
STATUTORY INSTRUMENTS

2007 No. 2157

The Money Laundering Regulations 2007

PART 4

SUPERVISION AND REGISTRATION

Registration of high value dealers, money service businesses and trust or company service providers

Duty to maintain registers

- 25.**—(1) The Commissioners must maintain registers of—
- (a) high value dealers;
 - (b) money service businesses for which they are the supervisory authority; and
 - (c) trust or company service providers for which they are the supervisory authority.
- (2) The Commissioners may keep the registers in any form they think fit.
- (3) The Commissioners may publish or make available for public inspection all or part of a register maintained under this regulation.

Requirement to be registered

- 26.**—(1) A person in respect of whom the Commissioners are required to maintain a register under regulation 25 must not act as a—
- (a) high value dealer;
 - (b) money service business; or
 - (c) trust or company service provider,
- unless he is included in the register.
- (2) Paragraph (1) and regulation 29 are subject to the transitional provisions set out in regulation 50.

Applications for registration in a register maintained under regulation 25

- 27.**—(1) An applicant for registration in a register maintained under regulation 25 must make an application in such manner and provide such information as the Commissioners may specify.
- (2) The information which the Commissioners may specify includes—
- (a) the applicant's name and (if different) the name of the business;
 - (b) the nature of the business;
 - (c) the name of the nominated officer (if any);
 - (d) in relation to a money service business or trust or company service provider—

- (i) the name of any person who effectively directs or will direct the business and any beneficial owner of the business; and
- (ii) information needed by the Commissioners to decide whether they must refuse the application pursuant to regulation 28.

(3) At any time after receiving an application and before determining it, the Commissioners may require the applicant to provide, within 21 days beginning with the date of being requested to do so, such further information as they reasonably consider necessary to enable them to determine the application.

(4) If at any time after the applicant has provided the Commissioners with any information under paragraph (1) or (3)—

- (a) there is a material change affecting any matter contained in that information; or
- (b) it becomes apparent to that person that the information contains a significant inaccuracy,

he must provide the Commissioners with details of the change or, as the case may be, a correction of the inaccuracy within 30 days beginning with the date of the occurrence of the change (or the discovery of the inaccuracy) or within such later time as may be agreed with the Commissioners.

(5) The obligation in paragraph (4) applies also to material changes or significant inaccuracies affecting any matter contained in any supplementary information provided pursuant to that paragraph.

(6) Any information to be provided to the Commissioners under this regulation must be in such form or verified in such manner as they may specify.

Fit and proper test

28.—(1) The Commissioners must refuse to register an applicant as a money service business or trust or company service provider if they are satisfied that—

- (a) the applicant;
- (b) a person who effectively directs, or will effectively direct, the business or service provider;
- (c) a beneficial owner of the business or service provider; or
- (d) the nominated officer of the business or service provider,

is not a fit and proper person.

(2) For the purposes of paragraph (1), a person is not a fit and proper person if he—

- (a) has been convicted of—
 - (i) an offence under the Terrorism Act 2000⁽¹⁾;
 - (ii) an offence under paragraph 7(2) or (3) of Schedule 3 to the Anti-Terrorism, Crime and Security Act 2001⁽²⁾ (offences);
 - (iii) an offence under the Terrorism Act 2006⁽³⁾;
 - (iv) an offence under Part 7 (money laundering) of, or listed in Schedule 2 (lifestyle offences: England and Wales), 4 (lifestyle offences: Scotland) or 5 (lifestyle offences: Northern Ireland) to, the Proceeds of Crime Act 2002⁽⁴⁾;
 - (v) an offence under the Fraud Act 2006⁽⁵⁾ or, in Scotland, the common law offence of fraud;

(1) 2000 c. 11.
 (2) 2001 c. 24.
 (3) 2006 c. 11.
 (4) 2002 c. 29.
 (5) 2006 c. 35.

- (vi) an offence under section 72(1), (3) or (8) of the Value Added Tax Act 1994⁽⁶⁾ (offences); or
 - (vii) the common law offence of cheating the public revenue;
 - (b) has been adjudged bankrupt or sequestration of his estate has been awarded and (in either case) he has not been discharged;
 - (c) is subject to a disqualification order under the Company Directors Disqualification Act 1986⁽⁷⁾;
 - (d) is or has been subject to a confiscation order under the Proceeds of Crime Act 2002;
 - (e) has consistently failed to comply with the requirements of these Regulations, the Money Laundering Regulations 2003⁽⁸⁾ or the Money Laundering Regulations 2001⁽⁹⁾;
 - (f) has consistently failed to comply with the requirements of regulation 2006/1781/EC of the European Parliament and of the Council of 15th November 2006 on information on the payer accompanying the transfer of funds⁽¹⁰⁾;
 - (g) has effectively directed a business which falls within sub-paragraph (e) or (f);
 - (h) is otherwise not a fit and proper person with regard to the risk of money laundering or terrorist financing.
- (3) For the purposes of this regulation, a conviction for an offence listed in paragraph (2)(a) is to be disregarded if it is spent for the purposes of the Rehabilitation of Offenders Act 1974⁽¹¹⁾.

Determination of applications under regulation 27

29.—(1) Subject to regulation 28, the Commissioners may refuse to register an applicant for registration in a register maintained under regulation 25 only if—

- (a) any requirement of, or imposed under, regulation 27 has not been complied with;
- (b) it appears to the Commissioners that any information provided pursuant to regulation 27 is false or misleading in a material particular; or
- (c) the applicant has failed to pay a charge imposed by them under regulation 35(1).

(2) The Commissioners must within 45 days beginning either with the date on which they receive the application or, where applicable, with the date on which they receive any further information required under regulation 27(3), give the applicant notice of—

- (a) their decision to register the applicant; or
- (b) the following matters—
 - (i) their decision not to register the applicant;
 - (ii) the reasons for their decision;
 - (iii) the right to require a review under regulation 43; and
 - (iv) the right to appeal under regulation 44(1)(a).

(3) The Commissioners must, as soon as practicable after deciding to register a person, include him in the relevant register.

⁽⁶⁾ 1994 c. 23.

⁽⁷⁾ 1986 c. 46.

⁽⁸⁾ S.I. 2003/3075.

⁽⁹⁾ S.I. 2001/3641.

⁽¹⁰⁾ OJ No L 345, 8.12.2006, p.1.

⁽¹¹⁾ 1974 c. 53.

Cancellation of registration in a register maintained under regulation 25

30.—(1) The Commissioners must cancel the registration of a money service business or trust or company service provider in a register maintained under regulation 25(1) if, at any time after registration, they are satisfied that he or any person mentioned in regulation 28(1)(b), (c) or (d) is not a fit and proper person within the meaning of regulation 28(2).

(2) The Commissioners may cancel a person's registration in a register maintained by them under regulation 25 if, at any time after registration, it appears to them that they would have had grounds to refuse registration under regulation 29(1).

(3) Where the Commissioners decide to cancel a person's registration they must give him notice of—

- (a) their decision and, subject to paragraph (4), the date from which the cancellation takes effect;
 - (b) the reasons for their decision;
 - (c) the right to require a review under regulation 43; and
 - (d) the right to appeal under regulation 44(1)(a).
- (4) If the Commissioners—
- (a) consider that the interests of the public require the cancellation of a person's registration to have immediate effect; and
 - (b) include a statement to that effect and the reasons for it in the notice given under paragraph (3),

the cancellation takes effect when the notice is given to the person.