

SCHEDULES

SCHEDULE 7

Consequential Amendments

PART 1

Consequential Amendments to Primary Legislation

Solicitors (Scotland) Act 1980

1. In section 34 of the Solicitors (Scotland) Act 1980 ^{M1}, after subsection (1C), insert—
“(1D) Rules made under this section may make provision as to the way in which solicitors and incorporated practices are to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.”.

Marginal Citations

M1 1980 c.46. Subsection (1A) was inserted by paragraph 12 of Schedule 1 to the [Law Reform \(Miscellaneous Provisions\) \(Scotland\) Act 1985 \(c.73\)](#). Subsections (1B) and (1C) were inserted by [S.S.I. 2004/383](#), and amended by section 31(3)(a) of the [Law Reform \(Miscellaneous Provisions\) \(Scotland\) Act 1990 \(c.40\)](#), and section 124(2) of the [Legal Services \(Scotland\) Act 2010 \(asp 16\)](#).

Northern Ireland Act 1998

2. In Schedule 3 to the Northern Ireland Act 1998 (reserved matters) ^{M2}—
 - (a) in paragraph 25, for “the Money Laundering Regulations 2007”^{M3} substitute “the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017”;
 - (b) omit paragraph 25A.

Marginal Citations

M2 1998 c. 47.
M3 [S.I. 2007/2157](#).

Financial Services and Markets Act 2000

- 3.—(1) FSMA ^{M4} is amended as follows.
 - (2) In section 226 (complaints: the ombudsman scheme etc) after subsection (7) insert—
“(7A) The rules must provide that a person within subsection (7B) is eligible in relation to a complaint to which subsection (7C) applies.

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(7B) A person is within this subsection if he or she has been identified by a respondent, in carrying on an activity to which the rules apply, as—

- (a) a politically exposed person;
- (b) a family member of a politically exposed person; or
- (c) a known close associate of a politically exposed person.

(7C) This subsection applies to a complaint—

- (a) that the complainant has been incorrectly identified as a person within subsection (7B); or
- (b) relating to an act or omission of the respondent in consequence of the identification of the complainant as a person within subsection (7B).

(7D) In subsection (7B), “politically exposed person”, “family member” and “known close associate” have the meanings given in regulation 35(12) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.”.

(3) For the heading of Part 20C (as inserted by the Bank of England and Financial Services Act 2016)^{M5}, substitute “Politically exposed persons: money laundering and terrorist financing”.

(4) In section 333U (guidance relating to money laundering and politically exposed persons)—

- (a) in the heading, after “Money laundering” insert “ and terrorist financing ”; and
- (b) in subsection (3)—
 - (i) for “Secretary of State” substitute “ Treasury ”; and
 - (ii) in paragraph (b), after “by the FCA” insert “ or under the ombudsman scheme ”.

Marginal Citations

M4 2000 c. 8.

M5 Part 20C was inserted by section 30 of the [Bank of England and Financial Service Act 2016 \(c.14\)](#).

Terrorism Act 2000

4.—(1) The Terrorism Act 2000^{M6} is amended as follows.

(2) In section 21G (other permitted disclosures etc), in subsection (1)(a), for “the Money Laundering Regulations 2007 (S.I. 2007/2157)” substitute “ the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”.

(3) In section 21H(4), for the words from “Directive [2005/60/EC](#)” to “2005” substitute “ Directive 2015/849/EU of the European Parliament and of the Council of 20th May 2015^{M7} ”.

(4) Part 1 of Schedule 3A^{M8} (business in the regulated sector) is amended in accordance with sub-paragraphs (5) to (10).

