
STATUTORY INSTRUMENTS

2020 No. 608

The Bosnia and Herzegovina
(Sanctions) (EU Exit) Regulations 2020

PART 1

General

Citation and commencement

1.—(1) These Regulations may be cited as the Bosnia and Herzegovina (Sanctions) (EU Exit) Regulations 2020.

(2) These Regulations come into force in accordance with regulations made under section 56 of the Act.

Interpretation

2. In these Regulations—

“the Act” means the Sanctions and Anti-Money Laundering Act 2018;

“arrangement” includes any agreement, understanding, scheme, transaction or series of transactions, whether or not legally enforceable (but see paragraph 12 of Schedule 1 for the meaning of that term in that Schedule);

“conduct” includes acts and omissions;

“the GFAP” means The General Framework Agreement for Peace in Bosnia and Herzegovina signed in Paris on 14th December 1995, including its Annexes⁽¹⁾;

“document” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form;

“Treasury licence” means a licence under regulation 20(1);

“United Kingdom person” has the same meaning as in section 21 of the Act.

Application of prohibitions and requirements outside the United Kingdom

3.—(1) A United Kingdom person may contravene a relevant prohibition by conduct wholly or partly outside the United Kingdom.

(2) Any person may contravene a relevant prohibition by conduct in the territorial sea.

(3) For the purposes of this regulation, a “relevant prohibition” means any prohibition imposed by—

(a) regulation 9(2) (confidential information),

(1) A copy of the text of The General Framework Agreement for Peace in Bosnia and Herzegovina is available online at http://www.ohr.int/?page_id=1252.

- (b) Part 3 (Finance), or
 - (c) a condition of a Treasury licence.
- (4) A United Kingdom person may comply, or fail to comply, with a relevant requirement by conduct wholly or partly outside the United Kingdom.
- (5) Any person may comply, or fail to comply, with a relevant requirement by conduct in the territorial sea.
- (6) In this regulation a “relevant requirement” means any requirement imposed—
- (a) by or under Part 6 (Information and records), or by reason of a request made under a power conferred by that Part, or
 - (b) by a condition of a Treasury licence.
- (7) Nothing in this regulation is to be taken to prevent a relevant prohibition or a relevant requirement from applying to conduct (by any person) in the United Kingdom.

Purposes

4. The purposes of the regulations contained in this instrument that are made under section 1 of the Act are—
- (a) promoting respect for the sovereignty, territorial integrity, international personality and constitutional order⁽²⁾ of Bosnia and Herzegovina,
 - (b) promoting the peace, stability and security of Bosnia and Herzegovina, and
 - (c) encouraging compliance with, and the implementation of, the GFAP.

PART 2

Designation of persons

Power to designate persons

- 5.—(1) The Secretary of State may designate persons⁽³⁾, by name, for the purposes of any of the following—
- (a) regulations 11 to 15 (asset-freeze etc.);
 - (b) regulation 17 (immigration).
- (2) The Secretary of State may designate different persons for the purposes of different provisions mentioned in paragraph (1).

Designation criteria

- 6.—(1) The Secretary of State may not designate a person under regulation 5 (power to designate persons) unless the Secretary of State—
- (a) has reasonable grounds to suspect that that person is an involved person, and
 - (b) considers that the designation of that person is appropriate, having regard to—
 - (i) the purposes stated in regulation 4 (purposes), and

(2) The General Framework Agreement for Peace in Bosnia and Herzegovina, and in particular the Constitution of Bosnia and Herzegovina contained in Annex 4 to the Agreement, establishes the fundamental structure of Bosnia and Herzegovina as a single sovereign State comprising two entities, namely the Federation of Bosnia and Herzegovina and the Republika Srpska.

(3) “Person” is defined by section 9(5) of the Sanctions and Anti-Money Laundering Act 2018 to include (in addition to an individual and a body of persons corporate or unincorporate) any organisation and any association or combination of persons.

- (ii) the likely significant effects of the designation on that person (as they appear to the Secretary of State to be on the basis of the information that the Secretary of State has).
- (2) In this regulation an “involved person” means a person who—
- (a) is or has been involved in—
 - (i) undermining or threatening the sovereignty, territorial integrity, international personality or constitutional order of Bosnia and Herzegovina,
 - (ii) undermining or threatening the peace, stability or security of Bosnia and Herzegovina,
 - (iii) obstructing the implementation of the GFAP, or
 - (iv) any other action, policy or activity which undermines the GFAP,
 - (b) is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person who is or has been so involved,
 - (c) is acting on behalf of or at the direction of a person who is or has been so involved, or
 - (d) is a member of, or associated with, a person who is or has been so involved.
- (3) Any reference in this regulation to being involved in any action, policy or activity set out in paragraphs (2)(a)(i) to (iv) above includes being so involved in whatever way and wherever any such action, policy or activity constituting the involvement take place, and in particular includes—
- (a) being responsible for, engaging in, providing support for, or promoting, such action, policy or activity;
 - (b) providing financial services, or making available funds or economic resources, that could contribute to such action, policy or activity;
 - (c) being involved in assisting the contravention or circumvention of any relevant provision.
- (4) In this regulation, “relevant provision” means—
- (a) any provision of Part 3 (Finance);
 - (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of any provision of Part 3.
- (5) Nothing in any sub-paragraph of paragraph (3) is to be taken to limit the meaning of any of the other sub-paragraphs of that paragraph.

