
STATUTORY INSTRUMENTS

2017 No. 692

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

PART 6

Money Laundering and Terrorist Financing: Supervision and Registration

CHAPTER 1

Duties of supervisory authorities

Duties of supervisory authorities

46.—(1) A supervisory authority must effectively monitor the relevant persons for which it is the supervisory authority (“its own sector”) and take necessary measures for the purpose of [^{F1}—

- (a) securing compliance by such persons with the requirements of these Regulations; and
- (b) securing that any application for which the supervisory authority grants approval under regulation 26 meets the requirements of regulation 26(7), whether or not the person making the application, or being approved, is a relevant person.]

(2) Each supervisory authority must—

- (a) adopt a risk-based approach to the exercise of its supervisory functions, informed by the risk assessments carried out by the authority under regulation 17;
- (b) ensure that its employees and officers have access both at its offices and elsewhere to relevant information on the domestic and international risks of money laundering and terrorist financing which affect its own sector;
- (c) base the frequency and intensity of its on-site and off-site supervision on the risk profiles prepared under regulation 17(4);
- (d) keep a record in writing of the actions it has taken in the course of its supervision, and of its reasons for deciding not to act in a particular case;
- (e) take effective measures to encourage its own sector to report [^{F2}actual or potential] breaches of the provisions of these Regulations to it;
- [^{F3}(f) provide one or more secure communication channels for persons to report actual or potential breaches of these Regulations to it;
- (g) take reasonable measures to ensure that the identity of the reporting person is known only to the supervisory authority.]

(3) In determining its approach to the exercise of its supervisory functions the supervisory authority must—

- [^{F4}(a)
- (b) take account of the degree of discretion permitted to relevant persons in taking measures to counter money laundering and terrorist financing.

Status: Point in time view as at 31/12/2020. This version of this provision has been superseded.

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 46. (See end of Document for details)

(4) In accordance with its risk-based approach, the supervisory authority must take appropriate measures to review—

- (a) the risk assessments carried out by relevant persons under regulation 18;
- (b) the adequacy of the policies, controls and procedures adopted by relevant persons under regulation 19 to 21 and 24, and the way in which those policies, controls and procedures have been implemented.

(5) A supervisory authority which, in the course of carrying out any of its supervisory functions or otherwise, knows or suspects, or has reasonable grounds for knowing or suspecting, that a person is or has engaged in money laundering or terrorist financing must as soon as practicable inform the NCA.

(6) A disclosure made under paragraph (5) is not to be taken to breach any restriction, however imposed, on the disclosure of information.

(7) Where a disclosure under paragraph (5) is made in good faith, no civil liability arises in respect of the disclosure on the part of the person by whom, or on whose behalf, it is made.

(8) The FCA, when carrying out its supervisory functions in relation to an auction platform—

- (a) must effectively monitor the auction platform's compliance with—
 - (i) the customer due diligence requirements of Articles 19 and 20.6 of the emission allowance auctioning regulation;
 - (ii) the monitoring and record-keeping requirements of Article 54 of that regulation; and
 - (iii) the notification requirements of Article 55.2 and 55.3 of that regulation; and
- (b) may monitor the auction platform's compliance with regulations 18 to 21 and 24 of these Regulations.

(9) The functions of the FCA under these Regulations shall be treated for the purposes of Parts 1, 2 and 4 of Schedule 1ZA to FSMA ^{M1} (the Financial Conduct Authority) as functions conferred on the FCA under that Act.

Textual Amendments

- F1** Words in reg. 46(1) substituted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **7(1)(a)**
- F2** Words in reg. 46(2)(e) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **7(1)(b)**
- F3** Reg. 46(2)(f)(g) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **7(1)(c)**
- F4** Reg. 46(3)(a) omitted (31.12.2020) by virtue of [The Money Laundering and Transfer of Funds \(Information\) \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/253\)](#), regs. 1(2), **9(1)** (with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Marginal Citations

- M1** 2000 c 8. Schedule 1ZA was substituted, with Schedule 1ZB, for Schedule 1 to the Financial Services and Markets Act by section 6(2) of the [Financial Services Act 2012 \(c.21\)](#), and amended by paragraphs 14 and 16 of Schedule 3 and paragraph 7 of Schedule 8 to the [Financial Services \(Banking Reform\) Act 2013 \(c.33\)](#), paragraph 13 of Schedule 3 to the [Pension Scheme Act 2015 \(c.8\)](#), section 18 of the [Bank of England and Financial Services Act 2016 \(c.14\)](#) and [S.I. 2013/1388](#).

Status:

Point in time view as at 31/12/2020. This version of this provision has been superseded.

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 46.