(5) In paragraph 1(1)—

(a) in paragraph (b)^{M9}—

- (i) at the end of sub-paragraph (i), omit “or”;
- (ii) after sub-paragraph (i), insert—

“(ia) an undertaking whose only listed activity is as a creditor under an agreement which—

- (aa) falls within section 12(a) of the Consumer Credit Act 1974^{M10} (debtor-creditor-supplier agreements);

- (bb) provides fixed sum credit (within the meaning given in section 10(1)(b) of the Consumer Credit Act 1974 (running-account credit and fixed-sum credit)) in relation to the provision of services; and
 - (cc) provides financial accommodation by way of deferred payment or payment by instalments over a period not exceeding 12 months; or”;
- (b) after paragraph (j) ^{M11}, insert—
- “(ja) the carrying on of local audit work within the meaning of Schedule 5 to the Local Audit and Accountability Act 2014 (eligibility and regulation of local auditors) by any firm or individual who is a local auditor within the meaning of section 4(1) of that Act (general requirements for audit);”;
- (c) in paragraph (q)—
- (i) after “involves the” insert “ making or ”;
 - (ii) for “15,000” substitute “ 10,000 ”.
- (6) In paragraph 1(5)(b), omit “contained in international standards and are”.
- (7) In paragraph 1(6) ^{M12}, at the end of paragraph (c) for “or” substitute “ and ”.
- (8) In paragraph 2(1)—
- (a) in paragraph (c) for “25” substitute “ 26 ”;
 - (b) in paragraph (d), at the end, omit “or”;
 - (c) at the end, insert—
- “(g) the carrying on by a local authority (within the meaning given in article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001) ^{M13} of an activity which would be a regulated activity for the purposes of the Financial Services and Markets Act 2000 but for article 72G of that Order; or
 - (h) the preparation of a home report, which for these purposes means the documents prescribed for the purposes of sections 98, 99(1) or 101(2) of the Housing (Scotland) Act 2006 ^{M14}.”.
- (9) In paragraph 2(3)—
- (a) in paragraph (a), for “£64,000” substitute “£100,000”;
 - (b) in paragraph (f), after “(r)” insert “ to (t) ”.
- (10) In paragraph 3—
- (a) in sub-paragraph (1), at the appropriate place insert—
- ““the Capital Requirements Directive” means Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ^{M15}.”;
- (b) in sub-paragraph (3)—
- (i) after “Capital Requirements Regulation” insert “ , the Capital Requirements Directive ”;
 - (ii) after “Part as” insert “ in that Regulation or ”.
- (11) In Part 2 of Schedule 3A ^{M16} (supervisory authorities), in paragraph 4—
- (a) in sub-paragraph (1), omit paragraphs (b), (ea) and (f) (but not the “and” after paragraph (f));

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- (b) in sub-paragraph (2)—
 - (i) after paragraph (d), insert—
 - “(da) the Chartered Institute of Legal Executives;”;
 - (ii) omit paragraph (f).

Marginal Citations

- M6** 2000 c. 11.
- M7** OJ No L 141, 05.06.15, p. 73.
- M8** 2000 c.11. Part 1 of Schedule 3A was substituted by [S.I. 2007/3288](#). Paragraph 1 of that Schedule was amended by [S.I. 2011/99](#), [2013/3115](#) and [2015/575](#). Paragraph 3 of that Schedule was amended by [S.I. 2011/2701](#), [2013/3115](#) and [2015/575](#).
- M9** Paragraph (b) was amended by [S.I. 2011/99](#) and [2013/3115](#).
- M10** 1974 c.39.
- M11** Paragraph (j) was amended by [S.I. 2008/948](#).
- M12** Paragraph 1(6) was substituted by [S.I. 2016/680](#).
- M13** [S.I. 2001/544](#). Article 72G was inserted by [S.I. 2014/366](#).
- M14** 2006 asp 1.
- M15** OJ L 176, 27.6.2013, p.338.
- M16** 2000 c.11. Part 2 of Schedule 3A was substituted by [S.I. 2007/3288](#). Paragraph 4 was amended by paragraph 87(1), (2)(a) and (b) of Schedule 18 to the [Financial Services Act 2012 \(c.21\)](#), and by [S.I. 2014/892](#).

