



Sanctions and Anti-Money Laundering Act 2018

2018 CHAPTER 13

PART 3

GENERAL

Definitions

60 Meaning of “funds”, “economic resources” and “freeze”

- (1) In this Act “funds” means financial assets and benefits of every kind, including (but not limited to)—
- (a) cash, cheques, claims on money, drafts, money orders and other payment instruments;
 - (b) deposits, balances on accounts, debts and debt obligations;
 - (c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;
 - (d) interest, dividends and other income on or value accruing from or generated by assets;
 - (e) credit, rights of set-off, guarantees, performance bonds and other financial commitments;
 - (f) letters of credit, bills of lading and bills of sale;
 - (g) documents providing evidence of an interest in funds or financial resources;
 - (h) any other instrument of export financing.
- (2) In this Act “economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but can be used to obtain funds, goods or services.

- (3) In this Act references to “freezing” funds are to preventing funds from being dealt with; and for the purposes of this subsection funds are “dealt with” if—
- (a) they are used, altered, moved, or transferred or access is allowed to them,
 - (b) they are dealt with in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
 - (c) any other change is made that would enable their use, including portfolio management.
- (4) In this Act references to “freezing” economic resources are to preventing economic resources from being dealt with; and for the purposes of this subsection economic resources are “dealt with” if—
- (a) they are exchanged for funds, goods or services, or
 - (b) they are used in exchange for funds, goods or services (whether by being pledged as security or otherwise).

61 Meaning of “financial services” and “financial products”

- (1) In this Act “financial services” means any service of a financial nature, including (but not limited to)—
- (a) insurance-related services consisting of—
 - (i) direct life assurance;
 - (ii) direct insurance other than life assurance;
 - (iii) reinsurance and retrocession;
 - (iv) insurance intermediation, such as brokerage and agency;
 - (v) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;
 - (b) banking and other financial services consisting of—
 - (i) accepting deposits and other repayable funds;
 - (ii) lending (including consumer credit, mortgage credit, factoring and financing of commercial transactions);
 - (iii) financial leasing;
 - (iv) payment and money transmission services (including credit, charge and debit cards, travellers’ cheques and bankers’ drafts);
 - (v) providing guarantees or commitments;
 - (vi) financial trading (as defined in subsection (2));
 - (vii) participating in issues of any kind of securities (including underwriting and placement as an agent, whether publicly or privately) and providing services related to such issues;
 - (viii) money brokering;
 - (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
 - (x) settlement and clearing services for financial assets (including securities, derivative products and other negotiable instruments);
 - (xi) providing or transferring financial information, and financial data processing or related software (but only by suppliers of other financial services);

- (xii) providing advisory and other auxiliary financial services in respect of any activity listed in sub-paragraphs (i) to (xi) (including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy).
- (2) In subsection (1)(b)(vi), “financial trading” means trading for own account or for account of customers, whether on an investment exchange, in an over-the-counter market or otherwise, in financial products.
- (3) In this Act “financial products” means—
- (a) money market instruments (including cheques, bills and certificates of deposit);
 - (b) foreign exchange;
 - (c) derivative products (including futures and options);
 - (d) exchange rate and interest rate instruments (including products such as swaps and forward rate agreements);
 - (e) transferable securities;
 - (f) other negotiable instruments and financial assets (including bullion).

62 Interpretation

- (1) In this Act—
- “appropriate Minister” is to be read in accordance with section 1(9);
- “country” includes any territory, region or other place;
- “designation power” has the meaning given by section 10(1);
- “economic resources” has the meaning given by section 60(2);
- “financial products” has the meaning given by section 61(3);
- “financial services” has the meaning given by section 61(1);
- “freeze”, in relation to funds or economic resources, has the meaning given by section 60(3) and (4);
- “funds” has the meaning given by section 60(1);
- “international obligation” has the meaning given by section 1(8);
- “person” has the meaning given by section 9(5);
- “prescribed”, in any provision relating to regulations, means prescribed by the regulations;
- “retained direct EU legislation” has the same meaning as in the European Union (Withdrawal) Act 2018;
- “retained EU law” has the same meaning as in that Act;
- “the Security Council” means the Security Council of the United Nations;
- “the territorial sea” (without more) means the territorial sea adjacent to the United Kingdom;
- “terrorism” has the same meaning as in the Terrorism Act 2000 (see section 1(1) to (4) of that Act);
- “UN obligation” has the meaning given by section 1(8);
- “UN Security Council Resolution” has the meaning given by section 1(8).
- (2) Any reference in this Act to a person named “for the purposes of” a UN Security Council Resolution so far as it provides for the taking of particular measures includes any person who, by virtue of—

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

- (a) being named for any purposes by the Security Council or a subsidiary organ of the Security Council, and
 - (b) the terms of the resolution,is a person in relation to whom the resolution provides for the measures to be taken.
- (3) Any reference in this Act to ships designated “for purposes of” a UN Security Council Resolution which provides for the taking of measures in relation to ships includes any ship which, by virtue of—
 - (a) being designated for any purposes by the Security Council or a subsidiary organ of the Security Council, and
 - (b) the terms of the resolution,is a ship in relation to which the resolution provides for the measures to be taken.
- (4) Regulations under section 1 may make provision as to the meaning of any reference in the regulations to funds, economic resources or technology (or a particular description of funds, economic resources or technology) being—
 - (a) owned by a person,
 - (b) held by a person,
 - (c) controlled by a person, or
 - (d) made available to or for the benefit of a person.
- (5) Regulations under section 1 may make provision as to the meaning of any reference in the regulations to a person “owning” or “controlling” another person.
- (6) Regulations under section 1 may make provision as to the connection that is required between—
 - (a) a person, or a person of a prescribed description, and
 - (b) a country,in order for the person to be regarded as “connected with” that country for the purposes of any provision of the regulations.