

SERIOUS ORGANISED CRIME AND POLICE ACT 2005

EXPLANATORY NOTES

THE ACT

Commentary on Sections

Chapter 6: Proceeds of Crime

Section 103: Money laundering: threshold amounts

225. **Section 103** amends the three principal money laundering offences in sections 327-329 of the Proceeds of Crime Act 2002 (POCA), and inserts a new section 339A on threshold amounts. Under section 327(1)(d) of POCA, a bank or other deposit-taking body would need to make a disclosure to obtain consent before proceeding with any transaction which was suspected of involving criminal property. These amendments would, in certain circumstances, allow deposit-taking bodies to continue to operate accounts without the need to seek consent in each case. They do not apply to the duty to make a disclosure in respect of the initial opening of an account or, as the case may be, the time when the deposit taking body first suspects that the property is criminal property (see section 338(2A) of POCA, as inserted by section 106(5)). A bank or other deposit-taking body would not commit an offence in operating an account of a person suspected of money laundering when the amount of money concerned in the transaction is below £250 or such higher threshold amount as may be specified by a constable or an officer of Revenue and Customs, or by a person authorised by the Director General of NCIS (or, in future, authorised by the Director General of SOCA). Where a deposit-taking body requests a threshold amount higher than the £250 default threshold, one may be specified. The £250 default threshold can be varied by order of the Secretary of State. Where a threshold amount (above the £250 default level) has been specified for an account, the specified amount may be varied by any of the officers who could have specified it. Different thresholds may be specified in relation to the operation of the same account (for example, a threshold could be specified for deposits that is higher than the threshold specified for withdrawals).
226. **Subsection (6)** provides a definition of deposit-taking body in section 340 of POCA.