

2017 No. 1297 (L. 27)

MAGISTRATES' COURTS, ENGLAND AND WALES

PROCEDURE

**The Magistrates' Courts (Freezing and Forfeiture of Money in
Bank and Building Society Accounts) Rules 2017**

<i>Made</i> - - - -	<i>11th December 2017</i>
<i>Laid before Parliament</i>	<i>18th December 2017</i>
<i>Coming into force</i> - -	<i>31st January 2018</i>

The Lord Chief Justice, with the concurrence of the Lord Chancellor, makes the following Rules in exercise of the powers conferred by section 144 of the Magistrates' Courts Act 1980(a):

Citation and commencement

1. These Rules may be cited as the Magistrates' Courts (Freezing and Forfeiture of Money in Bank and Building Society Accounts) Rules 2017, and come into force on 31st January 2018.

Interpretation

2. In these Rules—

- (a) “the Act” means the Proceeds of Crime Act 2002(b);
- (b) “document” includes any notification required to be given under these Rules;
- (c) “electronic communication” has the meaning given by section 15(1) of the Electronic Communications Act 2000(c);
- (d) words and expressions used otherwise have the same meaning as in Chapter 3A of Part 5 of the Act.

Application for account freezing order

3.—(1) An application under section 303Z1(2) of the Act for an order under paragraph 303Z3(2) of the Act for an account freezing order must be made in writing and may be sent to the court before which the applicant wishes to make the application.

(a) 1980 c. 43. Section 144 has been amended by section 109(1) and paragraphs 245(1), (2), (5) of Schedule 8 and Schedule 10 to the Courts Act 2003; section 15(1) and paragraphs 99, 102(1), (2), (3)(a), (3)(b), (4) and (6) of Schedule 4 to the Constitutional Reform Act 2005; section 208(1) and paragraphs 42, 43(b) of Schedule 21 to the Legal Services Act 2007; Article 3(2) and paragraphs 1(1), (2) – (6) of Schedule 2 to SI 2012/2398 and section 17(6) and paragraphs 39, 52 and 99 of Schedule 10 to the Crime and Courts Act 2013.

(b) 2002 c.29. Chapters 3A and 3B of Part 5 of the Proceeds of Crime Act were inserted by sections 15 and 16 of the Criminal Finances Act 2017 (c. 22).

(c) 2000 c. 7. Section 15(1) is amended by section 406 of, and paragraph 158 of Schedule 17 to, the Communications Act 2003 (c. 21).

(2) But where the reasonable grounds for suspicion which led to an application under section 303Z1(2) of the Act are connected to—

- (a) the reasonable grounds for suspicion which led to the seizure of cash or property to which a previous order made under sections 295(2) or 303L(1) of the Act relates; or
- (b) the reasonable grounds for suspicion which led to the making of a previous account freezing order under section 303Z1(2) of the Act,

then the application must specify the connection to any such previous order and the application may be sent to any court which made a previous order listed in sub-paragraph (a) or (b).

(3) A copy of the written application and notification of the hearing of the application must be given by the applicant to any person by or for whom the account which is the subject of the application is operated.

(4) But the applicant is not required to send copies of the written application and notification of the hearing to any person by or for whom the account is operated who cannot be identified.

(5) Where paragraph (4) applies, the court shall not decline to hear an application solely on the ground that it has not been proved that any person by or for whom the account which is the subject of the application is operated has received a copy of the written application and notification of the hearing.

(6) The applicant must inform the court of any person known to be affected by the order, as soon as practicable after that person is so identified.

(7) The court must give—

- (a) notice of the order; and
- (b) a copy of the order,

to any person by or for whom the account which is the subject of the application is operated and to any other person known to be affected by the order, including the relevant bank or building society.

Application for the variation or setting aside of an account freezing order

4.—(1) An application under section 303Z4(1) of the Act to vary or set aside an account freezing order under section 303Z3 of the Act must be made in writing to the court before which the applicant wishes to make the application, and must specify the grounds on which it is made.

(2) But if the applicant has been given notice of an order under section 303Z3(2) of the Act in respect of the account which is the subject of the application, then the application must be sent to the court which sent the applicant that notice.

(3) The court must send a copy of the application to every person to whom notice of a previous related order made under section 303Z3(2) or 303Z4(1) of the Act has been given.

