
STATUTORY INSTRUMENTS

2017 No. 692

**The Money Laundering, Terrorist Financing and Transfer
of Funds (Information on the Payer) Regulations 2017**

PART 2

Money Laundering and Terrorist Financing

CHAPTER 2

Risk assessment and controls

[^{F1}Risk assessment by the Treasury

16A.—(1) The Treasury must make arrangements for a risk assessment to be undertaken to identify, assess, understand and mitigate the risks of proliferation financing affecting the United Kingdom (“the proliferation financing risk assessment”).

(2) The proliferation financing risk assessment must, among other things—

- (a) identify, where appropriate, the sectors or areas of lower and greater risk of proliferation financing;
- (b) provide the information and analysis necessary to enable it to be used for the purposes set out in paragraph (3).

(3) The Treasury must ensure that the proliferation financing risk assessment is used to—

- (a) consider the appropriate allocation and prioritisation of resources to counter proliferation financing;
- (b) consider whether the exclusions provided for in regulation 15 (exclusions) are being abused.

(4) The Treasury must prepare a report setting out, as appropriate, the findings of the proliferation financing risk assessment as soon as reasonably practicable after the proliferation financing risk assessment is completed.

(5) A copy of that report must be laid before Parliament and sent to the supervisory authorities.

(6) The Treasury must take appropriate steps to ensure that the proliferation financing risk assessment is kept up-to-date.

(7) The proliferation financing risk assessment may be included in the risk assessment made under regulation 16 (risk assessment by the Treasury and Home Office).

(8) The report referred to in paragraph (4) may be included within the joint report of the Treasury and Home Office referred to in regulation 16(6).

(9) In this regulation, “proliferation financing” means the act of providing funds or financial services for use, in whole or in part, in the manufacture, acquisition, development, export, trans-shipment, brokering, transport, transfer, stockpiling of, or otherwise in connection with the possession or use of, chemical, biological, radiological or nuclear weapons, including the provision

of funds or financial services in connection with the means of delivery of such weapons and other CBRN-related goods and technology, in contravention of a relevant financial sanctions obligation.

(10) In this regulation—

“biological weapon” means a biological agent or toxin (within the meaning of section 1(1) (a) of the Biological Weapons Act 1974^{F2}) in a form capable of use for hostile purposes or anything to which section 1(1)(b) of that Act applies;

“chemical weapon” has the meaning given by section 1 of the Chemical Weapons Act 1996^{F3};

“CBRN-related goods and technology” means technology (including dual-use technology) and dual-use goods used for non-legitimate purposes in connection with the matters referred to in paragraph (9);

“dual-use goods” means (a) any thing for the time being specified in Annex I of the Dual-Use Regulation, other than any thing which is dual-use technology, and (b) any tangible storage medium on which dual use technology is recorded or from which it can be derived;

“Dual-Use Regulation” means Council Regulation (EC) No 428/2009 of 5 May 2009^{F4} setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items;

“dual-use technology” means any thing for the time being specified in Annex I of the Dual-Use Regulation which is described as software or technology;

“nuclear weapon” includes a nuclear explosive device that is not intended for use as a weapon;

“radiological weapon” means a device designed to cause destruction, damage or injury by means of the radiation produced by the decay of radioactive material;

“relevant financial sanctions obligation” means a prohibition or requirement in regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018^{F5} and imposed for one or more of the purposes in section 3(1) or (2) of that Act so far as it relates to compliance with a relevant UN obligation;

“relevant UN obligation” means an obligation that the UK has by virtue of a resolution adopted by the Security Council of the United Nations which relates to the prevention, suppression and disruption of the proliferation of weapons of mass destruction and the financing of such;

“technology” has the meaning given by paragraph 37 of Schedule 1 to the Sanctions and Anti-Money Laundering Act 2018.]

Textual Amendments

- F1** Reg. 16A inserted (1.9.2022) by [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/860\)](#), regs. 1(5), **6(2)**
- F2** 1974 c. 6; section 1 was amended by section 43 of the [Anti-terrorism, Crime and Security Act 2001 \(c. 24\)](#).
- F3** 1996 c. 6.
- F4** EUR 2009/428. Annexes I and IV were amended by [S.I. 2019/771](#) and [2022/410](#).
- F5** 2018 c. 13.

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, Section 16A.