

---

STATUTORY INSTRUMENTS

---

**2017 No. 692**

**The Money Laundering, Terrorist Financing and Transfer  
of Funds (Information on the Payer) Regulations 2017**

**PART 1**

**Introduction**

**General interpretation**

**3.—**(1) In these Regulations—

“Annex 1 financial institution” has the meaning given by regulation 55(2);

“appropriate body” means any body which regulates or is representative of any trade, profession, business or employment carried on by a relevant person;

“auction platform” has the meaning given by regulation 14(1)(c);

“auditor” (except in regulation 31(4)) has the meaning given by regulation 11(a);

“authorised person” means a person who is authorised for the purposes of FSMA;

“the FCA” means the Financial Conduct Authority;

“beneficial owner”—

(a) in the case of a body corporate or partnership, has the meaning given by regulation 5;

(b) in the case of a trust or similar arrangement, or the estate of a deceased person in the course of administration, has the meaning given by regulation 6;

(c) in any other case, has the meaning given by regulation 6(9);

“body corporate”—

(a) includes—

(i) a body corporate incorporated under the laws of the United Kingdom or any part of the United Kingdom, and

(ii) a body corporate constituted under the law of a country or territory outside the United Kingdom;

(b) but does not include—

(i) a corporation sole, or

(ii) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed;

“bill payment service provider” means an undertaking which provides a payment service enabling the payment of utility and other household bills;

“branch”, except where the context otherwise requires, means a place of business that forms a legally dependent part of the entity in question and conducts directly all or some of the operations inherent in its business;

- “business relationship” has the meaning given by regulation 4;
- “the capital requirements directive” means [Directive 2013/36/EU](#) of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending [Directive 2002/87/EC](#) and repealing Directives [2006/48/EC](#) and [2006/49/EC](#)(1);
- “the capital requirements regulation” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012(2);
- “cash” means notes, coins or travellers’ cheques, in any currency;
- “casino” has the meaning given by regulation 14(1)(b);
- “the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;
- “contract of long-term insurance” means any contract falling within Part 2 of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(3);
- “correspondent relationship” has the meaning given by regulation 34(4);
- “credit institution” has the meaning given by regulation 10(1);
- “customer due diligence measures” means the measures required by regulation 28, and where relevant, those required by regulations 29 and 33 to 37;
- “Department for the Economy” means the Department for the Economy in Northern Ireland;
- “designated supervisory authority” has the meaning given by regulation 76(8);
- “document” means anything in which information of any description is recorded;
- “electronic money” has the meaning given by regulation 2(1) of the Electronic Money Regulations 2011(4);
- “electronic money institution” has the meaning given by regulation 2(1) of the Electronic Money Regulations 2011;
- “electronic money issuer” has the meaning given in regulation 2(1) of the Electronic Money Regulations 2011;
- “eligible Scottish partnership” has the meaning given in regulation 3 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017 (key terms)(5);
- “the emission allowance auctioning regulation” means [Commission Regulation \(EU\) No 1031/2010](#) of 12th November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to [Directive 2003/87/EC](#) of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community(6);
- “enactment” includes—
- (a) an enactment contained in subordinate legislation;
  - (b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament;
  - (c) an enactment contained in, or in an instrument made under, a Measure or Act of the National Assembly for Wales; and
  - (d) an enactment contained in, or in an instrument made under, Northern Ireland legislation;

---

(1) OJ L 176, 27.6.2013, p.338.

(2) OJ L 176, 27.6.2013, p.1.

(3) S.I. 2001/544. Part 2 of Schedule 1 was amended by S.I. 2005/2114 and 2015/575.

(4) S.I. 2011/99.

(5) S.I. 2017/694.

(6) OJ L 302, 18.11.2010, p.1.