Meaning of “owned or controlled directly or indirectly”

7.—(1) A person who is not an individual (“C”) is “owned or controlled directly or indirectly” by another person (“P”) if either of the following two conditions is met (or both are met).

- (2) The first condition is that P—
 - (a) holds directly or indirectly more than 50% of the shares in C,
 - (b) holds directly or indirectly more than 50% of the voting rights in C, or
 - (c) holds the right directly or indirectly to appoint or remove a majority of the board of directors of C.
- (3) Schedule 1 contains provision applying for the purpose of interpreting paragraph (2).
- (4) The second condition is that it is reasonable, having regard to all the circumstances, to expect that P would (if P chose to) be able, in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of C are conducted in accordance with P’s wishes.

Notification and publicity where designation power used

8.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has made a designation under regulation 5, or
- (b) has by virtue of section 22 of the Act varied or revoked a designation made under that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform the designated person of the designation, variation or revocation, and
- (b) must take steps to publicise the designation, variation or revocation.

(3) The information given under paragraph (2)(a) where a designation is made must include a statement of reasons.

(4) In this regulation a “statement of reasons”, in relation to a designation, means a brief statement of the matters that the Secretary of State knows, or has reasonable grounds to suspect, in relation to the designated person which have led the Secretary of State to make the designation.

(5) Matters that would otherwise be required by paragraph (4) to be included in a statement of reasons may be excluded from it where the Secretary of State considers that they should be excluded—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(6) The steps taken under paragraph (2)(b) must—

- (a) unless one or more of the restricted publicity conditions is met, be steps to publicise generally—
 - (i) the designation, variation or revocation, and
 - (ii) in the case of a designation, the statement of reasons;
- (b) if one or more of those conditions is met, be steps to inform only such persons as the Secretary of State considers appropriate of the designation, variation or revocation and (in the case of a designation) of the contents of the statement of reasons.

(7) The “restricted publicity conditions” are as follows—

- (a) the designation is of a person believed by the Secretary of State to be an individual under the age of 18;
- (b) the Secretary of State considers that disclosure of the designation, variation or revocation should be restricted—
 - (i) in the interests of national security or international relations,
 - (ii) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
 - (iii) in the interests of justice.

(8) Paragraph (9) applies if—

- (a) when a designation is made, one or more of the restricted publicity conditions is met, but
- (b) at any time when the designation has effect, it becomes the case that none of the restricted publicity conditions is met.

(9) The Secretary of State must—

- (a) take such steps as are reasonably practicable to inform the designated person that none of the restricted publicity conditions is now met, and
- (b) take steps to publicise generally the designation and the statement of reasons relating to it.

Confidential information in certain cases where designation power used

9.—(1) Where the Secretary of State in accordance with regulation 8(6)(b) informs only certain persons of a designation, variation or revocation and (in the case of a designation) of the contents of the statement of reasons, the Secretary of State may specify that any of that information is to be treated as confidential.

(2) A person (“P”) who—

- (a) is provided with information that is to be treated as confidential in accordance with paragraph (1), or
- (b) otherwise obtains such information,

must not, subject to paragraph (3), disclose it if P knows, or has reasonable cause to suspect, that the information is to be treated as confidential.

(3) The prohibition in paragraph (2) does not apply to any disclosure made by P with lawful authority.

(4) For this purpose information is disclosed with lawful authority only if and to the extent that—

- (a) the disclosure is by, or is authorised by, the Secretary of State,
- (b) the disclosure is by or with the consent of the person who is or was the subject of the designation,
- (c) the disclosure is necessary to give effect to a requirement imposed under or by virtue of these Regulations or any other enactment, or
- (d) the disclosure is required, under rules of court, tribunal rules or a court or tribunal order, for the purposes of legal proceedings of any description.

(5) This regulation does not prevent the disclosure of information that is already, or has previously been, available to the public from other sources.

(6) A person who contravenes the prohibition in paragraph (2) commits an offence.

(7) The High Court (in Scotland, the Court of Session) may, on the application of—

- (a) the person who is the subject of the information, or
- (b) the Secretary of State,

grant an injunction (in Scotland, an interdict) to prevent a breach of the prohibition in paragraph (2).

