
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

Additional customer due diligence measures: credit institutions and financial institutions

29.—(1) This regulation applies in addition to regulation 28 where a relevant person is a credit institution or a financial institution.

(2) Paragraphs (3) to (5) apply if the relevant person is providing a customer with a contract of long-term insurance (“the insurance policy”).

(3) As soon as the beneficiaries of the insurance policy are identified or designated, the relevant person must—

- (a) if the beneficiary is a named person or legal arrangement, take the full name of the person or arrangement; or
- (b) if the beneficiaries are designated by specified characteristics, as a class or in any other way, obtain sufficient information about the beneficiaries to satisfy itself that it will be able to establish the identity of the beneficiary before any payment is made under the insurance policy.

(4) The relevant person must verify the identity of the beneficiaries (on the basis of documents or information in either case obtained from a reliable source which is independent of the customer and the beneficiaries, and regulation 28(18)(b) applies for the purpose of determining whether a source satisfies this requirement) before any payment is made under the insurance policy.

(5) When the relevant person becomes aware that all or part of the rights under the insurance policy are being, or have been, assigned to an individual, body corporate, trust or other legal arrangement which is receiving the value or part of the value of the insurance policy for its own benefit (“the new beneficiary”), the relevant person must identify the new beneficiary as soon as possible after becoming aware of the assignment, and in any case before a payment is made under the policy.

(6) The relevant person must not set up [^{F1}an anonymous account, an anonymous passbook or an anonymous safe-deposit box] for any new or existing customer.

(7) The relevant person must apply customer due diligence measures to all anonymous accounts and passbooks in existence on the date on which these Regulations come into force, and in any event before such accounts or passbooks are used in any way.

[^{F2}(7A) The relevant person must apply customer due diligence measures to all anonymous safe-deposit boxes in existence on 10th January 2019, and in any event before such safe-deposit boxes are used in any way.]

(8) A relevant person which—

(a) is an open-ended investment company within the meaning of regulation 2(1) of the Open-Ended Investment Companies Regulations 2001 ^{M1}; and

(b) is authorised on or after the date on which these Regulations come into force,

may not issue shares evidenced by a share certificate (or any other documentary evidence) indicating that the holder of the certificate or document is entitled to the shares specified in it.

(9) Paragraph (8) does not apply to an open-ended investment company if—

(a) an application for an authorisation order under regulation 12 of the Open-ended Investment Companies Regulations 2001 was made in relation to that open-ended investment company before the date on which these Regulations come into force; and

(b) that application was not determined until a date on or after the date on which these Regulations come into force.

Textual Amendments

F1 Words in reg. 29(6) substituted (10.1.2019) by [The Money Laundering and Terrorist Financing \(Miscellaneous Amendments\) Regulations 2018 \(S.I. 2018/1337\)](#), regs. 1(2), **3(a)**

F2 Reg. 29(7A) inserted (10.1.2019) by [The Money Laundering and Terrorist Financing \(Miscellaneous Amendments\) Regulations 2018 \(S.I. 2018/1337\)](#), regs. 1(2), **3(b)**

Marginal Citations

M1 [S.I. 2001/1228](#).

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 29.