



Terrorist Asset-Freezing etc. Act 2010

2010 CHAPTER 38

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—

Status: This is the original version (as it was originally enacted).

“(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—
 - “(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—

“Offences: relevant person circumventing requirements

- 30A (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;

Status: This is the original version (as it was originally enacted).

- (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.
- (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).

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.