(8) In paragraph (4)(c), “enactment” has the meaning given by section 54(6) of the Act.

PART 3

Finance

Meaning of “designated person” in Part 3

10. In this Part a “designated person” means a person who is designated under regulation 5 (power to designate persons) for the purposes of regulations 11 to 15 (asset-freeze etc.).

Asset-freeze in relation to designated persons

11.—(1) A person (“P”) must not deal with funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) Paragraph (1) is subject to Part 5 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1), a person “deals with” funds if the person—

(a) uses, alters, moves, transfers or allows access to the funds,

(b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or

(c) makes any other change, including portfolio management, that would enable use of the funds.

(5) For the purposes of paragraph (1), a person “deals with” economic resources if the person—

(a) exchanges the economic resources for funds, goods or services, or

(b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).

(6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—

(a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;

(b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.

(7) For the purposes of paragraph (1), funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Making funds available to designated persons

12.—(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 5 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making funds available for benefit of designated persons

13.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 5 (Exceptions and licences).

- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of this regulation—
 - (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Making economic resources available to designated persons

14.—(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
 - (b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.
- (2) Paragraph (1) is subject to Part 5 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making economic resources available for benefit of designated persons

15.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

- (2) Paragraph (1) is subject to Part 5 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1)—
 - (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Circumventing etc. prohibitions

16.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

- (a) to circumvent any of the prohibitions in regulations 11 to 15 (asset-freeze etc.), or
 - (b) to enable or facilitate the contravention of any such prohibition.
- (2) A person who contravenes the prohibition in paragraph (1) commits an offence.

PART 4

Immigration

Immigration

17. A person who is designated under regulation 5 (power to designate persons) for the purposes of this regulation is an excluded person for the purposes of section 8B of the Immigration Act 1971(4).

PART 5

Exceptions and licences

Finance: exceptions from prohibitions

18.—(1) The prohibition in regulation 11 (asset-freeze in relation to designated persons) is not contravened by an independent person (“P”) transferring to another person a legal or equitable interest in funds or economic resources where, immediately before the transfer, the interest—

- (a) is held by P, and
- (b) is not held jointly with the designated person.

(2) In paragraph (1) “independent person” means a person who—

- (a) is not the designated person, and
- (b) is not owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(3) The prohibitions in regulations 11 to 13 (asset-freeze in relation to, and making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account with interest or other earnings due on the account.

(4) The prohibitions in regulations 12 and 13 (making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account where it receives funds transferred to that institution for crediting to that account.

(5) The prohibitions in regulations 12 and 13 are not contravened by the transfer of funds to a relevant institution for crediting to an account held or controlled (directly or indirectly) by a designated person, where those funds are transferred in discharge (or partial discharge) of an obligation which arose before the date on which the person became a designated person.

(6) The prohibitions in regulations 11 to 13 are not contravened in relation to a designated person (“P”) by a transfer of funds from account A to account B, where—

- (a) account A is with a relevant institution which carries on an excluded activity within the meaning of section 142D of the Financial Services and Markets Act 2000(5),
- (b) account B is with a ring-fenced body within the meaning of section 142A of the Financial Services and Markets Act 2000(6), and
- (c) accounts A and B are held or controlled (directly or indirectly) by P.

(7) In this regulation—

(4) 1971 c. 77. Section 8B was inserted by the Immigration and Asylum Act 1999 (c.33), section 8 and amended by the Immigration Act 2016 (c.19), section 76; and the Sanctions and Anti-Money Laundering Act 2018, section 59 and Schedule 3, Part 1.

(5) 2000 c.8. Section 142D was inserted by the Financial Services (Banking Reform) Act 2013 (c.33), section 4(1).

(6) Section 142A was inserted by the Financial Services (Banking Reform) Act 2013, section 4(1).

“designated person” has the same meaning as it has in Part 3 (Finance);

“frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

“relevant institution” means a person that has permission under Part 4A of the Financial Services and Markets Act 2000(7) (Permission to carry on regulated activities).

(8) The definition of “relevant institution” in paragraph (7) is to be read with section 22 of the Financial Services and Markets Act 2000(8), any relevant order under that section(9) and Schedule 2 to that Act(10).

Exception for acts done for purposes of national security or prevention of serious crime

19.—(1) Where an act would, in the absence of this paragraph, be prohibited by regulation 9(2) (confidentiality) or any prohibition in Part 3 (Finance), that prohibition does not apply to the act if the act is one which a responsible officer has determined would be in the interests of—

(a) national security, or

(b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(2) Where, in the absence of this paragraph, a thing would be required to be done under or by virtue of a provision of Part 6 (Information and records), that requirement does not apply if a responsible officer has determined that not doing the thing in question would be in the interests of—

(a) national security, or

(b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(3) In this regulation “responsible officer” means a person in the service of the Crown or holding office under the Crown, acting in the course of that person’s duty.

