



Terrorist Asset-Freezing etc. Act 2010

2010 CHAPTER 38

An Act to make provision for imposing financial restrictions on, and in relation to, certain persons believed or suspected to be, or to have been, involved in terrorist activities; to amend Schedule 7 to the Counter-Terrorism Act 2008; and for connected purposes. [16th December 2010]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

^{F1F2}PART 1

TERRORIST ASSET-FREEZING

Textual Amendments

- F1** Pt. 1 amendment to earlier affecting provision SI 2011/750, arts. 2, 3, Schs. 1-3 (8.3.2017) by [The Terrorist Asset-Freezing etc. Act 2010 \(Overseas Territories\) \(Amendment\) Order 2017 \(S.I. 2017/157\)](#), arts. 1(1), **3-5**
- F2** Pt. 1 repealed (except s. 45(1) for specified purposes and Sch. 1 paras. 1-5) (31.12.2020) by [Sanctions and Anti-Money Laundering Act 2018 \(c. 13\)](#), ss. **59(1)**, 64(2) (with ss. 52(3), 53, 58, 59(2)(3)); S.I. 2020/1535, reg. 3(b)

Modifications etc. (not altering text)

- C1** Pt. 1 extended (Isle of Man) (with modifications) (17.3.2011) by [The Terrorist Asset-Freezing etc. Act 2010 \(Isle of Man\) Order 2011 \(S.I. 2011/749\)](#), arts. 1, 2, **Schs.**
- C2** Pt. 1 extended (with modifications) (31.3.2011) by [The Terrorist Asset-Freezing etc. Act 2010 \(Overseas Territories\) Order 2011 \(S.I. 2011/750\)](#), arts. 1, 2, 3, **Schs. 1-3 (as amended by S.I. 2013/534, reg. 1, Sch. para. 12(4))**
- C3** Pt. 1 extended (Guernsey) (with modifications) (8.4.2011, with effect in accordance with art. 4 of the commencing S.I.) by [The Terrorist Asset-Freezing etc. Act 2010 \(Guernsey\) Order 2011 \(S.I. 2011/1082\)](#), arts. 1(2), 3, 4, **Schs.**

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

C4 Pt. 1 amendment to earlier affecting provision SI 2011/750 art. 2 3 Sch. 1-3 (1.4.2013) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Consequential, Transitional and Saving Provisions\) Regulations 2013 \(S.I. 2013/534\)](#), reg. 1, **Sch. para. 12(4)**

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Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

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Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

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Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

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[^{F2}(1) Part 1 of Schedule 1 (which contains amendments consequential on this Part) has effect.]

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Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

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PART 2

TERRORIST FINANCING, MONEY LAUNDERING ETC.

Directions in particular cases

48 Directions to branches of credit institutions and financial institutions

(1) In paragraph 5 of Schedule 7 to the Counter-Terrorism Act 2008 (directions in relation to terrorist financing and money laundering etc: meaning of “credit institution” and “financial institution”)—

(a) for sub-paragraph (1) substitute—

“(1) Credit institution” means a credit institution, as defined in Article 4(1) (a) of the banking consolidation directive, when it accepts deposits or other repayable funds from the public or grants credits for its own account (within the meaning of that directive).”

(b) after sub-paragraph (2)(b) insert—

“(ba) a person equivalent to an insurance company within paragraph (b) whose head office is located in a non-EEA state, when carrying out activities of the kind mentioned in paragraph (b);”

(c) omit sub-paragraph (2)(f), and

(d) after sub-paragraph (2) insert—

“(3) The fact that an institution's head office is located in a non-EEA state does not prevent it from being a credit institution or a financial institution for the purposes of this Schedule.”

(2) In paragraph 9 of that Schedule (requirements that may be imposed by a direction), after sub-paragraph (5) insert—

“(5A) Descriptions of transactions or business relationships for the purposes of sub-paragraph (5)(b) may, in particular, include transactions or business relationships of a particular branch (or description of branch) of a relevant person.”

49 Directions in relation to subsidiaries

(1) Paragraph 9 of Schedule 7 to the Counter-Terrorism Act 2008 (requirements that may be imposed by a direction) is amended as follows.

(2) In sub-paragraph (1), after paragraph (c), insert—

“(d) a company that is a subsidiary of a company within paragraph (a) or (c).”

(3) After sub-paragraph (6) insert—

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

“(7) In this paragraph “subsidiary” has the meaning given by section 1159 of the Companies Act 2006 (and “company” has the same meaning as in that section).”