(4) The court must fix a date for the hearing of the application, which, unless directed otherwise, shall not be earlier than seven days from the date on which it is fixed, and must notify that date to the applicant and to every person to whom a copy of the application is required to be sent under paragraph (3).

(5) At the hearing of an application under section 303Z4(1) of the Act, the court may, if it thinks fit, order that the applicant be joined as a party to all the proceedings in relation to the account which is the subject of an order under section 303Z3(2) of the Act.

(6) The court must give a copy of the order to every person to whom notice of the previous related orders has been given.

(7) The court must also give—

- (a) notice of the order; and
- (b) a copy of the order,

to any person other than one referred to in paragraph (4) who is known to be affected by the order.

Application for forfeiture of frozen money

5.—(1) An application under section 303Z14(2) of the Act for the forfeiture of money held in a frozen account must be made in writing and may be sent to the court to which the application for the account freezing order under section 303Z3 of the Act has been sent.

(2) But where the reasonable grounds for suspicion which led to the application under section 303Z14(2) of the Act are connected to the reasonable grounds for suspicion which led to the seizure of other property to which a previous order made under sections 295(2) or 303L(1) of the Act relates—

- (a) the application under section 303Z14(2) of the Act must specify the connection to any such previous order; and
- (b) the application under section 303Z14(2) of the Act may be sent to any court which made such a previous order.

(3) The applicant must send a copy of the application to every person to whom notice of the account freezing order made under section 303Z3(2) of the Act in respect of the funds to which the application relates has been given and to any other person identified by the court as being affected by the application.

(4) The court must fix a date for a hearing, which unless directed otherwise shall not be earlier than seven days from the date on which it is fixed, and must notify that date to the applicant and every person to whom a copy of the application is required to be sent under paragraph (3).

(5) At the directions hearing, the court may give directions relating to the management of the proceedings, including directions as to the date for the hearing of the application.

(6) If neither the persons by or for whom the frozen account is operated, nor any other person who is affected by the account freezing order, seeks to contest the application, the court may decide the application at the directions hearing.

(7) A copy of an order for the forfeiture of frozen funds under section 303Z14 of the Act shall be given by the court to every person to whom notice of the account freezing order made under section 303Z3(2) of the Act in respect of the frozen account and to any other person identified by the court as being affected by the application.

Application to set aside forfeiture

6.—(1) An application under section 303Z12(1) of the Act for the setting aside of forfeiture of cash forfeited in pursuance of a forfeiture notice must be made in writing and may be made to the court before which the applicant wishes to make the application.

(2) But if the applicant has been given notice of an order under section 303Z3(2) of the Act in respect of the account in which the money is held, then the application must be sent to the court which sent the applicant that notice.

(3) The court must send a copy of the application to—

- (a) the Commissioners of Her Majesty's Revenue and Customs, if the money to which the application relates was subject to an account freezing order obtained by an officer of Revenue and Customs;
- (b) the Director General of the National Crime Agency, if the money to which the application relates was subject to an account freezing order obtained by a National Crime Agency officer who is designated under section 10 of the Crime and Courts Act 2013(a);
- (c) the chief officer of the police force to which the constable belongs, if the money to which the application relates was subject to an account freezing order obtained by a constable;
- (d) the chief officer of the police force concerned, if the money to which the application relates was subject to an account freezing order obtained by an accredited financial investigator who is—

(a) 2013 c. 22.

- (i) a member of the civilian staff of a police force, including the metropolitan police force, (within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011^(a)); or
- (ii) a member of staff of the City of London police force;
- (e) the solicitor acting for the Secretary of State, if the money to which the application relates was subject to an account freezing order obtained by an immigration officer;
- (f) the solicitor acting for a government department, if the money to which the application relates was subject to an account freezing order obtained by an accredited financial investigator who is a member of staff of that department of the government in the United Kingdom, but who is not an officer of Revenue and Customs, a constable or an immigration officer;
- (g) the employer of an accredited financial investigator, if the money to which the application relates was subject to an account freezing order obtained by that accredited financial investigator, and the employer is not otherwise mentioned in this paragraph; and
- (h) the Director of Public Prosecutions, where the Director has given notification under rule 7.

