
STATUTORY INSTRUMENTS

2017 No. 692

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

PART 3

Customer Due Diligence

CHAPTER 1

Customer due diligence: general

Requirement to cease transactions etc

31.—(1) Where, in relation to any customer, a relevant person is unable to apply customer due diligence measures as required by regulation 28, that person—

- (a) must not carry out any transaction through a bank account with the customer or on behalf of the customer;
- (b) must not establish a business relationship or carry out a transaction with the customer otherwise than through a bank account;
- (c) must terminate any existing business relationship with the customer;
- (d) must consider whether the relevant person is required to make a disclosure (or to make further disclosure) by—
 - (i) Part 3 of the Terrorism Act 2000 ^{M1}; or
 - (ii) Part 7 of the Proceeds of Crime Act 2002 ^{M2}.

(2) Paragraph (1)(a) does not prevent money deposited in an account being repaid to the person who deposited it, provided that, in any case where a disclosure is required by the legislation referred in paragraph (1)(d), the relevant person has—

- (a) consent (within the meaning of section 21ZA of the Terrorism Act 2000 (arrangements with prior consent)) ^{M3} to the transaction, or
- (b) the appropriate consent (within the meaning of section 335 of the Proceeds of Crime Act 2002 (appropriate consent)) to the transaction.

(3) Paragraph (1) does not apply where an independent legal professional or other professional adviser is in the course of ascertaining the legal position for a client or performing the task of defending or representing that client in, or concerning, legal proceedings, including giving advice on the institution or avoidance of proceedings.

(4) In paragraph (3), “other professional adviser” means an auditor, external accountant or tax adviser who is a member of a professional body which is established for any such persons and which makes provision for—

- (a) testing the competence of those seeking admission to membership of such a body as a condition for such admission; and

Status: Point in time view as at 26/06/2017.

Changes to legislation: There are currently no known outstanding effects for the The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Section 31. (See end of Document for details)

- (b) imposing and maintaining professional and ethical standards for its members, as well as imposing sanctions for non-compliance with those standards.
- (5) Paragraph (1)(a) to (c) does not apply where an insolvency practitioner has been appointed by the court as administrator or liquidator of a company, provided that—
 - (a) the insolvency practitioner has taken all reasonable steps to satisfy the requirements set out in regulation 28(2) and (10), and
 - (b) the resignation of the insolvency practitioner would be prejudicial to the interests of the creditors of the company.

Marginal Citations

M1 [2000 c.11.](#)

M2 [2002 c. 29.](#)

M3 [Section 21ZA](#) was inserted by [S.I. 2007/3398](#).

Status:

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