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**Command Paper on
a draft Bill to provide for money laundering and other
offences; to provide for measures to prevent the abuse of the
financial system; to provide for money laundering and
terrorist financing; to provide for the confiscation of the
proceeds of criminal conduct and its value; to provide for
the civil recovery of the proceeds of unlawful conduct; to
provide for investigatory powers; to transpose Council
Directive 91/308/EEC; and for connected purposes.**

**Presented to Parliament by
the Minister for Justice**

by Command of Her Majesty

May 21st, 2015

1. Draft Bill

2. Draft Explanatory Memorandum

Comments on this Command Paper should be sent by email to

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Command Papers Consultation c/o Kevin Warwick, Ministry of Education, Justice and International Exchange of Information, Suite 771, Europort, Gibraltar, no later than June 4th, 2015.

Any comments received later than June 4th, 2015 may not be taken into account for the purposes of the relevant consultation.

PROCEEDS OF CRIME ACT 2015

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B. XX/15

BILL

FOR

AN ACT to provide for money laundering and other offences; to provide for measures to prevent the abuse of the financial system; to provide for money laundering and terrorist financing; to provide for the confiscation of the proceeds of criminal conduct and its value; to provide for the civil recovery of the proceeds of unlawful conduct; to provide for investigatory powers; to transpose Council Directive 91/308/EEC; and for connected purposes.

ENACTED by the Legislature of Gibraltar.

PART I. PRELIMINARY.

Short title and commencement.

1. (1) This Act may be cited as the Proceeds of Crime Act 2015.

(2) This Act comes into operation on the day appointed by the Minister in the Gazette, and different days may be appointed for different provisions.

PART II. MONEY LAUNDERING AND OTHER OFFENCES.

Assisting another to retain the benefit of criminal conduct.

2. (1) Subject to subsection (3), if a person enters into or is otherwise concerned in an arrangement whereby—
 - (a) the retention or control by or on behalf of another (“A”) of A’s proceeds of criminal conduct is facilitated (whether by

concealment, removal from the jurisdiction, transfer to nominees or otherwise); or

- (b) A's proceeds of criminal conduct–
 - (i) are used to secure that funds are placed at A's disposal; or
 - (ii) are used for A's benefit to acquire property by way of investment,

knowing or suspecting that A is a person who is or has been engaged in criminal conduct or who has benefited from criminal conduct, he is guilty of an offence.

(2) In this section, references to any person's proceeds of criminal conduct include a reference to any property which in whole or in part directly or indirectly represented in his hands his proceeds of criminal conduct.

(2A) Where a person undertakes relevant financial business in accordance with section 8 and that person –

- (a) knows, suspects or has reasonable grounds to suspect that another person is engaged in money laundering, or is attempting to launder money;
- (b) the information or other matter, on which that knowledge or suspicion is based came to his attention in the course of his trade, profession, business or employment; and
- (c) he does not disclose the information or other matter to the GFIU as soon as is reasonably practicable after it comes to his attention,

he is guilty of an offence.

(2B) A person is not guilty of an offence under subsection (2A) if–

- (a) that person is a notary, independent legal professional, auditor, external accountant or tax advisor, and
- (b) the information has been obtained on or received from one of their clients-

- (i) in the course of ascertaining the legal position for their client; or
- (ii) whilst performing the task of defending or representing that client in, or concerning judicial proceedings, including advice on instituting or avoiding proceedings,

whether such information is received or obtained before, during or after such proceedings.

(3) Where a person discloses to the GFIU a suspicion or belief that any funds or investments are derived from or used in connection with criminal conduct or discloses to the GFIU any matter on which a suspicion or belief is based—

- (a) the disclosure when made in good faith shall not be treated as a breach of any restriction upon the disclosure of information imposed by statute or otherwise; and
- (b) if he does any act in contravention of subsection (1) and the disclosure relates to the arrangement concerned, he does not commit an offence under this section if—
 - (i) the disclosure is made before he does the act concerned and the act is done with the consent of the GFIU; or
 - (ii) the disclosure is made after he does the act, but is made on his initiative and as soon as it is reasonable for him to make it.