(4) The court must fix a date for the hearing of the application, which, unless directed otherwise, shall not be earlier than seven days from the date on which it is fixed, and must notify that date to the applicant and to every person to whom a copy of the application is required to be sent under paragraph (2).

(5) An order under section 303Z12(6)(a) of the Act must provide for the release of the money within seven days of the date of the making of the order, or such longer period as, with the agreement of the applicant, may be specified.

Director of Public Prosecutions appearing in proceedings

7. Where the Director of Public Prosecutions has agreed under section 303Z19 of the Act to appear in proceedings under Chapter 3A of Part 5 of the Act for—

- (a) a constable;
- (b) an accredited financial investigator;
- (c) the Commissioners for Her Majesty’s Revenue and Customs;
- (d) an officer of Revenue and Customs; or
- (e) an immigration officer,

the Director must notify the court which is dealing with the proceedings if the Director wants documents given under these Rules to be given also to the Director.

Application for compensation

8.—(1) An application under section 303Z18 of the Act for compensation must be made in writing and sent to the court before which the applicant wishes to make the application, and must specify the grounds on which it is made.

(2) But if the applicant has been given notice of an order under section 303Z3 of the Act in respect of the funds in the bank or building society account which are the subject of the application, then the application shall be sent to the court which sent the applicant that notice.

(3) The court must send a copy of the application to—

- (a) the Commissioners for Her Majesty’s Revenue and Customs, if the money which is the subject of the application was subject to an account freezing order obtained by an officer of Revenue and Customs;

(a) 2011 c. 13.

- (b) the police force to which the constable belongs, if the property which is the subject of the application was seized by a constable;
- (c) the police force of which the counter-terrorism financial officer is a member of staff, if the property which is the subject of the application was seized by a counter-terrorism financial investigator;
- (d) the Director of the Serious Fraud Office, if the property which is the subject of the application was seized by an officer of the Serious Fraud Office;
- (e) the Secretary of State, if the property which is the subject of the application was seized by an immigration officer;
- (f) the person identified under section 303W(9) of the Act, if the property which is the subject of the application was seized by an accredited financial investigator; and
- (g) every person to whom notice of the order made under section 303L(1) of the Act has been given.

(4) The court must fix a date for the hearing of the application, which, unless directed otherwise, shall not be earlier than seven days from the date on which it is fixed, and must notify the date to the applicant and every person to whom a copy of the application is required to be sent under paragraph (3).

Giving of documents

9.—(1) Any document required to be given to any person under these Rules may be given—

- (a) by post in accordance with rule 10;
- (b) by means of electronic communication in accordance with rule 11; or
- (c) by any method authorised by the court under rule 12.

(2) If any document is given to a person in accordance with paragraph (1), it is deemed to have been received by that person unless the contrary is shown.

Giving documents by post

10.—(1) In order to give a document by post to a person (other than to the court), it must be sent by properly addressing, pre-paying and posting to an address which has been given by that person for the purpose of receipt of documents under these Rules.

(2) If no address has been given as is mentioned in paragraph (1), the document must be sent to an address which is shown in the following table.

<i>Person to whom document is to be given</i>	<i>Address</i>
1. Individual	Last known residential address
2. Individual in their business capacity	Last known residential address of the individual; or principal or last known place of business
3. Individual in their capacity as a partner in a partnership	Last known residential address of the individual; or principal or last known place of business of the partnership
4. Limited Liability Partnership (within the meaning of the Limited Liability Partnerships Act 2000 ⁽¹⁾)	Principal office of the partnership; or any place of business of the partnership
5. Corporation (other than a company)	Principal office of the corporation; or any place where the corporation carries on its activities
6. Company	Principal office of the company; or any place of business of the company

⁽¹⁾ 2000 c.12. “Limited Liability Partnership” is defined in section 1(2).

(3) Unless the contrary is shown, the document is to be deemed as having been given to the person on the second day after it was posted, provided that day is a business day; or if not, the next business day after that day.

Giving documents by means of electronic communication

11.—(1) In order to give a document by fax, email or other means of electronic communication, the intended recipient of the document must previously have indicated in writing to the person giving the document—

- (a) that they are willing to accept service of documents for the purposes of these Rules by that means of electronic communication; and
- (b) the fax number, e-mail address or other electronic identification to which documents must be sent.