General directions and other requirements

50 Circumventing requirements of Schedule 7 directions

- (1) Schedule 7 to the Counter-Terrorism Act 2008 is amended as follows.
- (2) After paragraph 25 (civil penalties for failure to comply with requirements) insert—

- “25A
- (1) An enforcement authority may impose a penalty of such amount as it considers appropriate on a relevant person who has intentionally participated in activities knowing that the object or effect of them was (whether directly or indirectly) to circumvent a requirement imposed by a direction under this Schedule.
- (2) In sub-paragraph (1) “appropriate” means effective, proportionate and dissuasive.
- (3) A person on whom a penalty is imposed under this paragraph is not liable to be proceeded against for an offence under paragraph 30A in respect of participation in the same activities.”

- (3) After paragraph 30 (offence of failing to comply with requirements) insert—

30A “Offences: relevant person circumventing requirements

- (1) A relevant person who intentionally participates in activities knowing that the object or effect of them is (whether directly or indirectly) to circumvent a requirement imposed by a direction under this Schedule commits an offence.
- (2) A person guilty of an offence under this paragraph is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
- (b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine or both.
- (3) A person who is convicted of an offence under this paragraph is not liable to a penalty under paragraph 25A in respect of participation in the same activities.”

Minor amendments and repeals

51 Northern Ireland credit unions

- (1) In paragraph 18(1) of Schedule 7 to the Counter-Terrorism Act 2008 (Department of Enterprise, Trade and Investment in Northern Ireland to be the enforcement authority for credit unions in Northern Ireland)—
- (a) at the end of paragraph (b) insert “ or ”, and
- (b) omit paragraph (d) and the word “or” before it.

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

- (2) In paragraph 39(2) of that Schedule (Department of Enterprise, Trade and Investment in Northern Ireland to be the supervisory authority for credit unions in Northern Ireland), omit paragraph (d).

Commencement Information

- I1** [S. 51](#) in force at 31.3.2012 by [S.I. 2011/2835](#), [art. 2\(a\)](#)

52 Consequential amendments and repeals

- (1) Part 2 of Schedule 1 (which contains amendments consequential on this Part) has effect.
- (2) Part 2 of Schedule 2 (which contains repeals consequential on this Part) has effect.

Commencement Information

- I2** [S. 52](#) in force at 31.3.2012 in so far as not already in force by [S.I. 2011/2835](#), [art. 2\(b\)](#)

PART 3

FINAL PROVISIONS

Extent etc.

53 Extent

- (1) Subject as follows, this Act extends to England and Wales, Scotland and Northern Ireland.
- (2) Sections 54 and 56 (and this section and section 55 so far as relating to sections 54 and 56) also extend to the Channel Islands, the Isle of Man and the British overseas territories.
- (3) The amendments made by section 28(1) (amendment of Senior Courts Act 1981) and paragraph 5 of Schedule 1 (amendment of civil procedure rules: England and Wales) extend to England and Wales only.
- (4) The amendments made by paragraphs 1 to 4 of Schedule 1 (amendments of rules of the Court of Judicature (Northern Ireland)) extend to Northern Ireland only.

54 Channel Islands, Isle of Man and British overseas territories

- (1) Her Majesty may by Order in Council provide for any of the provisions of Part 1 (including Part 1 of Schedules 1 and 2) to extend, with or without modifications, to any of the Channel Islands, the Isle of Man or any British overseas territory.
- (2) Sections 1 and 3 of the Terrorist Asset-Freezing (Temporary Provisions) Act 2010, so far as they have effect as part of the law of Guernsey, Jersey, the Isle of Man and the territories listed in Schedule 1 to the Terrorism (United Nations Measures) (Overseas

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Territories) Order 2001 (S.I. 2001/3366), have effect as if the reference in section 1(1) of that Act to 31 December 2010 were a reference to 31 March 2011.

Commencement and short title

55 Commencement

- (1) Subject to subsection (2), Parts 1 and 2 (including Schedules 1 and 2) come into force on the day following that on which this Act is passed.
- (2) Section 51 (and section 52, and Part 2 of Schedules 1 and 2, so far as relating to section 51) come into force on such day as the Treasury may by order made by statutory instrument appoint.
- (3) An order under subsection (2) may include such transitional, transitory or saving provision as the Treasury consider appropriate.
- (4) This Part comes into force on the day on which this Act is passed.

56 Short title

This Act may be cited as the Terrorist Asset-Freezing etc. Act 2010.