(4) In proceedings against a person for an offence under this section, it is a defence to prove—

- (a) that he did not know or suspect that the arrangement related to any person's proceeds of criminal conduct; or
- (b) that he did not know or suspect that by the arrangement, the retention or control by or on behalf of A of any property was facilitated or, as the case may be, that by the arrangement any property was used, as mentioned in subsection (1); or

(c) that—

- (i) he intended to disclose to the GFIU such a suspicion, belief or matter as is mentioned in subsection (3) in relation to the arrangement; but
- (ii) there is reasonable excuse for his failure to make disclosure in accordance with subsection (3)(b).

(5) In the case of a person who was in employment at the relevant time, subsections (3) and (4) shall have effect in relation to disclosures, and intended disclosures, to the appropriate person in accordance with the procedure established by his employer for the making of such disclosures as they have effect in relation to disclosures, and intended disclosures, to the GFIU.

(6) A person guilty of an offence under this section shall be liable—

- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale or to both; or
- (b) on conviction on indictment, to imprisonment for a term not exceeding fourteen years or to a fine or to both.

(7) In this Part:

“confiscation order” has the meaning given to it by section 23(7)(a);

“criminal conduct” means conduct which—

- (a) if it occurs in Gibraltar constitutes an indictable offence; or
- (b) if it does not occur in Gibraltar would constitute such an indictable offence if it had occurred in Gibraltar;

“property” has the meaning given to it by section 44(1).

(8) In this Part and in Part III—

“European Banking Authority” and “EBA” means the European Banking Authority established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European

Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC;”;

“European Insurance and Occupational Pensions Authority” and “EIOPA” mean the European Insurance and Occupational Pensions Authority established by Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC;

“European Securities and Markets Authority” and “ESMA” means the European Securities and Markets Authority established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC;

“Gibraltar Financial Intelligence Unit” and “GFIU” means that body comprised of police officers and customs officers with responsibility, inter alia, for receiving, processing, analysing and disseminating information relating to suspect financial transactions;

“the Money Laundering Directive” means Council Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as the same may from time to time be amended.

Acquisition, possession or use of property representing proceeds of criminal conduct.

3. (1) A person is guilty of an offence if, knowing that any property is, or in whole or in part directly or indirectly represents, another person’s proceeds of criminal conduct, he acquires or uses that property or has possession of it.

(2) It is a defence to a charge of committing an offence under this section that the person charged acquired or used the property or had possession of it for adequate consideration.

(3) For the purposes of subsection (2)–

- (a) a person acquires property for inadequate consideration if the value of the consideration is significantly less than the value of the property; and
- (b) a person uses or has possession of property for inadequate consideration if the value of the consideration is significantly less than the value of his use or possession of the property.

(4) The provision for any person of services or goods which are of assistance to him in criminal conduct shall not be treated as consideration for the purposes of subsection (2).

(5) Where a person discloses to the GFIU a suspicion or belief that any property is, or in whole or in part directly or indirectly represents, another person's proceeds of criminal conduct or discloses to the GFIU any matter on which such a suspicion or belief is based—

- (a) the disclosure when made in good faith shall not be treated as a breach of any restriction upon the disclosure of information imposed by statute or otherwise; and
- (b) if he does any act in relation to that property in contravention of subsection (1), he does not commit an offence under this section if—
 - (i) the disclosure is made before he does the act concerned and the act is done with the consent of the GFIU, or
 - (ii) the disclosure is made after he does the act, but on his initiative and as soon as it is reasonable for him to make it.

(6) For the purposes of this section, having possession of any property shall be taken to be doing an act in relation to it.

(7) In proceedings against a person for an offence under this section, it is a defence to prove that—

- (a) he intended to disclose to the GFIU such a suspicion, belief or matter as is mentioned in subsection (5), but

- (b) there is reasonable excuse for his failure to make the disclosure in accordance with paragraph (b) of that subsection.

