Order 2008 \(S.I. 2008/949\)](#), arts. 1, 2

Commencement Information

- I16** S. 280 in force at 24.2.2003 by [S.I. 2003/120](#), art. 2, [Sch.](#) (with arts. 3, 4) (as amended (20.2.2003) by [S.I. 2003/333](#), art. 14)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 13(5)(a)(iia) inserted by [2015 c. 30 Sch. 5 para. 15\(3\)\(d\)](#)
- s. 323(1)(hc) inserted by [2023 c. 20 Sch. para. 45\(2\)](#)
- s. 323(4)(ec) inserted by [2023 c. 20 Sch. para. 45\(3\)](#)
- s. 323(5)(ec) inserted by [2023 c. 20 Sch. para. 45\(4\)](#)