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Sections 45(1) and 52(1)

CONSEQUENTIAL AMENDMENTS

PART 1

TERRORIST ASSET-FREEZING

Rules of the Court of Judicature (Northern Ireland) 1980 (S.R. 1980 No.346)

- 1 The Rules of the Court of Judicature (Northern Ireland) 1980 are amended as follows.
- 2 In the Arrangement of Orders, in the entry relating to Order 116B, after “2008” insert “ and Part 1 of the Terrorist Asset-Freezing etc. Act 2010 ”.
- 3 In Order 1, after rule 11(l) insert—
 - “(la) proceedings on an application under section 27 of the Terrorist Asset-Freezing etc. Act 2010, or on a claim arising from any matter to which such an application relates;”.
- 4 In Order 116B—
 - (a) in the title of the Order, at the end insert “ and Part 1 of the Terrorist Asset-Freezing etc. Act 2010 ”,
 - (b) in rule 1(2)(a), after “the”, in the first place in which it appears, insert “ 2008 ”,
 - (c) after rule 1(2)(a) insert—
 - “(aa) the 2010 Act” means the Terrorist Asset-Freezing etc. Act 2010;”,
 - (d) in rule 1(2)(b), after “the” insert “ 2008 Act or section 27 of the 2010 ”,
 - (e) in rule 1(2)(c) for “has the same meaning as in section 65 of the Act” substitute
 - “means—
 - (i) financial restrictions proceedings within the meaning of section 65 of the 2008 Act; and
 - (ii) proceedings in the High Court on an application under section 27 of the 2010 Act, or on a claim arising from any matter to which such an application relates”;
 - (f) in rule 1(2)(h), for “Act” substitute “ 2008 Act (including that section as applied by section 28(4) of the 2010 Act) ”,
 - (g) in rule 4(3)(a)(ii), after “the”, in the first place in which it appears, insert “ 2008 ”,
 - (h) in rule 5(1) after “2008”, insert “ , or section 27 of the Terrorist Asset-Freezing etc. Act 2010, as the case may be, ”,

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

- (i) in rule 36(1), after “the” insert “ 2008 ”, and
- (j) in rule 36(2), after “the” in the second place in which it appears, insert “ 2008 ”.

Civil Procedure Rules 1998 (S.I. 1998/3132)

5 In Part 79 of the Civil Procedure Rules 1998 (proceedings under the Counter-Terrorism Act 2008)—

- (a) in the title of Part 79, at the end insert “ and Part 1 of the Terrorist Asset-Freezing etc. Act 2010 ”,
- (b) in rule 79.1(2)(a), after “the”, in the first place in which it appears, insert “ 2008 ”,
- (c) after rule 79.1(2)(a) insert—
 - “(aa) the 2010 Act” means the Terrorist Asset-Freezing etc. Act 2010;”,
- (d) in rule 79.1(2)(b), after “the” insert “ 2008 Act or section 27 of the 2010 ”,
- (e) in rule 79.1(2)(c) for “has the same meaning as in section 65 of the Act” substitute “means—
 - (i) financial restrictions proceedings within the meaning of section 65 of the 2008 Act; and
 - (ii) proceedings in the High Court on an application under section 27 of the 2010 Act, or on a claim arising from any matter to which such an application relates”,
- (f) in rule 79.1(2)(h), for “Act” substitute “ 2008 Act (including that section as applied by section 28(4) of the 2010 Act) ”,
- (g) in rule 79.6(3)(a)(ii), after “the”, in the first place in which it appears, insert “ 2008 ”,
- (h) in rule 79.31(1), after “the” insert “ 2008 ”, and
- (i) in rule 79.31(2), after “the” in the second place in which it appears, insert “ 2008 ”.

Money Laundering Regulations 2007 (S.I. 2007/2157)

F36

Textual Amendments

F3 Sch. 1 paras. 6-8 repealed (31.12.2020) by Sanctions and Anti-Money Laundering Act 2018 (c. 13), ss. 59(1), 64(2) (with ss. 52(3), 53, 58, 59(2)(3)); S.I. 2020/1535, reg. 3(b)

Transfer of Funds (Information on the Payer) Regulations 2007 (S.I. 2007/3298)

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Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

Textual Amendments

- F3** Sch. 1 paras. 6-8 repealed (31.12.2020) by [Sanctions and Anti-Money Laundering Act 2018 \(c. 13\)](#), [ss. 59\(1\), 64\(2\)](#) (with [ss. 52\(3\), 53, 58, 59\(2\)\(3\)](#)); S.I. 2020/1535, reg. 3(b)

Payment Services Regulations 2009 (S.I. 2009/209)

F38

Textual Amendments

- F3** Sch. 1 paras. 6-8 repealed (31.12.2020) by [Sanctions and Anti-Money Laundering Act 2018 \(c. 13\)](#), [ss. 59\(1\), 64\(2\)](#) (with [ss. 52\(3\), 53, 58, 59\(2\)\(3\)](#)); S.I. 2020/1535, reg. 3(b)

PART 2

TERRORIST FINANCING, MONEY LAUNDERING ETC.