(8) In the case of a person who was in employment at the relevant time, subsections (5) and (7) shall have effect in relation to disclosures, and intended disclosures, to the appropriate person in accordance with the procedure established by his employer for the making of such disclosures as they have effect in relation to disclosures, and intended disclosures, to the GFIU.

(9) A person guilty of an offence under this section is liable—

- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale or to both, or
- (b) on conviction on indictment, to imprisonment for a term not exceeding fourteen years or to a fine or to both.

(10) No Police or Customs Officer or other person shall be guilty of an offence under this section in respect of anything done by him in the course of acting in connection with the enforcement, or intended enforcement, of any provision of this Part or Part IV or of any other enactment relating to criminal conduct or the proceeds of such conduct.

Concealing or transferring proceeds of criminal conduct.

4. (1) A person is guilty of an offence if he—

- (a) conceals or disguises any property which is, or in whole or in part directly or indirectly represents, his proceeds of criminal conduct; or
- (b) converts or transfers that property or removes it from the jurisdiction,

for the purpose of avoiding prosecution for an offence to which this Part applies or the making or enforcement in his case of a confiscation order.

(2) A person is guilty of an offence if, knowing or having reasonable grounds to suspect that any property is or in whole or in part directly or indirectly represents, another person's proceeds of criminal conduct, he—

- (a) conceals or disguises that property; or
- (b) converts or transfers that property or removes it from the jurisdiction,

for the purpose of assisting any person to avoid prosecution for an offence to which this Part applies or the making or enforcement in his case of a confiscation order.

(3) In subsections (1) and (2) the references to concealing or disguising any property include references to concealing or disguising its nature, source, location, disposition, movement or ownership of any rights with respect to it.

- (4) A person guilty of an offence under this section is liable—
 - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale or to both, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding fourteen years or to a fine or to both.

Tipping-off.

5.(1) A person is guilty of an offence if—

- (a) he discloses any matter within subsection (2); and
- (b) the information on which the disclosure is based came to him in the course of a business or activity to which section 8(1) applies.

(2) The matters are—

- (a) that either he or another person has made a disclosure under this Part—
 - (i) to a police officer;
 - (ii) to a customs officer;
 - (iii) the appropriate person under section 18; or

(iv) to the GFIU,

of information that came to him in the course of a business or activity listed in section 8(1);or

(b) that an investigation into allegations that an offence under this Part has been committed is being contemplated or is being carried out.

(3) Nothing in subsections (1) and (2) makes it an offence for a notary, independent legal professional, auditor, external accountant or tax advisor to disclose any information or other matter—

(a) to a client or his representative in connection with the giving by the notary, independent legal professional, auditor, external accountant or tax advisor of advice in connection with ascertaining the legal position for their client or performing their task of defending or representing that client in, or concerning, judicial proceedings, including advice on instituting or avoiding proceedings, whether such information is received or obtained before, during or after such proceedings; or

(b) to any person, in contemplation of, or in connection with, ascertaining the legal position for their client or performing their task of defending or representing that client in, or concerning, judicial proceedings, including advice on instituting or avoiding proceedings, whether such information is received or obtained before during or after such proceedings.

(4) Subsection (2) does not apply in relation to any information or other matter which is disclosed with a view to furthering any criminal purpose.

(5) A person shall not incur any liability under this section where the disclosure is made by a credit or financial institution belonging to the same group as defined by article 2(12) of Directive 2002/87/EC and—

(a) the disclosure is made to an institution that is subject to the requirements of the Money Laundering Directive; or

(b) the disclosure is made to an institution in a State or Territory other than an EEA State or Territory which imposes requirements equivalent to those laid down in the Money

Laundrying Directive and is supervised for compliance with those requirements.