Treasury licences

20.—(1) The prohibitions in regulations 11 to 15 (asset-freeze etc.) do not apply to anything done under the authority of a licence issued by the Treasury under this paragraph.

(2) The Treasury may issue a licence which authorises acts by a particular person only where the Treasury consider that it is appropriate to issue the licence for a purpose set out in Schedule 2.

(3) A licence under paragraph (1)—

(a) must specify the acts authorised by it;

(b) may be general or may authorise acts by a particular person or persons of a particular description;

(c) may—

(i) contain conditions;

(ii) be of indefinite duration or a defined duration.

(4) Where the Treasury issue a licence under paragraph (1), the Treasury may vary, revoke or suspend it at any time.

(7) Part 4A was inserted by the Financial Services Act 2012 (c.21), section 11(2) and amended by S.I. 2018/135.

(8) Section 22 was amended by the Financial Guidance and Claims Act 2018 (c.10), section 27(4); the Financial Services Act 2012, section 7(1); and S.I. 2018/135.

(9) S.I. 2001/544, as most recently amended by S.I. 2019/679; S.I. 2020/117; and S.I. 2020/480; and prospectively amended by S.I. 2019/710.

(10) Schedule 2 was amended by the Regulation of Financial Services (Land Transactions) Act 2005 (c.24), section 1; the Dormant Bank and Building Society Accounts Act 2008 (c.31), section 15 and Schedule 2, paragraph 1; the Financial Services Act 2012, sections 7(2) to (5) and 8; the Financial Guidance and Claims Act 2018, section 27(13); S.I. 2013/1881; S.I. 2018/135; and it is prospectively amended by S.I. 2019/632.

(5) Where the Treasury issue, vary, revoke or suspend a licence under paragraph (1) which authorises acts by a particular person, the Treasury must give written notice to that person of the issue, variation, revocation or suspension of the licence.

(6) Where the Treasury issue, vary, revoke or suspend a general licence or a licence which authorises acts by persons of a particular description under paragraph (1), the Treasury must take such steps as considered appropriate to publicise the issue, variation, revocation or suspension of the licence.

Notices relating to Treasury licences

21.—(1) This regulation applies in relation to a notice required by regulation 20 (Treasury licences) to be given to a person.

(2) The notice may be given to an individual—

- (a) by delivering it to the individual,
- (b) by sending it to the individual by post addressed to the individual at his or her usual or last-known place of residence or business, or
- (c) by leaving it for the individual at that place.

(3) The notice may be given to a person other than an individual—

- (a) by sending it by post to the proper officer of the body at its principal office, or
- (b) by addressing it to the proper officer of the body and leaving it at that office.

(4) The notice may be given to the person by other means, including by electronic means, with the person's consent.

(5) In this regulation, the reference in paragraph (3) to a "principal office"—

- (a) in relation to a registered company, is to be read as a reference to the company's registered office;
- (b) in relation to a body incorporated or constituted under the law of a country other than the United Kingdom, includes a reference to the body's principal office in the United Kingdom (if any).

(6) In this regulation—

"proper officer"—

- (a) in relation to a body other than a partnership, means the secretary or other executive officer charged with the conduct of the body's general affairs, and
- (b) in relation to a partnership, means a partner or a person who has the control or management of the partnership business;

"registered company" means a company registered under the enactments relating to companies for the time being in force in the United Kingdom.

Finance: licensing offences

22.—(1) A person ("P") commits an offence if P knowingly or recklessly—

- (a) provides information that is false in a material respect, or
- (b) provides or produces a document that is not what it purports to be,

for the purpose of obtaining a Treasury licence (whether for P or anyone else).

(2) A person who purports to act under the authority of a Treasury licence but who fails to comply with any condition of the licence commits an offence.

Section 8B(1) to (3) of the Immigration Act 1971: directions

23.—(1) The Secretary of State may direct that, in relation to any person within regulation 17 (immigration) whose name is specified, or who is of a specified description, section 8B(1) and (2) of the Immigration Act 1971, or section 8B(3) of that Act, have effect subject to specified exceptions.

(2) A direction may contain conditions.

(3) A direction must be of a defined duration (and that duration may be expressed in any way, including, for example, being expressed in a way such that the direction ceases to have effect on, or within a specified period after, the occurrence of a specified event).

(4) The Secretary of State may vary, revoke or suspend a direction at any time.

(5) On the issue, variation, revocation or suspension of a direction, the Secretary of State may take such steps as the Secretary of State considers appropriate to publicise the issue, variation, revocation or suspension of the direction.

