
STATUTORY INSTRUMENTS

2017 No. 692

The Money Laundering, Terrorist Financing and Transfer
of Funds (Information on the Payer) Regulations 2017

PART 2

Money Laundering and Terrorist Financing

CHAPTER 3

Ownership and Management Restrictions

Prohibitions and approvals

26.—(1) No person may be the beneficial owner, officer or manager of a firm within paragraph (2) (“a relevant firm”), or a sole practitioner within paragraph (2) (“a relevant sole practitioner”), unless that person has been approved as a beneficial owner, officer or manager of the firm or as a sole practitioner by the supervisory authority of the firm or sole practitioner.

(2) The firms and sole practitioners within this paragraph are—

- (a) auditors, insolvency practitioners, external accountants and tax advisors;
- (b) independent legal professionals;
- (c) estate agents;
- (d) high value dealers.

(3) A person does not breach the prohibition in paragraph (1) if that person has before 26th June 2018 applied to the supervisory authority for approval under paragraph (6) and that application has not yet been determined.

(4) A relevant firm must take reasonable care to ensure that no-one is appointed, or continues to act, as an officer or manager of the firm unless—

- (a) that person has been approved by the supervisory authority, and the supervisory authority’s approval of that person has not ceased to be valid; or
- (b) that person has applied for approval of the supervisory authority under paragraph (6) and the application has not yet been determined.

(5) A relevant sole practitioner must not act, or continue to act, as a sole practitioner unless—

- (a) that person has been approved by the supervisory authority, and the supervisory authority’s approval of that person has not ceased to be valid; or
- (b) that person has applied for approval of the supervisory authority under paragraph (6) and the application has not yet been determined.

(6) An application for the approval of the supervisory authority under paragraph (1) may be made by or on behalf of the person concerned.

(7) The application must—

- (a) be made in such manner as the supervisory authority may direct;

- (b) contain, or be accompanied by, such information as the supervisory authority may reasonably require.
- (8) The supervisory authority—
 - (a) must grant an application for approval under paragraph (6) unless the applicant has been convicted of a relevant offence;
 - (b) may grant an application so as to give approval only for a limited period.
- (9) An approval given by a supervisory authority under paragraph (8)—
 - (a) is not valid if the person approved under paragraph (1) (the “approved person”) has been convicted of a relevant offence;
 - (b) ceases to be valid if the approved person is subsequently convicted of a relevant offence.
- (10) If an approved person (“P”) is convicted of a relevant offence—
 - (a) P must inform the supervisory authority which approved P of the conviction within 30 days of the day on which P was convicted;
 - (b) the relevant firm for which P was approved must inform its supervisory authority of the conviction within 30 days of the date on which the firm became aware of P’s conviction.
- (11) If the beneficial owner of a relevant firm is convicted of a relevant offence, the High Court (or in Scotland the Court of Session) may, on the application of the supervisory authority, order the sale of the beneficial owner’s interest in that firm.
- (12) A person who, in breach of the prohibition in paragraph (1)—
 - (a) acts as a manager or officer of a relevant firm or as a relevant sole practitioner; or
 - (b) is knowingly a beneficial owner of a relevant firm,is guilty of a criminal offence.
- (13) A person who is guilty of a criminal offence under paragraph (12) is liable—
 - (a) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding three months, to a fine or to both;
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding three months, to a fine not exceeding the statutory maximum or to both;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years, to a fine or to both.
- (14) The offences listed in Schedule 3 are relevant offences for the purposes of this regulation.