(6) Nothing in this section shall prevent a disclosure by a person to whom article 2(1)(3)(a) and (b) of the Money Laundrying Directive applies (an auditor, external accountant, tax advisor, notary or independent legal professional) if-

- (a) the disclosure is to another such person;
- (b) both the person making the disclosure and the person to whom it is made perform their professional activities in an EEA state or territory or in a country or territory which imposes requirements that are equivalent to the Money Laundrying Directive; and
- (c) those persons perform their professional activities within different undertakings that share common ownership, management or control.

(7) Nothing in this section shall prevent the disclosure of information when this is done for the purposes of preventing money laundrying and the following conditions are satisfied-

- (a) the disclosure is between a person to whom article 2(1)(1), (2) and (3)(a) and (b) of the Money Laundrying Directive applies and another person from the same professional category;
- (b) the person to whom the disclosure is made is situated within the EEA or if outside the EEA, in a State or Territory which imposes requirements that are equivalent to the Money Laundrying Directive,
- (c) the disclosure relates to the same customer and the same transaction; and
- (d) the person making the information and the person receiving it are subject to equivalent duties of professional confidentiality and protection of personal data (within the meaning of section 2 of the Data Protection Act 2004).

(8) A person shall not be guilty of an offence under this section where he makes a disclosure to his client and the purpose of that disclosure was to seek to dissuade the client from engaging in criminal activity.

(9) In this section “money laundering” means–

- (a) doing any act which constitutes an offence under section 2, 3 or 4;
- (b) doing any act which constitutes an offence under sections 5, 6, 7 or 8 of the Terrorism Act 2005,
- (c) doing any act which constitutes an offence under any other enactment that applies in Gibraltar and that offence relates to terrorism or the financing of terrorism,

or in the case of an act done otherwise than in Gibraltar, would constitute such an offence if done in Gibraltar.

(10) For the purposes of subsection (9), having possession of any property shall be taken to be doing an act in relation to it.

(11) A person guilty of an offence under this section shall be liable–

- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale or to both, or
- (b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

(12) No police or customs officer or other person shall be guilty of an offence under this section in respect of anything done by him in the course of acting in connection with the enforcement, or intended enforcement, of any provision of this Act or of any other enactment relating to an offence to which this Part applies.

(13) Where the Government considers that a non-EEA State meets the conditions set out in subsections (5), (6) or (7) it shall ensure that EEA States, EBA, EIOPA and ESMA are informed, to the extent relevant for the purposes of this Act the Money Laundering Directive and in accordance with the relevant provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010.

Restriction on disclosure.

5A.(1) Where the Commission of the European Communities adopts a decision pursuant to article 40(4) of the Money Laundering Directive, the Minister may, by notice in the Gazette, prohibit the disclosure of information, by persons subject to the provisions of this Act, to any person who is situated in the State or Territory to which the notice relates.

(2) A person who contrary to subsection (1) makes a disclosure concerning a State or Territory in respect of which the Minister has notified under subsection (1) is guilty of an offence and is liable-

- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale or to both; or
- (b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

PART III.

MEASURES TO PREVENT THE USE OF THE FINANCIAL SYSTEM FOR PURPOSES OF MONEY LAUNDERING AND TERRORIST FINANCING.

Interpretation.

6. (1) In this Part-

“applicant for business” means a person seeking to form a business relationship, or carry out a one-off transaction, with a person who is carrying out relevant financial business in Gibraltar;

“the Authority” has the same meaning as in the Financial Services (Investment and Fiduciary Services) Act;

“Banking Supervisor” means the person appointed in accordance with section 13 of the Financial Services (Banking) Act;

“beneficial owner” has the same meaning as in Article 3(6) of the Money Laundering Directive;

“business relationship” has the meaning given by section 7;

“Commissioner of Banking” means a person appointed in accordance with section 12 of the Financial Services (Banking) Act;

“Commissioner of Insurance” means a person appointed in accordance with section 7 of the Insurance Companies Act 1987;