Criminal Justice and Police Act 2001

- 5. In the Criminal Justice and Police Act 2001 ^{M17}—
 - (a) in section 68(2) (application to Scotland)—
 - (i) in paragraph (g), for “regulation 39(6) of the Money Laundering Regulations 2007”^{M18} substitute “regulation 70(7) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017”;
 - (ii) omit paragraph (h);
 - (b) in Part 1 of Schedule 1 (powers of seizure to which section 50 of the 2001 Act applies)—
 - (i) in the heading above paragraph 73J, for “The Money Laundering Regulations 2007” substitute “ The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”;
 - (ii) in paragraph 73J, for “regulation 39(6) of the Money Laundering Regulations 2007” substitute “ regulation 70(7) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”;
 - (iii) omit paragraph 73K and the heading above it.

Marginal Citations

- M17** 2001 c. 16.
- M18** [S.I. 2007/2157](#).

Proceeds of Crime Act 2002

- 6.—(1) The Proceeds of Crime Act 2002 ^{M19} is amended as follows.

(2) In section 333D (other permitted disclosures etc), in subsection (1)(a) for “the Money Laundering Regulations 2007 (S.I. 2007/2157)” substitute “ the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”.

(3) In section 333E (interpretation), in subsection (4), for the words from “Directive [2005/60/EC](#)”^{M20} to “2005” substitute “Directive 2015/849/EU of the European Parliament and of the Council of 20th May 2015 ^{M21}”.

(4) In Part 1 of Schedule 9 ^{M22} (business in the regulated sector), in paragraph 1(1)—

(a) in paragraph (b) ^{M23}—

(i) for “Capital Requirements Regulation”, in both places, substitute “ Capital Requirements Directive ”;

(ii) at the end of sub-paragraph (i), omit “or”;

(iii) after sub-paragraph (i), insert—

“(ia) an undertaking whose only listed activity is as a creditor under an agreement which—

(aa) falls within section 12(a) of the Consumer Credit Act 1974 ^{M24} (debtor-creditor-supplier agreements);

(bb) provides fixed sum credit (within the meaning given in section 10(1)(b) of the Consumer Credit Act 1974 (running-account credit and fixed-sum credit)) in relation to the provision of services; and

(cc) provides financial accommodation by way of deferred payment or payment by instalments over a period not exceeding 12 months; or”;

(b) after paragraph (j), insert—

“(ja) the carrying on of local audit work within the meaning of Schedule 5 to the Local Audit and Accountability Act 2014 ^{M25} (eligibility and regulation of local auditors) by any firm or individual who is a local auditor within the meaning of section 4(1) of that Act (general requirements for audit);”;

(c) in paragraph (q)—

(i) after “involves the” insert “ making or ”;

(ii) for “15,000” substitute “ 10,000 ”.

(5) In paragraph 1(5)(b), omit “contained in international standards and are”.

(6) In paragraph 1(6) ^{M26}, at the end of paragraph (c) for “or” substitute “ and ”.

(7) In paragraph 2—

(a) in sub-paragraph (1)(c) for “25” substitute “ 26 ”;

(b) in sub-paragraph (1)(d), at the end, omit “or”;

(c) at the end, insert—

“(g) the carrying on by a local authority (within the meaning given in article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ^{M27}) of an activity which would be a regulated activity for the purposes of the Financial Services and Markets Act 2000 but for article 72G of that Order ^{M28}; or

(h) the preparation of a home report, which for these purposes means the documents prescribed for the purposes of sections 98, 99(1) or 101(2) of the Housing (Scotland) Act 2006 ^{M29}.”;

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- (d) in sub-paragraph (3)—
 - (i) in paragraph (a), for “£64,000” substitute “£100,000;
 - (ii) in paragraph (f), after “(r)” insert “ to (t) ”.
- (8) In paragraph 3—
 - (a) in sub-paragraph (1)—
 - (i) at the appropriate place insert—
 - ““the Capital Requirements Directive” means Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ^{M30.}”;
 - (ii) at the end of the definition of “the Capital Requirements Regulation insert “ of 26th June 2013 on prudential requirements for credit institutions and investment firms ”; and
 - (b) in sub-paragraph (3)—
 - (i) for “the Banking Consolidation Directive” substitute “ the Capital Requirements Regulation, the Capital Requirements Directive ”;
 - (ii) after “Part as”, insert “ in that Regulation or ”.
- (9) In Part 2 of Schedule 9 (supervisory authorities), in paragraph 4—
 - (a) in sub-paragraph (1), omit paragraphs (b), (ea) and (f) (but not the “and” after paragraph (f));
 - (b) in sub-paragraph (2)—
 - (i) after paragraph (d), insert—
 - “(da) the Chartered Institute of Legal Executives;”;
 - (ii) omit paragraph (f).

