
DRAFT STATUTORY INSTRUMENTS

2021 No.

The Greenhouse Gas Emissions Trading
Scheme Auctioning Regulations 2021

PART 13

Auction Surveillance, Remedial Measures and Sanctions

Notification of money laundering, terrorist financing or other criminal activity

38.—(1) The FCA must monitor and take the necessary measures to ensure compliance of an appointed auction platform with the customer due diligence measures referred to in regulation 17(2) (e), with the obligation to refuse to grant admission to bid, revoke or suspend any admission to bid already granted pursuant to regulation 19(1) and (2), with the monitoring and record keeping requirements of regulation 37 and with the notification requirements of paragraphs (4), (5) and (6).

(2) The FCA may exercise the powers given to it in regulations 66 to 74 of the Money Laundering Regulations for the purpose of its supervisory functions under these Regulations as though—

- (a) those functions were supervisory functions given to the FCA under the Money Laundering Regulations; and
- (b) references in regulations 66 to 74 of the Money Laundering Regulations to contravention of the Money Laundering Regulations included a reference to contravention of these Regulations.

(3) The appointed auction platform may be held liable for infringements of regulations 18(8) and (12), 19(1) and (2), 37, and paragraphs (4), (5) and (6) of this regulation, and infringements of these provisions are to be treated as breach of a relevant requirement for the purposes of Part 9 of the Money Laundering Regulations.

(4) The appointed auction platform, its directors and employees, must cooperate fully with the National Crime Agency (“NCA”) by promptly—

- (a) informing the NCA, including by filing a report, on their own initiative, where they know, suspect or have reasonable grounds to suspect that funds in relation to the auctions, regardless of the amount involved, are the proceeds of criminal activity or are related to terrorist financing, and by promptly responding to requests by the NCA for additional information in such cases;
- (b) providing the NCA directly, at its request, with all necessary information.

(5) All suspicious transactions, including attempted transactions, must be reported by the appointed auction platform to the NCA.

(6) The appointed auction platform must inform the NCA of the individual who is responsible for forwarding information pursuant to this regulation.