
STATUTORY INSTRUMENTS

2017 No. 692

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

PART 3

Customer Due Diligence

CHAPTER 1

Customer due diligence: general

Customer due diligence

27.—(1) A relevant person must apply customer due diligence measures if the person—

- (a) establishes a business relationship;
- (b) carries out an occasional transaction that amounts to a transfer of funds within the meaning of Article 3.9 of the funds transfer regulation exceeding 1,000 euros;
- (c) suspects money laundering or terrorist financing; or
- (d) doubts the veracity or adequacy of documents or information previously obtained for the purposes of identification or verification.

(2) A relevant person who is not [^{F1}a letting agent,] a high value dealer, [^{F2}an art market participant, a cryptoasset exchange provider of the kind referred to in paragraph (7D)] [^{F3}or (7E)], a custodian wallet provider of the kind referred to in paragraph (7E)] or a casino must also apply customer due diligence measures if the person carries out an occasional transaction that amounts to 15,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3) A high value dealer must also apply customer due diligence measures if that dealer carries out an occasional transaction in cash that amounts to 10,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(4) A transaction does not cease to be a “transaction in cash” for the purposes of paragraph (3) if cash is paid by or on behalf of a party to the transaction—

- (a) to a person other than the other party to the transaction for the benefit of the other party, or
- (b) into a bank account for the benefit of the other party to the transaction.

(5) A casino must also apply customer due diligence measures in relation to any transaction within paragraph (6) that amounts to 2,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(6) A transaction is within this paragraph if it consists of—

- (a) the wagering of a stake, including—
 - (i) the purchase from, or exchange with, the casino of tokens for use in gambling at the casino;

- (ii) payment for use of gaming machines (within the meaning of section 235 of the Gambling Act 2005 ^{M1}); and
- (iii) the deposit of funds required to take part in remote gambling; or
- (b) the collection of winnings, including the withdrawal of funds deposited to take part in remote gambling (within the meaning of section 4 of the Gambling Act 2005) or winnings arising from the staking of such funds.

(7) In determining whether a transaction amounts to 2,000 euros or more for the purposes of paragraph (5), no account is to be taken of winnings from a previous transaction which had not been collected from the casino, gaming machine or remote gambling, but are being re-used in the transaction in question.

[^{F4}(7A) A letting agent must also apply customer due diligence measures in relation to any transaction which consists of the conclusion of an agreement for the letting of land (within the meaning given in regulation 13(7))—

- (i) for a term of a month or more, and
- (ii) at a rent which during at least part of the term is, or is equivalent to, a monthly rent of 10,000 euros or more.

(7B) The letting agent must apply customer due diligence measures under paragraph (7A) in relation to both the person by whom the land is being let, and the person who is renting the land.

(7C) An art market participant must also apply customer due diligence measures—

- (a) in relation to any trade in a work of art (within the meaning given in regulation 14), when the firm or sole practitioner carries out, or acts in respect of, any such transaction, or series of linked transactions, whose value amounts to 10,000 euros or more;
- (b) in relation to the storage of a work of art (within the meaning given in regulation 14), when it is the operator of a freeport and the value of the works of art so stored for a person, or series of linked persons, amounts to 10,000 euros or more.

(7D) A cryptoasset exchange provider of the kind who operates a machine which utilises automated processes to exchange cryptoassets for money, or money for cryptoassets, must also apply customer due diligence measures in relation to any such transaction carried out using that machine (and for the purposes of this paragraph “money” and “cryptoasset” have the same meanings as they have in regulation 14A(1)).]

[^{F5}(7E) Without prejudice to paragraph (7D), a cryptoasset exchange provider and a custodian wallet provider must also apply customer due diligence measures in relation to a cryptoasset transfer which is equal to or exceeds the equivalent in cryptoassets of 1,000 euros in value (taken together with any other cryptoasset transfer which appears to be linked).]

(8) A relevant person must also apply customer due diligence measures—

[^{F6}(za) when the relevant person has any legal duty in the course of the calendar year to contact an existing customer for the purpose of reviewing any information which—

- (i) is relevant to the relevant person’s risk assessment for that customer, and
- (ii) relates to the beneficial ownership of the customer, including information which enables the relevant person to understand the ownership or control structure of a legal person, trust, foundation or similar arrangement who is the beneficial owner of the customer;

(zb) when the relevant person has to contact an existing customer in order to fulfil any duty under the International Tax Compliance Regulations 2015 ^{M2};

- (a) at other appropriate times to existing customers on a risk based approach;

(b) when the relevant person becomes aware that the circumstances of an existing customer relevant to its risk assessment for that customer have changed.

(9) For the purposes of paragraph (8), in determining when it is appropriate to take customer due diligence measures in relation to existing customers, a relevant person must take into account, among other things—

- (a) any indication that the identity of the customer, or of the customer's beneficial owner, has changed;
- (b) any transactions which are not reasonably consistent with the relevant person's knowledge of the customer;
- (c) any change in the purpose or intended nature of the relevant person's relationship with the customer;
- (d) any other matter which might affect the relevant person's assessment of the money laundering or terrorist financing risk in relation to the customer.

[^{F7}(10) In this regulation, “cryptoasset” and “cryptoasset transfer” have the meanings given by regulation 64B (cryptoasset transfers: interpretation).]

Textual Amendments

- F1** Words in reg. 27(2) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **5(1)(a)(i)**
- F2** Words in reg. 27(2) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **5(1)(a)(ii)**
- F3** Words in reg. 27(2) inserted (1.9.2023) by [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/860\)](#), regs. 1(3), **5(3)(a)**
- F4** Reg. 27(7A)-(7D) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **5(1)(b)**
- F5** Reg. 27(7E) inserted (1.9.2023) by [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/860\)](#), regs. 1(3), **5(3)(b)**
- F6** Reg. 27(8)(za)(zb) inserted (10.1.2020) by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019 \(S.I. 2019/1511\)](#), regs. 1(2), **5(1)(c)**
- F7** Reg. 27(10) inserted (1.9.2023) by [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/860\)](#), regs. 1(3), **5(3)(c)**

Marginal Citations

- M1** 2005 c.19.
- M2** [S.I. 2015/878](#), amended by [S.I. 2017/598](#).

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 27.