“Consolidated Banking Directive” means Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions;

“credit institution” means a credit institution, as defined in the first subparagraph of Article 1(1) of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions, including branches within the meaning of Article 1(3) of that Directive located in the Community of credit institutions having their head offices inside or outside the Community;

“Customs Officer” has the same meaning as in the Imports and Exports Act 1986;

“Electronic Money Directive” means Directive 2000/46/EC on the taking up and pursuit and prudential supervision of the business of electronic money institutions;

“European institution”, “European authorised institution” and “European subsidiary institution” have the same meanings as in the Financial Services (Banking) Act;

“financial institution” means–

- (a) an undertaking, other than a credit institution, which carries out one or more of the operations included in points 2 to 12 and points 14 and 15 of Annex I to Directive 2006/48, including the activities of currency exchange offices;
- (b) an insurance company duly authorised in accordance with Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance, insofar as it carries out activities covered by that Directive;
- (c) an investment firm as defined in point 1 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the

Council of 21 April 2004 on markets in financial instruments;

- (d) a collective investment undertaking marketing its units or shares;
- (e) an insurance intermediary as defined in Article 2(5) of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, with the exception of intermediaries as mentioned in Article 2(7) of that Directive, when they act in respect of life insurance and other investment related services;
- (f) branches, when located in the Community, of financial institutions as referred to in points (a) to (e), whose head offices are inside or outside the Community;

“Financial Services Commission” means the Financial Services Commission established under section 3 of the Financial Services Commission Act 2007;

“home regulated activity”, in relation to a European institution means any activity listed in the Annex I to the Consolidated Banking Directive—

- (a) in relation to which an authority in its home State has regulatory functions; and
- (b) which in the case of a European subsidiary institution, it is carrying on in its home State;

“insurance business” means long term business within the meaning of Council Directive 79/267/EEC;

“Insurance Supervisor” means a person appointed in accordance with section 8 of the Insurance Companies Act 1987;

”Minister” means the Minister with responsibility for finance;

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

“Police Officer” has the same meaning as in the Police Act 2006;

“regulated market”–

- (a) within the EEA, has the meaning given by point 14 of Article 4(1) of Directive 2004/39/EC on markets in financial instruments; and
- (b) outside the EEA, means a regulated financial market which subjects companies whose securities are admitted to trading to disclosure obligations which are contained in international standards and are equivalent to the specified disclosure obligations;

“relevant financial business” has the meaning given by section 8;

“Savings Bank” means the Gibraltar Savings Bank constituted under section 3 of the Savings Bank Act;

“the specified disclosure obligations” means disclosure requirements consistent with–

- (a) Article 6(1) to (4) of Directive 2003/6/EC on insider dealing and market manipulation;
- (b) Articles 3, 5, 7, 8, 10, 14 and 16 of Directive 2003/71/EC on the prospectuses to be published when securities are offered to the public or admitted to trading;
- (c) Articles 4 to 6, 14, 16 to 19 and 30 of Directive 2004/109/EC relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market; or
- (d) Community legislation made under the provisions mentioned in paragraphs (a) to (c);

“supervisory authority” has the meaning given by section 19.

(2) In this Part “euro” means the currency unit as defined in Council Regulation (EC) No. 974/98 on the introduction of the euro.

(3) In this Part, except in so far as the context otherwise requires, “money laundering” means doing any act which constitutes an offence–

- (a) under section 2, 3 or 4 of this Act;
- (b) section 54, 55 or 56 of the Drug Trafficking Offences Act, 1995;
- (c) doing any act which constitutes an offence under sections 5, 6, 7 or 8 of the Terrorism Act 2005;
- (d) doing any act which constitutes an offence under any other enactment that applies in Gibraltar and that offence relates to terrorism or the financing of terrorism,

or in the case of an act done outside Gibraltar would constitute such an offence under that Act if done in Gibraltar.