(6) In this regulation “specified” means specified in a direction.

PART 6

Information and records

Finance: reporting obligations

24.—(1) A relevant firm must inform the Treasury as soon as practicable if—

(a) it knows, or has reasonable cause to suspect, that a person—

(i) is a designated person, or

(ii) has committed an offence under any provision of Part 3 (Finance) or regulation 22 (finance: licensing offences), and

(b) the information or other matter on which the knowledge or cause for suspicion is based came to it in the course of carrying on its business.

(2) Where a relevant firm informs the Treasury under paragraph (1), it must state—

(a) the information or other matter on which the knowledge or suspicion is based, and

(b) any information it holds about the person by which the person can be identified.

(3) Paragraph (4) applies if—

(a) a relevant firm informs the Treasury under paragraph (1) that it knows, or has reasonable cause to suspect, that a person is a designated person, and

(b) that person is a customer of the relevant firm.

(4) The relevant firm must also state the nature and amount or quantity of any funds or economic resources held by it for the customer at the time when it first had the knowledge or suspicion.

(5) A relevant institution must inform the Treasury without delay if that institution—

(a) credits a frozen account in accordance with regulation 18(4) (finance: exceptions from prohibitions), or

(b) transfers funds from a frozen account in accordance with regulation 18(6).

(6) A person who fails to comply with a requirement in paragraph (1), (2) or (4) commits an offence.

(7) In this regulation—

“designated person” has the same meaning as it has in Part 3 (Finance);

- “frozen account” has the same meaning as it has in regulation 18;
 “relevant firm” is to be read in accordance with regulation 25;
 “relevant institution” has the same meaning as it has in regulation 18.

“Relevant firm”

25.—(1) The following are relevant firms for the purposes of regulation 24 (finance: reporting obligations)—

- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (Permission to carry on regulated activities);
 - (b) an undertaking that by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;
 - (c) a firm or sole practitioner that is—
 - (i) a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (Statutory auditors)(**11**), or
 - (ii) a local auditor within the meaning of section 4(1) of the Local Audit and Accountability Act 2014 (general requirements for audit)(**12**);
 - (d) a firm or sole practitioner that provides to other persons, by way of business—
 - (i) accountancy services,
 - (ii) legal or notarial services,
 - (iii) advice about tax affairs, or
 - (iv) trust or company services within the meaning of paragraph (2);
 - (e) a firm or sole practitioner that carries out, or whose employees carry out, estate agency work;
 - (f) the holder of a casino operating licence within the meaning given by section 65(2)(a) of the Gambling Act 2005 (nature of licence)(**13**);
 - (g) a person engaged in the business of making, supplying, selling (including selling by auction) or exchanging—
 - (i) articles made from gold, silver, platinum or palladium, or
 - (ii) precious stones or pearls.
- (2) In paragraph (1), “trust or company services” means any of the following services—
- (a) forming companies or other legal persons;
 - (b) acting, or arranging for another person to act—
 - (i) as a director or secretary of a company,
 - (ii) as a partner of a partnership, or
 - (iii) in a similar capacity in relation to other legal persons;
 - (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;

(11) 2006 c.46.

(12) 2014 c.2.

(13) 2005 c.19.

- (d) acting, or arranging for another person to act, as—
 - (i) a trustee of an express trust or similar legal arrangement, or
 - (ii) a nominee shareholder for a person.
- (3) In paragraph (1)—

“estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979⁽¹⁴⁾, but as if references in that section to disposing of or acquiring an interest in land included (despite anything in section 2 of that Act) references to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest;

“firm” means any entity that, whether or not a legal person, is not an individual, and includes a body corporate and a partnership or other unincorporated body.
- (4) Sub-paragraphs (a) and (b) of paragraph (1) are to be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.
- (5) For the purposes of regulation 24(1), information or another matter comes to a relevant firm “in the course of carrying on its business” if the information or other matter comes to the firm—
 - (a) in the case of a relevant firm within paragraph (1)(a), in the course of carrying on an activity in respect of which the permission mentioned in that provision is required;
 - (b) in the case of a relevant firm within paragraph (1)(c)(i), in the course of carrying out statutory audit work within the meaning of section 1210 of the Companies Act 2006 (meaning of “statutory auditor” etc.)⁽¹⁵⁾;
 - (c) in the case of a relevant firm within paragraph (1)(c)(ii), in the course of carrying out an audit required by the Local Audit and Accountability Act 2014;
 - (d) in the case of a relevant firm within paragraph (1)(f), in the course of carrying on an activity in respect of which the licence mentioned in that provision is required;
 - (e) in the case of a relevant firm within any other provision of paragraph (1), in the course of carrying on an activity mentioned in that provision.

