



# Economic Crime and Corporate Transparency Act 2023

## 2023 CHAPTER 56

### PART 5

#### MISCELLANEOUS

#### *Money laundering and terrorist financing*

#### **182 Money laundering: exiting and paying away exemptions**

- (1) The Proceeds of Crime Act 2002 is amended as follows.
- (2) In section 327 (concealing etc), after subsection (2C) insert—

“(2D) A person (“P”) who does an act mentioned in paragraph (c) or (d) of subsection (1) does not commit an offence under that subsection if—

- (a) P is carrying on business in the regulated sector that is not excluded business,
- (b) P does the act, in the course of that business—
  - (i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and
  - (ii) for the purposes of the termination of P’s business relationship with the customer or client,
- (c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and
- (d) before the act is done, P has complied with the customer due diligence duties.

(2E) For the purposes of subsection (2D)—

- (a) business is “excluded” if it is of a description specified in regulations made by the Secretary of State for the purposes of this paragraph;

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*Changes to legislation: There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 182. (See end of Document for details)*

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- (b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;
  - (c) “customer due diligence duties” means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).”
- (3) In section 328 (arrangements), after subsection (5) insert—
- “(6) A person (“P”) who does an act mentioned in subsection (1) does not commit an offence under that subsection if—
- (a) P is carrying on business in the regulated sector that is not excluded business,
  - (b) P does the act, in the course of that business—
    - (i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and
    - (ii) for the purposes of the termination of P’s business relationship with the customer or client,
  - (c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and
  - (d) before the act is done, P has complied with the customer due diligence duties.
- (7) For the purposes of subsection (6)—
- (a) business is “excluded” if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;
  - (b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;
  - (c) “customer due diligence duties” means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).”
- (4) In section 329 (acquisition, use and possession), after subsection (2C) insert—
- “(2D) A person (“P”) who does an act mentioned in subsection (1) does not commit an offence under that subsection if—
- (a) P is carrying on business in the regulated sector that is not excluded business,
  - (b) P does the act, in the course of that business—
    - (i) in transferring or handing over to the customer or client property of, or owing to, a customer or client, and
    - (ii) for the purposes of the termination of P’s business relationship with the customer or client,

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**Changes to legislation:** There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 182. (See end of Document for details)

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- (c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and
    - (d) before the act is done, P has complied with the customer due diligence duties.
  - (2E) For the purposes of subsection (2D)—
    - (a) business is “excluded” if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;
    - (b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;
    - (c) “customer due diligence duties” means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).”
- (5) In section 339A (threshold amounts)—
  - (a) for subsection (1) substitute—
    - “(1) In this section—
      - (a) subsections (2) to (6) apply for the purposes of sections 327(2C), 328(5) and 329(2C), and
      - (b) subsection (6A) applies for the purposes of sections 327(2D), 328(6) and 329(2D).”;
    - (b) after subsection (6) insert—
      - “(6A) The threshold amount for acts done by a person carrying on business in the regulated sector, for the purposes of the termination of a business relationship with a customer or client, is £1000.”;
    - (c) in subsection (7), after “subsection (2)” insert “or (6A)”.
- (6) In section 340 (interpretation of Part 7), after subsection (16) insert—
  - “(17) “Business relationship” means a business, professional or commercial relationship between a person carrying on business in the regulated sector and a customer or client, where the relationship—
    - (a) arises out of the business of that person, and
    - (b) is expected by that person, at the time when contact is established, to have an element of duration.”
- (7) In section 459 (orders and regulations)—
  - (a) in subsection (4), after paragraph (aza) insert—
    - “(azaa) regulations under section 327(2E)(a), 328(7)(a) or 329(2E)(a).”;
  - (b) after subsection (6ZB) insert—
    - “(6ZBA) No regulations may be made by the Secretary of State under section 327(2E)(a), 328(7)(a) or 329(2E)(a) unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House.”

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#### **Commencement Information**

**II** S. 182 in force at Royal Assent, see [s. 219\(2\)\(f\)](#)

**Changes to legislation:**

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