(2) Where a person intends to give a document by means of electronic communication (other than by fax), that person must first ask the intended recipient whether there are any limitations to their agreement to accept service by such means (for example, the format in which documents are to be sent and the maximum size of attachments that may be received).

(3) Giving a document by means of electronic communication is effected by sending or transmitting the document in accordance with the written indication given by the intended recipient under paragraph (1), having complied with any limitations specified by the intended recipient under paragraph (2).

(4) The document is to be treated as having been given on the day on which it is sent or transmitted if the electronic communication containing it is sent or transmitted before 4.30pm. If the electronic communication is sent or transmitted after 4.30pm, the document is to be treated as having been given the following day.

(5) Where a document is given by electronic means, the person giving the document need not in addition send or deliver a hard copy.

Giving of documents by an alternative method or at an alternative place

12.—(1) Where it appears to the court that there is a good reason to authorise the giving of a document by a method or at a place not otherwise permitted by these Rules, the court may make an order permitting the giving of a document by an alternative method or at an alternative place.

(2) On an application under this rule, the court may order that steps already taken to give the document to a person by an alternative method or at an alternative place constitute the giving of that document under these Rules.

(3) An application for an order under this rule—

- (a) must be supported by evidence; and
- (b) may be made without notice.

(4) An order under this rule must specify—

- (a) the method by which the document may be given, if it is not a method permitted by these Rules;
- (b) the place at which the document may be given, if it is not a place permitted by these Rules; and
- (c) the date on which the document is deemed to be given.

Giving a document to a child or a protected person

13.—(1) Where the intended recipient of a document is known to be a child who is not also a protected person, the document must be given to the child and—

- (a) one of the child's parents or guardians; or

- (b) if there is no parent or guardian, an adult with whom the child resides or in whose care the child is.
- (2) Where the intended recipient of a document is known to be a protected person, the document must be given to the protected person and—
- (a) where the protected person is resident in England and Wales, to one of the following persons—
 - (i) the attorney under a registered enduring power of attorney which relates to the protected person;
 - (ii) the donee of a lasting power of attorney which relates to the protected person; or
 - (iii) the deputy appointed in relation to the protected person by the Court of Protection;
 - (b) where the protected person is resident in Northern Ireland, to one of the following persons—
 - (i) the attorney under a registered enduring power of attorney which relates to the protected person;
 - (ii) the controller appointed in relation to the protected person by the Office of Care and Protection;
 - (c) where the protected person is resident in Scotland, to one of the following persons—
 - (i) the continuing attorney under a continuing power of attorney which relates to the protected person;
 - (ii) the welfare attorney under a welfare power of attorney which relates to the protected person;
 - (iii) the person authorised under an intervention order in respect of the protected person;
 - (iv) the person authorised under a guardianship order in respect of the protected person;
 - (v) the person authorised under a withdrawal certificate in respect of the protected person; or
 - (d) if in any case under sub-paragraph (a), (b) or (c) there is no such person, to an adult with whom the protected person resides or in whose care the protected person is.
- (3) Any reference in these Rules to a person to whom a document is to be given includes the person to be given documents on behalf of a child or protected person under paragraph (1) or (2).
- (4) The court may make an order permitting a document to be given to a child or protected person, or to a person other than the person specified in paragraph (1) or (2), and an application for such an order may be made without notice.
- (5) In this rule—
- (a) “child” means a person under 18 years; and
 - (b) “protected person” means—
 - (i) in relation to England and Wales, a person who lacks capacity (within the meaning of the Mental Capacity Act 2005(a)) to understand the nature of forfeiture proceedings;
 - (ii) in relation to Northern Ireland, a person who is 16 years or over who lacks capacity to understand the nature of forfeiture proceedings because of an impairment of, or a disturbance in the functioning of, the mind or brain;
 - (iii) in relation to Scotland, a person who is incapable, within the meaning of the Adults with Incapacity (Scotland) Act 2000(b), of understanding the nature of forfeiture proceedings.

(a) 2005 c. 9.
 (b) 2000 asp 4.

Giving of documents to persons outside the United Kingdom

14.—(1) If a document is to be given to a person who resides outside the United Kingdom, the document must be given in accordance with the terms of any relevant declaration.