“enhanced customer due diligence measures” means the customer due diligence measures required under regulations 33 to 35;

“estate agent” has the meaning given by regulation 13(1);

“European Supervisory Authorities” means—

- (a) the European Securities and Markets Authority;
- (b) the European Banking Authority;
- (c) the European Insurance and Occupational Pensions Authority;

“external accountant” (except in regulation 31(4)) has the meaning given by regulation 11(c);

“financial institution” has the meaning given by regulation 10(2);

“firm” means any entity that, whether or not a legal person, is not an individual and includes a body corporate and a partnership or other unincorporated association;

“fourth money laundering directive” means Directive 2015/849/EU of the European Parliament and of the Council of 20th May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing(7);

“FSMA” means the Financial Services and Markets Act 2000(8);

“funds transfer regulation” means Regulation 2015/847/EU of the European Parliament and of the Council of 20th May 2015 on information accompanying transfers of funds(9);

“group” has the meaning given by section 421 (group) of FSMA(10);

“high value dealer” has the meaning given by regulation 14(1)(a);

“independent legal professional” has the meaning given by regulation 12(1);

“insolvency practitioner” has the meaning given by regulation 11(b);

“law enforcement authority” has the meaning given by regulation 44(10);

“local weights and measures authority” has the meaning given by section 69 of the Weights and Measures Act 1985 (local weights and measures authorities)(11);

“manager”, in relation to a firm, means a person who has control, authority or responsibility for managing the business of that firm, and includes a nominated officer;

“markets in financial instruments directive” means Directive 2014/65/EU of the European Parliament and of the Council of 15th May 2014 on markets in financial instruments(12);

“money laundering” has the meaning given by section 340(11) of the Proceeds of Crime Act 2002(13);

“money service business” means an undertaking which by way of business operates a currency exchange office, transmits money (or any representation of monetary value) by any means or cashes cheques which are made payable to customers;

“the NCA” means the National Crime Agency;

---

(7) OJ L 141, 05.06.15, p. 73.

(8) 2000 c.8.

(9) OJ L 141, 05.06.2015, p.1.

(10) Section 421 was amended by S.I. 2008/948.

(11) 1985 c.72. Section 69 was amended by Part 4 of Schedule 1 to the Statute Law (Repeals) Act 1989 (c. 43); paragraph 75 of Schedule 16 to the Local Government (Wales) Act 1994 (c. 19) and paragraph 144 of Schedule 13 to the Local Government etc (Scotland) Act 1994 (c.39).

(12) OJ L 173, 12.06.2014, p.349.

(13) 2002 c. 29.

“nominated officer” means a person who is nominated to receive disclosures under Part 3 (terrorist property) of the Terrorism Act 2000(14) or Part 7 (money laundering) of the Proceeds of Crime Act 2002;

“notice” means a notice in writing;

“occasional transaction” means a transaction which is not carried out as part of a business relationship;

“officer”, except in Part 8 and Schedule 5—

- (a) in relation to a body corporate, means—
  - (i) a director, secretary, chief executive, member of the committee of management, or a person purporting to act in such a capacity, or
  - (ii) an individual who is a controller of the body, or a person purporting to act as a controller;
- (b) in relation to an unincorporated association, means any officer of the association or any member of its governing body, or a person purporting to act in such a capacity; and
- (c) in relation to a partnership, means a partner, and any manager, secretary or similar officer of the partnership, or a person purporting to act in such a capacity;

“ongoing monitoring” (except where the context otherwise requires) means at least the measures described in regulation 28(11);

“payment services” has the meaning given by regulation 2(1) of the Payment Services Regulations 2009(15);

“payment service provider” has the meaning given in regulation 2(1) of the Payment Services Regulations 2009;

“politically exposed person” or “PEP” has the meaning given by regulation 35(12);

“the PRA” means the Prudential Regulation Authority;

“PRA-authorised person” has the meaning given by section 2B(5) of FSMA(16);

“regulated market”—

- (a) within the EEA, has the meaning given by Article 4.1(21) of the markets in financial instruments directive; and
- (b) outside the EEA, means a regulated financial market which subjects companies whose securities are admitted to trading to disclosure obligations which are equivalent to the specified disclosure obligations;

“relevant parent undertaking” means a relevant person which is a parent undertaking;

“relevant person” means a person to whom, in accordance with regulation 8, Parts 1 to 6 and 8 to 11 of these Regulations apply;

“relevant requirement” has the meaning given by regulation 75;

“self-regulatory organisation” means one of the professional bodies listed in Schedule 1 to these Regulations;

“senior management” means an officer or employee of the relevant person with sufficient knowledge of the relevant person’s money laundering and terrorist financing risk exposure, and of sufficient authority, to take decisions affecting its risk exposure;

(14) 2000 c. 11.