(4) *Deleted.*

(5) For the purposes of this section, a business relationship formed by any person acting in the course of relevant financial business is an established business relationship where that person has through the application of customer due diligence measures obtained, satisfactory evidence of the identity of the person who, in relation to the formation of that business relationship, was the applicant for business.

Business relationships.

7. In this Part “business relationship” means a business, professional or commercial relationship between a relevant financial business and a customer, which is expected by the relevant financial business, at the time when contact is established, to have an element of duration.

Relevant financial business.

8. (1) For the purposes of this Part, “relevant financial business” means, subject to subsection (2), the business of engaging in one or more of the following businesses or activities –

- (a) electronic money issuer or deposit-taking business carried on by a person who is for the time being an authorised institution under the Banking Act;
- (b) *Deleted*

- (c) business of the Savings Bank or of the Gibraltar International Bank;
- (d) any home regulated activity carried on by a European institution;
- (e) investment business within the meaning of the Financial Services (Investment and Fiduciary Services) Act;
- (f) any of the activities in points 1 to 12 or 14 of the Annex I to the Consolidated Banking Directive other than an activity falling within paragraphs (a) to (e);
- (g) insurance business carried on by a person who has received official authorisation pursuant to Article 6 or 27 of the First Life Directive;
- (h) auditors, external accountants and tax advisors;
- (i) real estate agents;
- (j) notaries and other independent legal professionals, when they participate whether–
 - (i) by assisting in the planning or execution of transactions for their client concerning the–
 - (A) buying and selling of real property or business entities;
 - (B) managing of client money, securities or other assets;
 - (C) opening or management of bank, savings or securities accounts; or
 - (ii) by acting on behalf of and for their client in any financial or real estate transaction;
- (k) controlled activity other than a general insurance intermediary under the Financial Services (Investment and Fiduciary Services) Act;

- (l) dealers in all high value goods whenever payment is made in cash and in an amount of 15,000 euro or more;
- (m) casinos;
- (n) currency exchange offices / bureaux de change;
- (o) money transmission / remittance offices,
- (p) any recognised or authorised scheme or any authorised restricted activity under the Financial Services (Collective Investment Schemes) Act 2005.

(2) A business is not relevant financial business in so far as it consists of activity in respect of which a person would require authorisation under the Financial Services (Investment and Fiduciary Services) Act if (disregarding for this purpose paragraph (h) of Part I of Schedule 4 to that Act) he were not an exempt person by virtue of section 4 of and Schedule 4 to that Act.

(3) The Minister may by regulations add to, delete or otherwise amend the list of businesses or activities set out in section 8(1).

(4) In this section—

“deposit taking business” has the same meaning as in the Financial Services (Banking) Act;

“the First Life Directive” means the First Council Directive on the Coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct life assurance (Council Directive 79/267/EEC).

9. *Omitted.*

Customer Due Diligence

Meaning of customer due diligence measures.

10A. “Customer due diligence measures” means—

- (a) identifying the customer and verifying the customer’s identity on the basis of documents, data or information obtained from a reliable and independent source;

- (b) identifying, where there is a beneficial owner who is not the customer, the beneficial owner and taking adequate measures, on a risk-sensitive basis, to verify his identity so that the relevant financial business is satisfied that it knows who the beneficial owner is, including, in the case of a legal person, trust or similar legal arrangement, measures to understand the ownership and control structure of the person, trust or arrangement; and
- (c) obtaining information on the purpose and intended nature of the business relationship.

Application of customer due diligence measures.

10B.(1) Subject to sections 10D, 10E, 10G to 10K, 10M(4) and 10N, a relevant financial business must apply customer due diligence measures when it–

- (a) establishes a business relationship;
- (b) carries out an occasional transaction amounting to 15,000 euro or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;
- (c) suspects money laundering or terrorist financing;
- (d) doubts the veracity or adequacy of documents, data or information previously obtained for the purposes of identification or verification.

(2) Subject to section 10M(4), a relevant financial business must also apply customer due diligence measures at other appropriate times to existing customers on a risk-sensitive basis.

