



Economic Crime and Corporate Transparency Act 2023

2023 CHAPTER 56

PART 5

MISCELLANEOUS

Failure to prevent fraud

201 Section 199: large organisations

- (1) For the purposes of section 199(1) and (2) a relevant body is a “large organisation” only if the body satisfied two or more of the following conditions in the financial year of the body (“year P”) that precedes the year of the fraud offence—

Turnover	More than £36 million
Balance sheet total	More than £18 million
Number of employees	More than 250.

- (2) The reference in subsection (1) to a relevant body does not include a relevant body which is a parent undertaking (as to which see section 202).
- (3) For a period that is a relevant body’s financial year but not in fact a year, the figure for turnover must be proportionately adjusted.
- (4) In subsection (1) the “number of employees” means the average number of persons employed by the relevant body in year P, determined as follows—
- find for each month in year P the number of persons employed under contracts of service by the relevant body in that month (whether throughout the month or not),
 - add together the monthly totals, and
 - divide by the number of months in year P.

Changes to legislation: There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 201. (See end of Document for details)

- (5) In this section—
- “balance sheet total”, in relation to a relevant body and a financial year—
- (a) means the aggregate of the amounts shown as assets in its balance sheet at the end of the financial year, or
 - (b) where the body has no balance sheet for the financial year, has a corresponding meaning;
- “turnover”—
- (a) in relation to a UK company, has the same meaning as in Part 15 of the Companies Act 2006 (see section 474 of that Act);
 - (b) in relation to any other relevant body, has a corresponding meaning;
- “year of the fraud offence” is to be interpreted in accordance with section 199(1).
- (6) The Secretary of State may by regulations modify this section (other than this subsection and subsections (7) and (9)) and section 202 for the purpose of altering the meaning of “large organisation” in section 199(1) and (2).
- (7) The Secretary of State may (whether or not the power in subsection (6) has been exercised) by regulations—
- (a) omit the words “which is a large organisation” in section 199(1) and (2)(c), and
 - (b) make any modifications of this section (other than this subsection) that the Secretary of State thinks appropriate in consequence of provision made under paragraph (a).
- (8) Before making regulations under subsection (6) or (7) the Secretary of State must consult—
- (a) the Scottish Ministers, and
 - (b) the Department of Justice in Northern Ireland.
- (9) Regulations under subsection (6) or (7) may make consequential amendments of section 205.

Commencement Information

II S. 201 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 201.