



Sanctions and Anti-Money Laundering Act 2018

2018 CHAPTER 13

PART 3

GENERAL

Definitions

60 Meaning of “funds”, “economic resources” and “freeze”

- (1) In this Act “funds” means financial assets and benefits of every kind, including (but not limited to)—
- (a) cash, cheques, claims on money, drafts, money orders and other payment instruments;
 - (b) deposits, balances on accounts, debts and debt obligations;
 - (c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;
 - (d) interest, dividends and other income on or value accruing from or generated by assets;
 - (e) credit, rights of set-off, guarantees, performance bonds and other financial commitments;
 - (f) letters of credit, bills of lading and bills of sale;
 - (g) documents providing evidence of an interest in funds or financial resources;
 - (h) any other instrument of export financing.
- (2) In this Act “economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but can be used to obtain funds, goods or services.

Status: Point in time view as at 31/12/2020.

Changes to legislation: There are currently no known outstanding effects for the Sanctions and Anti-Money Laundering Act 2018, Cross Heading: Definitions. (See end of Document for details)

- (3) In this Act references to “freezing” funds are to preventing funds from being dealt with; and for the purposes of this subsection funds are “dealt with” if—
- (a) they are used, altered, moved, or transferred or access is allowed to them,
 - (b) they are dealt with in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
 - (c) any other change is made that would enable their use, including portfolio management.
- (4) In this Act references to “freezing” economic resources are to preventing economic resources from being dealt with; and for the purposes of this subsection economic resources are “dealt with” if—
- (a) they are exchanged for funds, goods or services, or
 - (b) they are used in exchange for funds, goods or services (whether by being pledged as security or otherwise).

61 Meaning of “financial services” and “financial products”

- (1) In this Act “financial services” means any service of a financial nature, including (but not limited to)—
- (a) insurance-related services consisting of—
 - (i) direct life assurance;
 - (ii) direct insurance other than life assurance;
 - (iii) reinsurance and retrocession;
 - (iv) insurance intermediation, such as brokerage and agency;
 - (v) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;
 - (b) banking and other financial services consisting of—
 - (i) accepting deposits and other repayable funds;
 - (ii) lending (including consumer credit, mortgage credit, factoring and financing of commercial transactions);
 - (iii) financial leasing;
 - (iv) payment and money transmission services (including credit, charge and debit cards, travellers' cheques and bankers' drafts);
 - (v) providing guarantees or commitments;
 - (vi) financial trading (as defined in subsection (2));
 - (vii) participating in issues of any kind of securities (including underwriting and placement as an agent, whether publicly or privately) and providing services related to such issues;
 - (viii) money brokering;
 - (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
 - (x) settlement and clearing services for financial assets (including securities, derivative products and other negotiable instruments);
 - (xi) providing or transferring financial information, and financial data processing or related software (but only by suppliers of other financial services);

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- (xii) providing advisory and other auxiliary financial services in respect of any activity listed in sub-paragraphs (i) to (xi) (including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy).
- (2) In subsection (1)(b)(vi), “financial trading” means trading for own account or for account of customers, whether on an investment exchange, in an over-the-counter market or otherwise, in financial products.
- (3) In this Act “financial products” means—
- (a) money market instruments (including cheques, bills and certificates of deposit);
 - (b) foreign exchange;
 - (c) derivative products (including futures and options);
 - (d) exchange rate and interest rate instruments (including products such as swaps and forward rate agreements);
 - (e) transferable securities;
 - (f) other negotiable instruments and financial assets (including bullion).

62 Interpretation

- (1) In this Act—
- “appropriate Minister” is to be read in accordance with section 1(9);
 - “country” includes any territory, region or other place;
 - “designation power” has the meaning given by section 10(1);
 - “economic resources” has the meaning given by section 60(2);
 - “financial products” has the meaning given by section 61(3);
 - “financial services” has the meaning given by section 61(1);
 - “freeze”, in relation to funds or economic resources, has the meaning given by section 60(3) and (4);
 - “funds” has the meaning given by section 60(1);
 - “international obligation” has the meaning given by section 1(8);
 - “person” has the meaning given by section 9(5);
 - “prescribed”, in any provision relating to regulations, means prescribed by the regulations;
 - “retained direct EU legislation” has the same meaning as in the European Union (Withdrawal) Act 2018;
 - “retained EU law” has the same meaning as in that Act;
 - “the Security Council” means the Security Council of the United Nations;
 - “the territorial sea” (without more) means the territorial sea adjacent to the United Kingdom;
 - “terrorism” has the same meaning as in the Terrorism Act 2000 (see section 1(1) to (4) of that Act);
 - “UN obligation” has the meaning given by section 1(8);
 - “UN Security Council Resolution” has the meaning given by section 1(8).
- (2) Any reference in this Act to a person named “for the purposes of” a UN Security Council Resolution so far as it provides for the taking of particular measures includes any person who, by virtue of—

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- (a) being named for any purposes by the Security Council or a subsidiary organ of the Security Council, and
 - (b) the terms of the resolution,is a person in relation to whom the resolution provides for the measures to be taken.
- (3) Any reference in this Act to ships designated “for purposes of” a UN Security Council Resolution which provides for the taking of measures in relation to ships includes any ship which, by virtue of—
 - (a) being designated for any purposes by the Security Council or a subsidiary organ of the Security Council, and
 - (b) the terms of the resolution,is a ship in relation to which the resolution provides for the measures to be taken.
- (4) Regulations under section 1 may make provision as to the meaning of any reference in the regulations to funds, economic resources or technology (or a particular description of funds, economic resources or technology) being—
 - (a) owned by a person,
 - (b) held by a person,
 - (c) controlled by a person, or
 - (d) made available to or for the benefit of a person.
- (5) Regulations under section 1 may make provision as to the meaning of any reference in the regulations to a person “owning” or “controlling” another person.
- (6) Regulations under section 1 may make provision as to the connection that is required between—
 - (a) a person, or a person of a prescribed description, and
 - (b) a country,in order for the person to be regarded as “connected with” that country for the purposes of any provision of the regulations.

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