- (3) A relevant financial business must–
 - (a) determine the extent of customer due diligence measures on a risk-sensitive basis depending on the type of customer, business relationship, product or transaction; and

- (b) be able to demonstrate to his supervisory authority that the extent of the measures is appropriate in view of the risks of money laundering and terrorist financing.
- (4) Where–
- (a) a relevant financial business is required to apply customer due diligence measures in the case of a trust, legal entity (other than a body corporate) or a legal arrangement (other than a trust); and
 - (b) the class of persons in whose main interest the trust, entity or arrangement is set up or operates is identified as a beneficial owner, the relevant financial business is not required to identify all the members of the class.

Ongoing monitoring.

10C.(1) A relevant financial business must conduct ongoing monitoring of a business relationship.

(2) “Ongoing monitoring” of a business relationship means the scrutiny of transactions undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with the relevant financial business’s or person’s knowledge of the customer, his business and risk profile and keeping the documents, data or information obtained for the purpose of applying customer due diligence measures up-to-date.

(3) Section 10B(3) applies to the duty to conduct ongoing monitoring under subsection (1) as it applies to customer due diligence measures.

Timing of verification.

10D.(1) This section applies in respect of the duty under section 10B(1)(a) and (b) to apply the customer due diligence measures referred to in section 10A(a) and (b).

(2) Subject to subsection (3) to (5) and section 10E, a relevant financial business must verify the identity of the customer (and any beneficial owner) before the establishment of a business relationship or the carrying out of an occasional transaction.

(3) Such verification may be completed during the establishment of a business relationship if–

- (a) this is necessary not to interrupt the normal conduct of business; and
- (b) there is little risk of money laundering or terrorist financing occurring, provided that the verification is completed as soon as practicable after contact is first established.

(4) The verification of the identity of the beneficiary under a life insurance policy may take place after the business relationship has been established provided that it takes place at or before the time of payout or at or before the time the beneficiary exercises a right vested under the policy.

(5) The verification of the identity of a bank account holder may take place after the bank account has been opened provided that there are adequate safeguards in place to ensure that–

- (a) the account is not closed; and
- (b) transactions are not carried out by or on behalf of the account holder (including any payment from the account to the account holder), before verification has been completed.

Casinos.

10E.(1) A casino must establish and verify the identity of all customers who purchase or exchange gambling chips with a value of 2,000 euro or more.

(2) If the casino is subject to state supervision it shall be deemed to have complied with the customer due diligence requirements if it registers, identifies and verifies the identity of the customer immediately on or before entry, regardless of the number of the gambling chips purchased.

Requirement to cease transactions etc..

10F.(1) Where, in relation to any customer, a relevant financial business is unable to apply customer due diligence measures in accordance with the provisions of this Part, it–

- (a) must not carry out a transaction with or for the customer through a bank account;

- (b) must not establish a business relationship or carry out an occasional transaction with the customer;
- (c) must terminate any existing business relationship with the customer;
- (d) must consider whether he is required to make a disclosure to the GFIU.

(2) Subsection (1) does not apply to notaries, independent members of professions which are legally recognised and controlled, auditors and tax advisors who are in the course of ascertaining the legal position for their client or performing the task of defending or representing that client in, or concerning, legal proceedings, including advice on the institution or avoidance of proceedings.

Simplified due diligence.

10G.(1) A relevant financial business is not required to apply customer due diligence measures in the circumstances mentioned in section 10B(1)(a), (b) or (d) where he has reasonable grounds for believing that the customer, transaction or product related to such transaction, falls within any of the following subsections.

- (2) The customer is—
 - (a) a credit or financial institution which is subject to the requirements of the money laundering directive; or
 - (b) a credit or financial institution (or equivalent institution) which—
 - (i) is situated in a non-EEA State which imposes requirements equivalent to those laid down in the money laundering directive; and
 - (ii) is supervised for compliance with those requirements.

