

STATUTORY INSTRUMENTS

2019 No. 253

**The Money Laundering and Transfer of Funds
(Information) (Amendment) (EU Exit) Regulations 2019**

PART 2

AMENDMENT OF SECONDARY LEGISLATION

Money Laundering Amendments

2. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ^{M1} are amended in accordance with regulations 3 to 12.

Commencement Information

II Reg. 2 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Marginal Citations

M1 [S.I. 2017/692](#).

Part 1: introduction

3. In regulation 3(1)—

(a) omit the definition of “European Supervisory Authorities”;

^{F1}(b)

(c) after the definition of “markets in financial instruments directive”, insert—

““markets in financial instruments regulation” means Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as that Regulation forms part of domestic law under section 3 of the European Union (Withdrawal) Act 2018);”;

(d) in the definition of “regulated market”—

(i) for paragraph (a), substitute—

“(a) within the United Kingdom, means a UK regulated market, as defined by Article 2(1)(13A) of the markets in financial instruments regulation;”;

(ii) for paragraph (b), substitute—

“(b) outside the United Kingdom, means—

(i) within the EEA, an EU regulated market, as defined by Article 2(1) (13B) of the markets in financial instruments regulation; or

- (ii) outside the EEA, a regulated financial market which subjects companies whose securities are admitted to trading to disclosure obligations which are equivalent to the specified disclosure obligations;”;
- (e) omit the definition of “the Solvency 2 directive”;
- (f) in the definition of “specified disclosure obligations”—
 - (i) for paragraph (b), substitute—
 - “(b) disclosure obligations consistent with the requirements in—
 - (i) sections 85, 87A and 87G of FSMA;
 - (ii) prospectus rules within the meaning of Part 6 of FSMA (see section 73A(4) of FSMA) as those rules have effect on [^{F2}IP completion day];
 - [^{F3}(iii) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market; and]
 - (iv) Articles 6 to 10 of Commission Delegated Regulation (EU) 2016/301 of 30 November 2015 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for approval and publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004; and”;
 - (ii) for paragraph (c), substitute—
 - “(c) disclosure obligations consistent with the requirements in sections 4 and 5.5 of, and rules 6.1.1 to 6.1.15 in, the Disclosure Guidance and Transparency Rules source book made by the FCA under section 89A of FSMA as those rules have effect on [^{F4}IP completion day];”;
 - (iii) omit paragraph (d);
- (g) in the definition of “third country” for “an EEA state” substitute “ the United Kingdom ”;
- (h) after the definition of “trust or company service provider” insert—

““UK regulated market” means a recognised investment exchange within the meaning of section 285(1)(a) of FSMA, which is not an overseas investment exchange within the meaning of section 313(1) of FSMA.”.

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| F1 | Reg. 3(b) omitted (31.12.2020 immediately before IP completion day) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628) , regs. 1(3), 8(2)(a) |
| F2 | Words in reg. 3(f)(i) substituted (30.12.2020) by The Financial Services and Economic and Monetary Policy (Consequential Amendments) (EU Exit) Regulations 2020 (S.I. 2020/1301) , regs. 1, 3, Sch. para. 14(a) |
| F3 | Words in reg. 3(f)(i) substituted (31.12.2020 immediately before IP completion day) by The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628) , regs. 1(3), 8(2)(b) |
| F4 | Words in reg. 3(f)(ii) substituted (30.12.2020) by The Financial Services and Economic and Monetary Policy (Consequential Amendments) (EU Exit) Regulations 2020 (S.I. 2020/1301) , regs. 1, 3, Sch. para. 14(b) |

Commencement Information

- I2** Reg. 3 in force on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 2: money laundering and terrorist financing - application