(15) S.I. 2009/209, to which there are amendments not relevant to these Regulations.

(16) Section 2B was substituted, with the rest of Part 1A of the Financial Services and Markets Act 2000 (c.8) for the original Part 1 of that Act by section 6(1) of the Financial Services Act 2012 (c.21).

“the Solvency 2 Directive” means [Directive 2009/138/EC](#) of the European Parliament and of the Council of 25th November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)(**17**);

“specified disclosure obligations” means—

- (a) disclosure obligations set out in Articles 17 and 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16th April 2014 on market abuse(**18**);
- (b) disclosure obligations consistent with Articles 3, 5, 7, 8, 10, 14 and 16 of [Directive 2003/71/EC](#) of the European Parliament and of the Council of 4th November 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading(**19**);
- (c) disclosure obligations consistent with Articles 4 to 6, 14, 16 to 19 and 30 of [Directive 2004/109/EC](#) of the European Parliament and of the Council of 15th December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market(**20**); and
- (d) disclosure requirements consistent with EU legislation made under the provisions mentioned in sub-paragraphs (a) to (c);

“supervisory authority” in relation to—

- (a) any relevant person, means the supervisory authority specified for such a person by regulation 7;
- (b) any payment service provider, means the transfer of funds supervisory authority;

“supervisory functions” means the functions given to a supervisory authority under these Regulations;

“tax adviser” (except in regulation 31(4)) has the meaning given by regulation 11(d);

“telecommunication, digital and IT payment service provider” has the meaning given by regulation 53;

“terrorist financing” means (except where the context otherwise requires) an act which constitutes an offence under—

- (a) section 15 (fund-raising), 16 (use and possession), 17 (funding arrangements), 18 (money laundering) or 63 (terrorist finance: jurisdiction) of the Terrorism Act 2000(**21**);
- (b) paragraph 7(2) or (3) of Schedule 3 (freezing orders: offences) to the Anti-terrorism, Crime and Security Act 2001(**22**);
- (c) regulation 10 (contravention and circumvention of prohibitions) of the ISIL (Da’esh) and Al-Qaida (Asset-Freezing) Regulations 2011(**23**); or
- (d) section 11 (freezing of funds and economic resources), 12 (making funds or financial services available to designated person), 13 (making funds or financial services available for benefit of designated person), 14 (making economic resources available to designated person), 15 (making economic resources available for benefit of designated person) or 18 (circumventing prohibitions etc) of the Terrorist Asset-Freezing etc Act 2010(**24**);

“third country” means a state other than an EEA state;

---

(17) OJ L 138, 23.05.2014, p.1.

(18) OJ L 173, 12.6.2014, p.1.

(19) OJ L 345, 31.12.2003, p.64.

(20) OJ L 390, 31.12.2004, p.38.

(21) 2000 c.11.

(22) 2001 c.24.

(23) S.I. 2011/2742. The title of the instrument was amended by S.I. 2016/937.

(24) 2010 c.38.

“transfer of funds supervisory authority” means the supervisory authority specified for payment service providers in regulation 62;

“trust or company service provider” has the meaning given in regulation 12(2).

(2) In these Regulations—

- (a) references to an amount in euros includes reference to an equivalent amount in any currency;
- (b) the equivalent in sterling (or any other currency) on a particular day of a sum expressed in euros is determined by converting the sum in euros into its equivalent in sterling or that other currency using the London closing exchange rate for the euro and the relevant currency for the previous working day;
- (c) references to “real property” include, in relation to Scotland, references to heritable property;
- (d) references to business being carried on in the United Kingdom, or a person carrying on business in the United Kingdom, are to be read in accordance with regulation 9;
- (e) references to a person having a “qualifying relationship” with a PRA-authorized person, or with an authorised person are to be read in accordance with section 415B(4) of FSMA(25);
- (f) “parent undertaking” and “subsidiary undertaking” have the same meaning as in the Companies Acts (see section 1162 of and Schedule 7 to, the Companies Act 2006 (parent and subsidiary undertaking)(26)).

---

(25) Section 415B was inserted by paragraph 41 of Schedule 9 to the Financial Services Act 2012 (c.21).

(26) 2006 c.46.