
STATUTORY INSTRUMENTS

2019 No. 1511

**The Money Laundering and Terrorist
Financing (Amendment) Regulations 2019**

PART 3

Amendment of primary and secondary legislation

Amendment of the Proceeds of Crime Act 2002

15.—(1) The Proceeds of Crime Act 2002(1) is amended as follows.

(2) In section 333E (interpretation), in subsection (4), after the words “terrorist financing” insert “, as amended by Directive 2018/843 of the European Parliament and of the Council of 30th May 2018(2)”.

(3) Paragraph 1 of Schedule 9 (business in the regulated sector) is amended as follows.

(4) In sub-paragraph (1)—

(a) in paragraph (m), for “advice about the tax affairs of other persons by a firm or sole practitioner who by way of business provides advice about” substitute “material aid, or assistance or advice, in connection with the tax affairs of other persons by a firm or sole practitioner, whether provided directly or through a third party, if the firm or sole practitioner by way of business provides (as the case may be) aid, assistance or advice in connection with”;

(b) in paragraph (p), after “estate agency work” insert “or letting agency work.”;

(c) at the end insert—

“(u) the carrying on of activities by a firm or sole practitioner when it—

(i) by way of business trades in, or acts as an intermediary in the sale or purchase of, works of art and the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more; or

(ii) is the operator of a freeport when it, or any other firm or sole practitioner, stores works of art in the freeport and the value of the works of art so stored for a person, or a series of linked persons, amounts to 10,000 euros or more;

(v) the carrying on of activities by a firm or individual when acting as a cryptoasset exchange provider or custodian wallet provider.”.

(5) In sub-paragraph (6), for paragraph (b) substitute—

“(b) disclosure requirements consistent with Articles 1(4) to (7), 3, 5 to 10, 13 to 19, 20(1), 21 and 23 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to

(1) 2002 c. 29. Section 333E was inserted by [S.I. 2007/3398](#) and amended by [S.I. 2017/692](#). Part 1 of Schedule 9 was substituted by [S.I. 2007/3287](#). Paragraph 1 of that Schedule was amended by [S.I. 2011/99](#), [2013/3115](#) and [2015/575](#). Paragraph 3 of that Schedule was amended by [S.I. 2011/2701](#), [2013/3115](#) and [2015/575](#). Part 1 was also amended by [S.I. 2017/692](#).

(2) OJ L 156, 19.06.2018, p.43-74.

the public or admitted to trading on a regulated market, and repealing [Directive 2003/71/EC](#)”.

(6) After sub-paragraph (6A) insert—

“(6B) For the purposes of sub-paragraph (1)(p) “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
 - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land, or
 - (ii) a person (a “prospective tenant”) seeking to find land to rent, and
- (b) done in a case where an agreement is concluded for the letting of land—
 - (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.

(6C) For the purposes of sub-paragraph (1)(p) “letting agency work” does not include the things listed in sub-paragraph (6D) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within sub-paragraph (6B).

(6D) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communication.

(6E) In sub-paragraph (6B) “land” includes part of a building and part of any other structure.”.

(7) In sub-paragraph (7)—

- (a) for “sub-paragraph” substitute “sub-paragraphs”, and
- (b) after “to (q)” insert “and (6C)”.

(8) After sub-paragraph (9) insert—

“(10) For the purposes of sub-paragraph (1)(u), “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods)(3), is a work of art for the purposes of section 21(5)(a) of that Act.

(11) For the purposes of sub-paragraph (1)(u), “freeport” means a warehouse or storage facility within an area designated by the Treasury as a special area for customs purposes pursuant to section 100A(1) of the Customs and Excise Management Act 1979(4).

(12) For the purposes of sub-paragraph (1)(v)—

- (a) “cryptoasset exchange provider” means a firm or sole practitioner who by way of business provides one or more of the following services, including where the

(3) 1994 c. 23. Sections 21(6) to (6B) were inserted by section 12(2) of the Finance Act 1999 (c.16).

(4) 1979 c. 2. Section 100A was inserted by the Finance Act 1984 (c.1), section 8 and (c.43), Schedule 4.

- firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—
- (i) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,
 - (ii) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or
 - (iii) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;
- (b) “custodian wallet provider” means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—
- (i) cryptoassets on behalf of its customers, or
 - (ii) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.
- (13) For the purposes of sub-paragraph (12)—
- (a) “cryptoasset” means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;
 - (b) “money” means—
 - (i) money in sterling,
 - (ii) money in any other currency, or
 - (iii) money in any other medium of exchange,but does not include a cryptoasset; and
 - (c) in sub-paragraphs (i), (ii) and (iii) of sub-paragraph (12)(a), “cryptoasset” includes a right to, or interest in, the cryptoasset.”.