- 4.—(1) In regulation 9—
- (a) omit paragraph (2);
 - (b) in paragraph (5)—
 - (i) for “paragraphs (2) and (3)” substitute “ paragraph (3) ”;
 - (ii) omit sub-paragraph (a).
- (2) In regulation 10—
- (a) in paragraph (1)(b), for “an EEA state” substitute “ the United Kingdom ”;
 - (b) for paragraph (2)(b), substitute—
 - “(b) an authorised person (within the meaning of section 31 of FSMA), who has permission under Part 4A of FSMA to carry out or effect contracts of insurance, when carrying out or effecting any contract of long-term insurance (an “insurance undertaking”);”;
 - (c) in paragraph (2)(c)—
 - (i) for “a person falling within Article 2 of the markets in financial instruments directive” substitute “ a person falling within one of the exclusions to the definition of “investment firm” in article 3(1) of the Regulated Activities Order ”;
 - (ii) for “within the meaning of that directive” substitute “ within the meaning of that article ”;
 - (d) in paragraph (2)(f) after “that Directive” insert “ (and for this purpose, Article 2.7 is to be read as if “insurance undertaking” has the meaning given in sub-paragraph (b)) ”;
 - (e) in paragraph (2)(g), for “an EEA state” substitute “ the United Kingdom ”;
 - (f) in paragraph (3)(c), after “capital requirements directive” insert “ as set out in Schedule 2 ”;
 - (g) for paragraph (4), substitute—
 - “(4) For the purposes of this regulation—
 - (a) a “listed activity” means an activity listed in points 2 to 12, 14 and 15 of Annex 1 to the capital requirements directive as set out in Schedule 2;
 - (b) “Regulated Activities Order” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ^{M2}.”.

Commencement Information

- I3** Reg. 4 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Marginal Citations

- M2** [S.I. 2001/544](#).

Part 2: Money laundering and terrorist financing - risk assessment and controls

- 5.—(1) In regulation 16—
- (a) paragraph (5) is omitted;
 - (b) in paragraph (7), omit sub-paragraphs (c), (d) and (e).
- (2) In regulation 17, in paragraph (2), omit sub-paragraphs (a) and (b).

- (3) In regulation 20—
- (a) omit paragraph (2);
 - (b) after paragraph (5), insert—
 - “(6) The FCA may make technical standards specifying—
 - (a) what additional measures are required from credit institutions and financial institutions under paragraph (4); and
 - (b) the minimum action to be taken by credit institutions and financial institutions where paragraph (4) applies.”.
- (4) Omit regulation 22.

Commencement Information

- I4** Reg. 5 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see reg. 1(2)

Part 3: customer due diligence

- 6.—(1) In regulation 33—
- (a) in paragraph (2)—
 - (i) in the opening words, for “an EEA state” substitute “ a third country ”;
 - (ii) for paragraph (a), substitute—
 - “(a) the entity is—
 - (i) subject to requirements in national legislation having an equivalent effect to those laid down in the fourth money laundering directive on an obliged entity (within the meaning of that directive); and
 - (ii) supervised for compliance with those requirements in a manner equivalent to section 2 of Chapter VI of the fourth money laundering directive;”;
 - (iii) in paragraph (b), after “under” insert “ requirements equivalent to those laid down in ”;
 - (b) omit paragraph (8).
- (2) In regulation 37—
- (a) in paragraph (3)—
 - (i) in sub-paragraph (a)—
 - (aa) for paragraph (iii)(aa), substitute—
 - “(aa) subject to requirements in national legislation having an equivalent effect to those laid down in the fourth money laundering directive on an obliged entity (within the meaning of that directive); and”;
 - (bb) in paragraph (iii)(bb), for “in accordance with” substitute “ in a manner equivalent to ”;
 - (ii) in sub-paragraph (b)(iv), for “an EEA state” substitute “ the United Kingdom ”;
 - (iii) in sub-paragraph (c)(i), for “an EEA state” substitute “ the United Kingdom ”;

- (b) in paragraph (6), for paragraph (b), substitute—
 - “(b) a person who carries on business in a third country who is—
 - (i) subject to requirements in national legislation having an equivalent effect to those laid down in the fourth money laundering directive on an obliged entity (within the meaning of that directive); and
 - (ii) supervised for compliance with those requirements in a manner equivalent to section 2 of Chapter VI of the fourth money laundering directive.”;
- (c) omit paragraph (7).