Marginal Citations

- M19** 2002 c. 29.
- M20** OJ L 309, 25.11. 05, p.15.
- M21** OJ L 141, 05.06.15, p.73.
- M22** 2002 c.29. Part 1 of Schedule 9 was substituted by [S.I. 2007/3287](#). Paragraph 1 of that Schedule was amended by [S.I. 2011/99](#), [2013/3115](#) and [2015/575](#). Paragraph 3 of that Schedule was amended by [S.I. 2011/2701](#), [2013/3115](#) and [2015/575](#).
- M23** Paragraph (b) was amended by [S.I. 2011/99](#) and [2013/3115](#).
- M24** 1974 c.39.
- M25** 2014 c.2.
- M26** Paragraph 1(6) was amended by [S.I. 2016/680](#).
- M27** [S.I. 2001/544](#). Article 3(1) was amended, but the amendments are not relevant to these Regulations.
- M28** Article 72G was inserted by [S.I. 2014/366](#), and amended by [S.I. 2015/910](#) and [2016/392](#).
- M29** 2006 asp.1.
- M30** OJ L 176, 27.6.2013, p.338.

Counter-Terrorism Act 2008

7. In Schedule 7 to the Counter-Terrorism Act 2008 ^{M31} (terrorist financing and money laundering), for paragraph 45(3), substitute—

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“(3) Unless otherwise defined, expressions used in this Schedule and in Directive 2015/849/EU of the European Parliament and of the Council of 20th May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing have the same meaning as in that Directive.”.

Marginal Citations

M31 2008 c.28.

Borders, Citizenship and Immigration Act 2009

8. In section 1 (general customs functions of the Secretary of State) of the Borders, Citizenship and Immigration Act 2009 ^{M32}, in subsection (2)—

- (a) in paragraph (d), for “Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing”^{M33} substitute “Directive 2015/849/EU of the European Parliament and of the Council of 20th May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing ^{M34}”;
- (b) in paragraph (e), for “Regulation (EC) No 1781/2006 on information on the payer accompanying transfers of funds”^{M35} substitute “Regulation (EU) 2015/847 of the European Parliament and of the Council of 20th May 2015 on information accompanying transfers of funds”.

Marginal Citations

M32 2009 c. 11.

M33 OJ L 309, 25.11. 05, p.15.

M34 OJ L 141, 05.06.15, p.73.

M35 OJ L 345, 8.12. 06, p.1.

Crime and Courts Act 2013

9. In Schedule 17 (offences in relation to which a deferred prosecution arrangement may be entered into) to the Crime and Courts Act 2013 ^{M36}, in paragraph 27, for “regulation 45 of the Money Laundering Regulations 2007 (S.I. 2007/2157)” substitute “ regulation 86 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”.

Marginal Citations

M36 2013 c. 22.

Finance Act 2014

10. In Schedule 34 to the Finance Act 2014 ^{M37}, in paragraph 6(4)(j) (criminal offences) for “regulation 45(1) of the Money Laundering Regulations 2007 (S.I. 2007/2157)” substitute “ regulation 86(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ”.

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Marginal Citations

M37 2014 c. 26.

Bank of England and Financial Services Act 2016

11. In the Bank of England and Financial Services Act 2016—

- (a) in the italic heading above section 30, after “Money laundering” insert “ and terrorist financing ”;
- (b) in section 30 (politically exposed persons: money laundering)^{M38}—
 - (i) in the heading, after “Money laundering” insert “ and terrorist financing ”; and
 - (ii) in subsection (1) for “Secretary of State” substitute “ Treasury ”.

Marginal Citations

M38 2016 c. 14.

Changes to legislation:

There are currently no known outstanding effects for the The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, PART 1.