

**EXECUTIVE NOTE**  
**THE SERIOUS ORGANISED CRIME AND POLICE ACT 2005 (SPECIFIED**  
**PERSONS FOR FINANCIAL REPORTING ORDERS) (SCOTLAND) ORDER 2006**  
**(S.S.I. 2006/ 170)**

1. The above instrument was made in exercise of the powers conferred by section 79(9) of the Serious Organised Crime and Police Act 2005 (the “SOCAP Act”). The instrument is subject to negative resolution procedure.

**Policy Objectives**

2. Sections 76-81 of the SOCAP Act make provision in respect of financial reporting orders (“FROs”). A commencement order bringing these provisions into force on 1<sup>st</sup> April 2006 will be made shortly. Sections 77, 79, 80(1) and (2), and 81 extend to Scotland. Courts may impose a FRO on a person who is convicted of the offence of fraud or any offence listed in Schedule 4 to the Proceeds of Crime Act 2002 (lifestyle offences), where the court is satisfied that there is a sufficiently high risk of the person committing another such offence. FROs require the person subject to them to make reports of their financial affairs to persons specified in the FRO at intervals specified in the FRO. Their purpose is to ensure that the police have sufficient information about the person’s financial dealings to help them prevent and detect future financial offences.

3. Section 79(6) of the SOCAP Act requires that a person subject to a FRO must make his or her reports to a specified person. Section 79(8) provides that specified means specified by the court in the FRO. Section 79(9) provides that in Scotland the specified person must be selected by the court from a list set out in an order made by the Scottish Ministers.

4. The purpose of this Order is to list the specified persons who may be selected by a court when it imposes financial reporting orders. These specified persons will be the Chief Constables of the eight Scottish police forces and the Director of the Scottish Drug Enforcement Agency. It is anticipated that in deciding which persons to select the court will consider information provided by the prosecution and defence.

**Consultation**

5. The Association of Chief Police Officers in Scotland, the Crown Office and Procurator Fiscal Service and the Scottish Drug Enforcement Agency have been consulted in advance of the preparation of this instrument.

**Financial Effects**

6. This instrument has no financial effects on the Scottish Executive or on business. There will be a financial impact on local government, in the form of the Scottish police service, which will be required to receive and handle the information that people subject to FROs provide, and on the Scottish court service which will handle prosecutions for breaches of these orders. The financial impact of FROs was assessed as minimal when the Sewel Motion on the Serious Organised Crime and Police Bill was considered by the Scottish Parliament. Fewer than 100 financial reporting orders are expected to be imposed each year in Scotland and it is estimated that the cost implications are expected to be limited and to a large extent outweighed by the efficiencies gained in dealing with the respective offences.

On this basis, we consider that the costs involved in managing these orders can be absorbed within existing baselines.

Scottish Executive Justice Department  
March 2006