
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (the “MLRs”) to secure the result referred to in section 77(3) of the Financial Services and Markets Act 2023 (c. 29); that for the purposes of assessments under regulation 35(3) of the MLRs, where the customer is a domestic PEP (a politically exposed person), or a family member or known close associate of a domestic PEP, the starting point for the assessment is that the customer presents a lower level of risk than a non-domestic PEP. The extent of enhanced customer due diligence measures to be applied in relation to that customer should be less than for non-domestic PEPs, unless enhanced risk factors apply.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. A de minimis impact assessment is available from HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and is published with the Explanatory Memorandum alongside this instrument at www.legislation.gov.uk.