Amendment relating to section 48: branches

- 9 In paragraph 46 of Schedule 7 to the Counter-Terrorism Act 2008 (terrorist financing and money laundering etc: index of defined expressions), in the table—
- (a) in the entry for “credit institution”, after “5(1)” insert “ and (3) ”, and
 - (b) in the entry for “financial institution”, after “5(2)” insert “ and (3) ”.

Amendments relating to section 50: circumvention

- 10 (1) In paragraph 26(1) of Schedule 7 to the Counter-Terrorism Act 2008 (imposition of penalty by HMRC) after “25” insert “ or 25A ”.
- (2) In paragraph 27 of that Schedule (imposition of penalty by other enforcement authority)—
- (a) in sub-paragraph (1) after “25” insert “ or 25A ”, and
 - (b) in sub-paragraph (3) after “25” insert “ or (as the case may be) 25A ”.
- (3) In paragraph 29(1) of that Schedule (payment and recovery of civil penalties) after “25” insert “ or 25A ”.
- (4) In paragraph 41(2) of that Schedule (application of civil penalties by Financial Services Authority) after “25” insert “ or 25A ”.

Amendments relating to section 51: Northern Ireland credit unions

- 11 (1) In paragraph 18(2) of Schedule 7 to the Counter-Terrorism Act 2008 (definition of “enforcement officer”) omit paragraph (d) (but not the word “or” at the end of the paragraph).
- (2) In paragraph 18(3)(b) of that Schedule (definition of “local enforcement officer” in Northern Ireland) for “DETINI” substitute “ the Department of Enterprise, Trade and Investment in Northern Ireland (“DETINI”) ”.

Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)

- (3) In paragraph 27(1) of that Schedule (imposition of penalty by enforcement authority) for “, the OFT or DETINI” substitute “ or the OFT ”.
- (4) In paragraph 28 of that Schedule (appeal against imposition of certain civil penalties)
- (a) omit sub-paragraph (2), and
 - (b) in sub-paragraph (3) omit “or court”.
- (5) In paragraph 46 of that Schedule (index of defined expressions), in the entry for DETINI, for “paragraph 18(1)(d)” substitute “ paragraph 18(3)(b) ”.

Commencement Information

I3 [Sch. 1 para. 11](#) in force at 31.3.2012 by [S.I. 2011/2835](#), [art. 2\(c\)](#)

SCHEDULE 2

Sections 45(2) and 52(2)

REPEALS AND REVOCATIONS

PART 1

TERRORIST ASSET-FREEZING

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Textual Amendments

F4 [Sch. 2 Pt. 1](#) repealed (31.12.2020) by [Sanctions and Anti-Money Laundering Act 2018 \(c. 13\)](#), [ss. 59\(1\), 64\(2\)](#) (with [ss. 52\(3\), 53, 58, 59\(2\)\(3\)](#)); [S.I. 2020/1535](#), [reg. 3\(b\)](#)

PART 2

TERRORIST FINANCING, MONEY LAUNDERING ETC.

Commencement Information

I4 [Sch. 2 Pt. 2](#) in force at 31.3.2012 by [S.I. 2011/2835](#), [art. 2\(d\)](#)

I5 [Sch. 2 Pt. 2](#) partly in force; [Sch. 2 Pt. 2](#) in force for specified purposes at 17.12.2010, see [s. 55\(1\)\(2\)](#)

Reference

Counter-Terrorism Act 2008

Extent of repeal

In Schedule 7—
(a) paragraph 5(2)(f),

Changes to legislation: *There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010. (See end of Document for details)*

- (b) in paragraph 18(1), paragraph (d) and the word “or” before the paragraph,
 - (c) in paragraph 18(2), paragraph (d) (but not the word “or” at the end of the paragraph),
 - (d) in paragraph 28, sub-paragraph (2) and, in sub-paragraph (3), the words “or court”, and
 - (e) in paragraph 39(2), paragraph (d).
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Changes to legislation:

There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010.