

---

STATUTORY INSTRUMENTS

---

**2023 No. 1371**

**The Money Laundering and Terrorist  
Financing (Amendment) Regulations 2023**

**Enhanced customer due diligence: politically exposed persons**

**2.** In regulation 35 (enhanced customer due diligence: politically exposed persons) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017<sup>(1)</sup>—

(a) after paragraph (3) insert—

“(3A) For the purpose of the relevant person’s assessment under paragraph (3), where a customer or potential customer is a domestic PEP, or a family member or a known close associate of a domestic PEP—

- (a) the starting point for the assessment is that the customer or potential customer presents a lower level of risk than a non-domestic PEP, and
- (b) if no enhanced risk factors are present, the extent of enhanced customer due diligence measures to be applied in relation to that customer or potential customer is less than the extent to be applied in the case of a non-domestic PEP.”;

(b) after paragraph (12)(c) insert—

- “(d) “domestic PEP” means a politically exposed person entrusted with prominent public functions by the United Kingdom;
- (e) “non-domestic PEP” means a politically exposed person who is not a domestic PEP;
- (f) “enhanced risk factors”, in relation to a customer or potential customer who is a domestic PEP or a family member or a known close associate of that domestic PEP, mean risk factors other than the customer’s or potential customer’s position as a domestic PEP or as a family member or a known close associate of that domestic PEP.”;

(c) in paragraph (14), for “(12)(a)” substitute “(12)”.

---

<sup>(1)</sup> [S.I. 2017/692](#). There are various amending instruments but none are relevant to regulation 35.