Commencement Information

- I5** Reg. 6 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 4: reliance and record keeping

- 7. In regulation 39—
 - (a) in paragraph (3)—
 - (i) omit sub-paragraph (b);
 - (ii) in sub-paragraph (d), omit “, (b)”;
 - (b) in paragraph (5)—
 - (i) in the words before sub-paragraph (a), omit “established in an EEA state”;
 - (ii) for sub-paragraph (a), substitute—
 - “(a) the entity is—
 - (i) a person who is subject to the requirements in these Regulations as a relevant person within the meaning of regulation 8 and who is supervised for compliance with them; or
 - (ii) subject to requirements in national legislation having an equivalent effect to those laid down in the fourth money laundering directive on an obliged entity (within the meaning of that directive) and supervised for compliance with those requirements in a manner equivalent to section 2 of Chapter VI of the fourth money laundering directive.”;
 - (iii) for sub-paragraph (b) substitute—
 - “(b) the branch or subsidiary complies fully with procedures and policies established for the group under—
 - (i) regulation 20 of these Regulations, or
 - (ii) requirements in national legislation having an equivalent effect to those laid down Article 45 of the fourth money laundering directive.”;
 - (c) in paragraph (6)(c), omit “other than the United Kingdom”.

Commencement Information

- I6** Reg. 7 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 5: beneficial ownership information

- 8.** In regulation 45—
- (a) in paragraph (7)(e), for “EEA state or third country” substitute “country”;
 - (b) in paragraph (13)—
 - (i) in the opening words, for “must” substitute “may”;
 - (ii) in sub-paragraph (a), for the words from “provided for” to the end of the sub-paragraph, substitute “equivalent to those provided for in these Regulations in a third country, or”;
 - (iii) in sub-paragraph (b), for “an EEA state other than the United Kingdom”, substitute “a third country”.

Commencement Information

- I7** Reg. 8 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 6: supervision and registration

- 9.—**(1) In regulation 46, in paragraph (3), omit sub-paragraph (a).
- (2) In regulation 47, in paragraph (3), omit sub-paragraphs (a) to (e).
- (3) In regulation 50—
- (a) in paragraph (4)—
 - (i) in sub-paragraph (a), omit “other than the United Kingdom”;
 - (ii) in sub-paragraph (b), for “a country” substitute “another country”;
 - (b) omit paragraph (5).
- (4) In regulation 51, in paragraph (2), for the words from “comply with” to the end, substitute “perform its functions under these Regulations”.

Commencement Information

- I8** Reg. 9 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 7: Transfer of Funds (Information on the Payer) Regulations

- 10.—**(1) In regulation 63—
- (a) omit paragraph (4);
 - (b) omit paragraph (9);
 - (c) in paragraph (10)—

- (i) in sub-paragraph (a), omit “other than the United Kingdom”;
 - (ii) in sub-paragraph (b), for “a country” substitute “ another country ”.
- (2) In regulation 64—
- (a) omit paragraph (1);
 - (b) in paragraph (2), omit the words from “(whether by” to “or otherwise)”.

Commencement Information

- I9** Reg. 10 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 8: information and investigation

- 11.**—(1) In regulation 67, omit paragraph (5).
- (2) In regulation 69(1)(b), omit paragraph (i).
- (3) In Schedule 6, in paragraph 5, omit sub-paragraph (a)(v).

Commencement Information

- I10** Reg. 11 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Part 9: Enforcement

- 12.**—(1) In regulation 76, in paragraph (6), omit sub-paragraph (a).
- (2) In regulation 86, in paragraph (2), omit sub-paragraph (a).

Commencement Information

- I11** Reg. 12 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017

13. In the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017 ^{M3}—

- (a) in regulation 2, omit the definition of “The European Supervisory Authorities”;
- (b) in regulation 14(4), omit sub-paragraph (b);
- (c) in regulation 16(4), omit sub-paragraph (b);
- (d) in regulation 17(4), omit sub-paragraph (b).

Commencement Information

- I12** Reg. 13 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Changes to legislation: There are currently no known outstanding effects for the The Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019, PART 2. (See end of Document for details)

Marginal Citations

M3 [S.I. 2017/1301](#).

Changes to legislation:

There are currently no known outstanding effects for the The Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019, PART 2.