
STATUTORY INSTRUMENTS

2007 No. 2157

The Money Laundering Regulations 2007

PART 1

GENERAL

Application of the Regulations

3.—(1) Subject to regulation 4, these Regulations apply to the following persons acting in the course of business carried on by them in the United Kingdom (“relevant persons”)—

- (a) credit institutions;
- (b) financial institutions;
- (c) auditors, insolvency practitioners, external accountants and tax advisers;
- (d) independent legal professionals;
- (e) trust or company service providers;
- (f) estate agents;
- (g) high value dealers;
- (h) casinos.

(2) “Credit institution” means—

- (a) a credit institution as defined in Article 4(1)(a) of the banking consolidation directive; or
- (b) a branch (within the meaning of Article 4(3) of that directive) located in an EEA state of an institution falling within sub-paragraph (a) (or an equivalent institution whose head office is located in a non-EEA state) wherever its head office is located,

when it accepts deposits or other repayable funds from the public or grants credits for its own account (within the meaning of the banking consolidation directive).

(3) “Financial institution” means—

- (a) an undertaking, including a money service business, when it carries out one or more of the activities listed in points 2 to 12 and 14 of Annex 1 to the banking consolidation directive (the relevant text of which is set out in Schedule 1 to these Regulations), other than—
 - (i) a credit institution;
 - (ii) an undertaking whose only listed activity is trading for own account in one or more of the products listed in point 7 of Annex 1 to the banking consolidation directive where the undertaking does not have a customer,

and, for this purpose, “customer” means a third party which is not a member of the same group as the undertaking;

- (b) an insurance company duly authorised in accordance with the life assurance consolidation directive, when it carries out activities covered by that directive;

- (c) a person whose regular occupation or business is the provision to other persons of an investment service or the performance of an investment activity on a professional basis, when providing or performing investment services or activities (within the meaning of the markets in financial instruments directive⁽¹⁾), other than a person falling within Article 2 of that directive;
 - (d) a collective investment undertaking, when marketing or otherwise offering its units or shares;
 - (e) an insurance intermediary as defined in Article 2(5) of Directive 2002/92/EC of the European Parliament and of the Council of 9th December 2002⁽²⁾ on insurance mediation, with the exception of a tied insurance intermediary as mentioned in Article 2(7) of that Directive, when it acts in respect of contracts of long-term insurance within the meaning given by article 3(1) of, and Part II of Schedule 1 to, the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001⁽³⁾;
 - (f) a branch located in an EEA state of a person referred to in sub-paragraphs (a) to (e) (or an equivalent person whose head office is located in a non-EEA state), wherever its head office is located, when carrying out any activity mentioned in sub-paragraphs (a) to (e);
 - (g) the National Savings Bank;
 - (h) the Director of Savings, when money is raised under the auspices of the Director under the National Loans Act 1968⁽⁴⁾.
- (4) “Auditor” means any firm or individual who is a statutory auditor within the meaning of Part 42 of the Companies Act 2006⁽⁵⁾ (statutory auditors), when carrying out statutory audit work within the meaning of section 1210 of that Act.
- (5) Before the entry into force of Part 42 of the Companies Act 2006 the reference in paragraph (4) to—
- (a) a person who is a statutory auditor shall be treated as a reference to a person who is eligible for appointment as a company auditor under section 25 of the Companies Act 1989⁽⁶⁾ (eligibility for appointment) or article 28 of the Companies (Northern Ireland) Order 1990⁽⁷⁾; and
 - (b) the carrying out of statutory audit work shall be treated as a reference to the provision of audit services.
- (6) “Insolvency practitioner” means any person who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986⁽⁸⁾ (meaning of “act as insolvency practitioner”) or article 3 of the Insolvency (Northern Ireland) Order 1989⁽⁹⁾.
- (7) “External accountant” means a firm or sole practitioner who by way of business provides accountancy services to other persons, when providing such services.
- (8) “Tax adviser” means a firm or sole practitioner who by way of business provides advice about the tax affairs of other persons, when providing such services.

(1) See Article 4(1) of the directive.

(2) OJ No L 9, 15.1.2003, p. 3.

(3) S.I. 2001/544. There are amendments to this Order not relevant to these Regulations.

(4) 1968 c. 13.

(5) 2006 c. 46.

(6) 1989 c. 40.

(7) 1990 No.593 (N.I. 5).

(8) 1986 c. 45; s388 was amended by section 4 of the Insolvency Act 2000 (c.45), section 11 of the Bankruptcy (Scotland) Act 1993 (c.6), and S.I. 1994/2421, 2002/1240 and 2002/2708.

(9) 1989 No. 2405 (NI 19); article 3 was amended by the Insolvency (Northern Ireland) Order 2002 No. 3152 (N.I. 6) and S.R. 1995/225, 2002/334, 2003/550, 2004/307.

(9) “Independent legal professional” means a firm or sole practitioner who by way of business provides legal or notarial services to other persons, when participating in financial or real property transactions concerning—

- (a) the buying and selling of real property or business entities;
- (b) the managing of client money, securities or other assets;
- (c) the opening or management of bank, savings or securities accounts;
- (d) the organisation of contributions necessary for the creation, operation or management of companies; or
- (e) the creation, operation or management of trusts, companies or similar structures,

and, for this purpose, a person participates in a transaction by assisting in the planning or execution of the transaction or otherwise acting for or on behalf of a client in the transaction.

(10) “Trust or company service provider” means a firm or sole practitioner who by way of business provides any of the following services to other persons—

- (a) forming companies or other legal persons;
- (b) acting, or arranging for another person to act—
 - (i) as a director or secretary of a company;
 - (ii) as a partner of a partnership; or
 - (iii) in a similar position in relation to other legal persons;
- (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;
- (d) acting, or arranging for another person to act, as—
 - (i) a trustee of an express trust or similar legal arrangement; or
 - (ii) a nominee shareholder for a person other than a company whose securities are listed on a regulated market,

when providing such services.

(11) “Estate agent” means—

- (a) a firm; or
- (b) sole practitioner,

who, or whose employees, carry out estate agency work (within the meaning given by section 1 of the Estate Agents Act 1979⁽¹⁰⁾ (estate agency work)), when in the course of carrying out such work.

(12) “High value dealer” means a firm or sole trader who by way of business trades in goods (including an auctioneer dealing in goods), when he receives, in respect of any transaction, a payment or payments in cash of at least 15,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(13) “Casino” means the holder of a casino operating licence and, for this purpose, a “casino operating licence” has the meaning given by section 65(2) of the Gambling Act 2005⁽¹¹⁾ (nature of licence).

(14) In the application of this regulation to Scotland, for “real property” in paragraph (9) substitute “heritable property”.

⁽¹⁰⁾ 1979 c. 38. Section 1 was amended by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c.73), section.56, Schedule 1, Part I, paragraph 40, the Planning (Consequential Provisions) Act 1990 (c.11), section 4, Schedule 2, paragraph 42, the Planning (Consequential Provisions) (Scotland) Act 1997 (c.11), sections 4 and 6(2), Schedule 2, paragraph 28 and by S.I. 2001/1283.

⁽¹¹⁾ See also section 7 on the meaning of “casino” and Part 5 of the Act generally on operating licences

Status: *This is the original version (as it was originally made).*