Finance: powers to request information

- 26.**—(1) The Treasury may request a designated person to provide information about—
- (a) funds or economic resources owned, held or controlled by or on behalf of the designated person, or
 - (b) any disposal of such funds or economic resources.
- (2) The Treasury may request a designated person to provide such information as the Treasury may reasonably require about expenditure—
- (a) by the designated person, or
 - (b) for the benefit of the designated person.
- (3) For the purposes of paragraph (2), expenditure for the benefit of a designated person includes expenditure on the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

⁽¹⁴⁾ 1979 c.38. Section 1 was amended by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c.73), Schedule 1, paragraph 40; the Planning (Consequential Provisions) Act 1990 (c.11), Schedule 2, paragraph 42; the Planning (Consequential Provisions) (Scotland) Act 1997 (c.11), Schedule 2, paragraph 28; the Planning Act (Northern Ireland) 2011 (c.25), Schedule 6, paragraph 21; the Enterprise and Regulatory Reform Act 2013 (c.24), section 70; S.I. 1991/1220; S.I. 1991/2684; S.S.I. 2000/121 and S.I. 2001/1283.

⁽¹⁵⁾ Section 1210 was amended by S.I. 2005/1433; S.I. 2008/565; S.I. 2008/1950; S.I. 2011/99; S.I. 2012/1809; S.I. 2013/3115; S.I. 2017/516 and S.I. 2017/1164; and it is prospectively amended by S.I. 2019/177.

(4) The power in paragraph (1) or (2) is exercisable only where the Treasury believe that it is necessary for the purpose of monitoring compliance with or detecting evasion of any provision of Part 3 (Finance).

(5) The Treasury may request a person acting under a Treasury licence to provide information about—

- (a) funds or economic resources dealt with under the licence, or
- (b) funds or economic resources made available under the licence.

(6) The Treasury may request a person to provide information within paragraph (7) if the Treasury believe that the person may be able to provide the information.

(7) Information within this paragraph is such information as the Treasury may reasonably require for the purpose of—

- (a) establishing for the purposes of any provision of Part 3 (Finance)—
 - (i) the nature and amount or quantity of any funds or economic resources owned, held or controlled by or on behalf of a designated person,
 - (ii) the nature and amount or quantity of any funds or economic resources made available directly or indirectly to, or for the benefit of, a designated person, or
 - (iii) the nature of any financial transactions entered into by a designated person;
- (b) monitoring compliance with or detecting evasion of—
 - (i) any provision of Part 3,
 - (ii) regulation 24 (finance: reporting obligations), or
 - (iii) any condition of a Treasury licence;
- (c) detecting or obtaining evidence of the commission of an offence under Part 3 or regulation 22 (finance: licensing offences) or 24.

(8) The Treasury may specify the way in which, and the period within which, information is to be provided.

(9) If no such period is specified, the information which has been requested must be provided within a reasonable time.

(10) A request may include a continuing obligation to keep the Treasury informed as circumstances change, or on such regular basis as the Treasury may specify.

(11) Information requested under this regulation may relate to any period of time during which a person is, or was, a designated person.

(12) Information requested by virtue of paragraph (1)(b), (2) or (7)(a)(iii) may relate to any period before a person became a designated person (as well as, or instead of, any subsequent period).

(13) Expressions used in this regulation have the same meaning as they have in Part 3.

Finance: production of documents

27.—(1) A request under regulation 26 may include a request to produce specified documents or documents of a specified description.

(2) Where the Treasury request that documents be produced, the Treasury may—

- (a) take copies of or extracts from any document so produced,
- (b) request any person producing a document to give an explanation of it, and
- (c) where that person is a body corporate, partnership or unincorporated body other than a partnership, request any person who is—

- (i) in the case of a partnership, a present or past partner or employee of the partnership, or
 - (ii) in any other case, a present or past officer or employee of the body concerned, to give such an explanation.
- (3) Where the Treasury request a designated person or a person acting under a Treasury licence to produce documents, that person must—
- (a) take reasonable steps to obtain the documents (if they are not already in the person’s possession or control);
 - (b) keep the documents under the person’s possession or control (except for the purpose of providing them to the Treasury or as the Treasury may otherwise permit).
- (4) In this regulation “designated person” has the same meaning as it has in Part 3 (Finance).

Finance: information offences

28.—(1) A person commits an offence if that person—

- (a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request under regulation 26 (finance: powers to request information);
- (b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;
- (c) with intent to evade any provision of regulation 26 or 27 (finance: production of documents), destroys, mutilates, defaces, conceals or removes any document;
- (d) otherwise intentionally obstructs the Treasury in the exercise of their powers under regulation 26 or 27.

(2) Where a person is convicted of an offence under this regulation, the court may make an order requiring that person, within such period as may be specified in the order, to comply with the request.