(2) In this rule, “relevant declaration” means—

- (a) a declaration made in accordance with Article 31(2) of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism agreed at Warsaw on 16th May 2005^(a) that judicial documents may not be sent directly to persons abroad by postal channels; or
- (b) a declaration made in accordance with Article 21(2) of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime agreed at Strasbourg on 8th November 1990^(b) that judicial documents may not be sent directly to persons abroad by postal channels.

Transfer of proceedings

15.—(1) Any person who is a party to, or affected by, proceedings under Chapter 3B of part 5 of the Act may, at any time, make an application to the court dealing with the matter for the proceedings to be transferred to a different magistrates’ court.

(2) Any such application must be made in writing and sent to the court in which the proceedings are being dealt with and must specify the grounds on which it is made.

(3) The court must send a copy of the application to the parties to the proceedings and any other person affected by the proceedings.

(4) The court must fix a date for the hearing of the application, which, unless directed otherwise, shall not be earlier than seven days from the date on which it is fixed, and must notify the date to the application and every person to whom a copy of the application is required to be sent under paragraph (3).

(5) The court may grant the application if it is satisfied that it would be more convenient or fairer for proceedings to be transferred to a different court.

(6) If the application is granted—

- (a) the court must give a copy of the order to the parties to the proceedings and any other person affected by the proceedings;
- (b) the court must send all relevant papers to the court to which proceedings are transferred;
- (c) any further proceedings under Chapter 3B of Part 5 of the Act in respect of the property to which the proceedings relate shall be dealt with in the court to which proceedings are transferred;
- (d) any requirement under these Rules to make or send an application to the court shall be read as a requirement to make or send an application to the court to which proceedings are transferred.

Procedure at hearings

16.—(1) At the hearing of an application under Chapter 3B of Part 5 of the Act, any person to whom notice of the application has been given may attend and be heard on the question of whether the application should be granted, but the fact that any such person does not attend shall not prevent the court from hearing the application.

(2) Subject to the foregoing provisions of these Rules, proceedings on such an application shall be regulated in the same manner as proceedings on a complaint, and accordingly for the purposes of these Rules, the application shall be deemed to be a complaint, the applicant a complainant, the respondents to be defendants and any notice given under rules 4(4), 5(4), 6(4), 8(4) or 15(4) to be

(a) Council of Europe Treaty Series 198.

(b) European Treaty Series 141.

a summons: but nothing in this rule shall be construed as enabling a warrant of arrest to be issued for failure to appear in answer to any such notice.

(3) At the hearing of an application under Chapter 3B of Part 5 of the Act, the court must require the matters contained in the application to be sworn by the applicant under oath, may require the applicant to answer any questions under oath and may require any response from the respondent to the application to be made under oath.

(4) The court must record or cause to be recorded the substance of any statements made under oath which are not already recorded in the written application.

8th December 2017

Ian Burnett
Lord Chief Justice

I concur

11th December 2017

Dominic Raab
Minister of State
Ministry of Justice

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules prescribe the procedure to be followed for applications to a magistrates' court for orders under Chapter 3B of Part 5 of the Proceeds of Crime Act 2002 (c. 29) ("POCA"). Chapter 3B of Part 5 of POCA was inserted by section 16 of the Criminal Finances Act 2017 (c.22), and makes provision for the forfeiture of money held in bank and building society accounts, where the money derives from, or is intended for use in, unlawful conduct. These Rules provide the relevant procedure for:

- Applications for account freezing orders (see sections 303Z1 to 303Z3 of POCA)
- Applications to vary or set aside an account freezing order (see section 303Z4 of POCA)
- Application to set aside an administrative forfeiture (see section 303Z12 of POCA)
- Applications for a forfeiture order (see section 303Z14 of POCA)
- Applications for compensation where no forfeiture order is made (see section 303Z18 of POCA).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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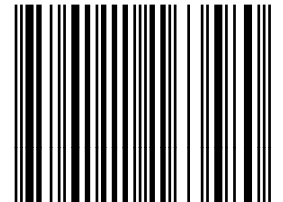
Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£6.00

UK201712131042 12/2017 19585

<http://www.legislation.gov.uk/id/uksi/2017/1297>

ISBN 978-0-11-116358-0



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