Disclosure of information

29.—(1) The Secretary of State or the Treasury may, in accordance with this regulation, disclose—

- (a) any information obtained under or by virtue of Part 5 (Exceptions and licences) or this Part, or
- (b) any information held in connection with—
 - (i) anything done under or by virtue of Part 2 (Designation of persons) or Part 3 (Finance), or
 - (ii) any exception or licence under Part 5 or anything done in accordance with such an exception or under the authority of such a licence.

(2) Information referred to in paragraph (1) may be disclosed for, or in connection with, any of the following purposes—

- (a) the exercise of functions under these Regulations;
- (b) any purpose stated in regulation 4 (purposes);
- (c) facilitating, monitoring or ensuring compliance with these Regulations;
- (d) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in the United Kingdom—
 - (i) for an offence under any provision of these Regulations, or

- (ii) in relation to a monetary penalty under section 146 of the Policing and Crime Act 2017 (breach of financial sanctions legislation)(16);
 - (e) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in any of the Channel Islands, the Isle of Man or any British overseas territory, for an offence under a provision in any such jurisdiction that is similar to a provision of these Regulations;
 - (f) compliance with an international obligation(17);
 - (g) facilitating the exercise by an authority outside the United Kingdom or by an international organisation of functions which correspond to functions under these Regulations.
- (3) Information referred to in paragraph (1) may be disclosed to the following persons—
- (a) a police officer;
 - (b) any person holding or acting in any office under or in the service of—
 - (i) the Crown in right of the Government of the United Kingdom,
 - (ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,
 - (iii) the States of Jersey, Guernsey or Alderney or the Chief Pleas of Sark,
 - (iv) the Government of the Isle of Man, or
 - (v) the Government of any British overseas territory;
 - (c) any law officer of the Crown for Jersey, Guernsey or the Isle of Man;
 - (d) the Scottish Legal Aid Board;
 - (e) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England, the Jersey Financial Services Commission, the Guernsey Financial Services Commission or the Isle of Man Financial Services Authority;
 - (f) any other regulatory body (whether or not in the United Kingdom);
 - (g) any organ of the United Nations;
 - (h) the Council of the European Union, the European Commission or the European External Action Service;
 - (i) the Government of any country;
 - (j) any other person where the Secretary of State or the Treasury (as the case may be) consider that it is appropriate to disclose the information.
- (4) Information referred to in paragraph (1) may be disclosed to any person with the consent of a person who, in their own right, is entitled to the information.
- (5) In paragraph (4) “in their own right” means not merely in the capacity as a servant or agent of another person.
- (6) In paragraph (1)(b)—
- (a) the reference to information includes information obtained at a time when any provision of these Regulations is not in force, and
 - (b) the reference to a licence under Part 5 includes—
 - (i) a licence which is treated as if it were a licence which had been issued under that Part, and

(16) 2017 c.3.

(17) Section 1(8) of the Sanctions and Anti-Money Laundering Act 2018 defines an “international obligation” as an obligation of the United Kingdom created or arising by or under any international agreement.

(ii) a licence which is deemed to have been issued under that Part.

Part 6: supplementary

30.—(1) A disclosure of information under regulation 29 (disclosure of information) does not breach any restriction on such disclosure imposed by statute or otherwise.

(2) But nothing in that regulation authorises a disclosure that—

- (a) contravenes the data protection legislation, or
- (b) is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016⁽¹⁸⁾.

(3) Nothing in this Part is to be read as requiring a person who has acted or is acting as counsel or solicitor for any person to disclose any privileged information in their possession in that capacity.

(4) Regulation 29 does not limit the circumstances in which information may be disclosed apart from that regulation.

(5) Nothing in this Part limits any conditions which may be contained in a Treasury licence.

(6) In this regulation—

“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act)⁽¹⁹⁾;

“privileged information” means information with respect to which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

PART 7

Enforcement

Penalties for offences

31.—(1) A person who commits an offence under any provision of Part 3 (Finance) or regulation 22 (finance: licensing offences) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 12 months or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 7 years or a fine (or both).

(2) A person who commits an offence under regulation 9(6) (confidentiality) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 12 months or a fine (or both);

⁽¹⁸⁾ 2016 c.25. Amendments have been made by the Policing and Crime Act 2017, Schedule 9, paragraph 74; the Data Protection Act 2018 (c.12), Schedule 19, paragraphs 198-203; S.I. 2018/652 and S.I. 2018/1123. Saving provisions are made by S.I. 2017/859.

⁽¹⁹⁾ 2018 c.12. There are amendments to this Act but none are relevant to these Regulations.

- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
 - (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
 - (d) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).
- (3) A person who commits an offence under regulation 24(6) or 28 (information offences in connection with Part 3) is liable—
- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 6 months or a fine (or both);
 - (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both);
 - (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both).
- (4) In relation to an offence committed before section 154(1) of the Criminal Justice Act 2003⁽²⁰⁾ comes into force, the reference in each of paragraphs (1)(a) and (2)(a) to 12 months is to be read as a reference to 6 months.

Liability of officers of bodies corporate etc.

32.—(1) Where an offence under these Regulations, committed by a body corporate—

- (a) is committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, or
- (b) is attributable to any neglect on the part of any such person,

that person as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

(2) In paragraph (1), “director”, in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate.

(3) Paragraph (1) also applies in relation to a body that is not a body corporate, with the substitution for the reference to a director of the body of a reference—

- (a) in the case of a partnership, to a partner;
- (b) in the case of an unincorporated body other than a partnership—
 - (i) where the body’s affairs are managed by its members, to a member of the body;
 - (ii) in any other case, to a member of the governing body.

Jurisdiction to try offences

33.—(1) Wherever an offence under these Regulations is committed (whether in the United Kingdom or outside the United Kingdom)—

- (a) proceedings for the offence may be taken at any place in the United Kingdom, and
- (b) the offence may for all incidental purposes be treated as having been committed at any such place.

(2) In the application of paragraph (1) to Scotland, where an offence is committed outside the United Kingdom any such proceedings against a person may be taken—

⁽²⁰⁾ 2003 c.44. Amendments have been made to section 154(1) that are not relevant to these Regulations.

- (a) in any sheriff court district in which the person is apprehended or is in custody, or
- (b) in such sheriff court district as the Lord Advocate may determine.

(3) In paragraph (2) “sheriff court district” is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act)(**21**).

Procedure for offences by unincorporated bodies

34.—(1) Paragraphs (2) and (3) apply if it is alleged that an offence under these Regulations has been committed by an unincorporated body (as opposed to by a member of the body).

(2) Proceedings in England and Wales or Northern Ireland for such an offence must be brought against the body in its own name.

(3) For the purposes of proceedings for such an offence brought against an unincorporated body—

- (a) rules of court relating to the service of documents have effect as if the body were a body corporate;
- (b) the following provisions apply as they apply in relation to a body corporate—
 - (i) section 33 of the Criminal Justice Act 1925(**22**) and Schedule 3 to the Magistrates’ Courts Act 1980(**23**);
 - (ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945(**24**) and Article 166 of, and Schedule 4 to, the Magistrates’ Courts (Northern Ireland) Order 1981(**25**).

(4) A fine imposed on an unincorporated body on its conviction of an offence under these Regulations is to be paid out of the funds of the body.

Time limit for proceedings for summary offences

35.—(1) Proceedings for an offence under these Regulations which is triable only summarily may be brought within the period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the prosecutor’s knowledge.

(2) But such proceedings may not be brought by virtue of paragraph (1) more than 3 years after the commission of the offence.

(3) A certificate signed by the prosecutor as to the date on which the evidence in question came to the prosecutor’s knowledge is conclusive evidence of the date on which it did so; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

(4) In relation to proceedings in Scotland—

- (a) section 136(3) of the Criminal Procedure (Scotland) Act 1995 (date of commencement of summary proceedings) applies for the purposes of this regulation as it applies for the purposes of that section, and
- (b) references in this regulation to the prosecutor are to be treated as references to the Lord Advocate.

(21) 1995 c.46.

(22) 1925 c.86. Amendments have been made to section 33 that are not relevant to these Regulations.

(23) 1980 c.43. Amendments have been made to Schedule 3 that are not relevant to these Regulations.

(24) 1945 c. 15 (N.I.).

(25) S.I. 1981/1675 (N.I. 26).

Application of Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005

36. Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005 (investigatory powers)⁽²⁶⁾ applies to any offence under Part 3 (Finance) or regulation 22 (finance: licensing offences).

18th June 2020

Ahmad
Minister of State
Foreign and Commonwealth Office

(26) [2005 c.15](#). Chapter 1 of Part 2 has been amended by the Terrorism Act [2006 \(c.11\)](#), section 33(3) and (4); the Northern Ireland (Miscellaneous Provisions) Act [2006 \(c.33\)](#), sections 26(2) and 30(2) and Schedules 3 and 5; the Bribery Act [2010 \(c.23\)](#), section 17(2) and Schedule 1; the Criminal Justice and Licensing (Scotland) Act 2010 (asp.13), section 203 and Schedule 7, paragraph 77; the Crime and Courts Act [2013 \(c.22\)](#), section 15 and Schedule 8, paragraphs 157 and 159; the Criminal Finances Act [2017 \(c.22\)](#), section 51(1); the Sanctions and Anti-Money Laundering Act 2018, section 59(4) and Schedule 3, paragraph 4; and [S.I. 2014/834](#).