(3) The customer is a company whose securities are listed on a regulated market subject to specified disclosure obligations.

(4) The customer is an independent legal professional and the product is an account into which monies are pooled, provided that—

- (a) where the pooled account is held in a non-EEA State or Territory–
 - (i) that State or Territory imposes requirements to combat money laundering and terrorist financing which are consistent with international standards; and
 - (ii) the independent legal professional is supervised in that State or Territory for compliance with those requirements; and
 - (b) information on the identity of the persons on whose behalf monies are held in the pooled account is available, on request, to the institution which acts as a depository institution for the account.
- (5) The customer is a public authority in Gibraltar.
- (6) The customer is a public authority which fulfils all the conditions set out in paragraph 1 of Schedule 1.
- (7) The product is–
- (a) a life insurance contract where the annual premium is no more than 1,000 euro or where a single premium of no more than 2,500 euro is paid;
 - (b) an insurance contract for the purposes of a pension scheme where the contract contains no surrender clause and cannot be used as collateral;
 - (c) a pension, superannuation or similar scheme which provides retirement benefits to employees, where contributions are made by an employer or by way of deduction from an employee's wages and the scheme rules do not permit the assignment of a member's interest under the scheme; or
 - (d) electronic money, as defined in regulation 2 of Financial Services (Electronic Money) Regulations 2011, where –
 - (i) if it is not possible to recharge, the maximum amount stored electronically in the device is no more than EUR 250; or

- (ii) where, if it is possible to recharge, a limit of EUR 2500 is imposed on the total amount transacted in a calendar year,

except when an amount of EUR 1000 or more is redeemed in that same calendar year upon the electronic money holder's request in accordance with regulations 39 to 44 of the said Regulations. As regards payment transactions within Gibraltar, the Minister may, by regulations, increase the amount of EUR 250 referred to in this paragraph to a ceiling of EUR 500.

(8) The product and any transaction related to such product fulfils all the conditions set out in paragraph 2 of Schedule 1.

(9) Where the Government considers that a non-EEA State meets the equivalence conditions laid down in this section or that there are other situations where the technical criteria established in accordance with Article 40(1)(b) of the Money Laundering Directive are met, the Government shall ensure that EEA States, EBA, EIOPA and ESMA are informed, to the extent relevant for the purposes of this Act, the Money Laundering Directive and in accordance with the relevant provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010.

Enhanced customer due diligence and ongoing monitoring.

10H. A relevant financial business must apply on a risk-sensitive basis enhanced customer due diligence measures and enhanced ongoing monitoring—

- (a) in accordance with sections 10I to 10K;
- (b) in any other situation which by its nature can present a higher risk of money laundering or terrorist financing.

Non face-to-face.

10I. here the customer has not been physically present for identification purposes, a relevant financial business must take specific and adequate measures to compensate for the higher risk, for example, by applying one or more of the following measures—

- (a) ensuring that the customer's identity is established by additional documents, data or information;

- (b) supplementary measures to verify or certify the documents supplied, or requiring confirmatory certification by a credit or financial institution which is subject to the Money Laundering Directive;
- (c) ensuring that the first payment is carried out through an account opened in the customer's name with a credit institution.

Correspondent banking.

10J. credit institution ("the correspondent") which has or proposes to have a correspondent banking relationship with a respondent institution ("the respondent") from a non-EEA State or Territory must—

- (a) gather sufficient information about the respondent to understand fully the nature of its business;
- (b) determine from publicly-available information the reputation of the respondent and the quality of its supervision;
- (c) assess the respondent's anti-money laundering and anti-terrorist financing controls;
- (d) obtain approval from senior management before establishing a new correspondent banking relationship;
- (e) document the respective responsibilities of the respondent and correspondent; and
- (f) be satisfied that, in respect of those of the respondent's customers who have direct access to accounts of the correspondent, the respondent-
 - (i) has verified the identity of, and conducts ongoing monitoring in respect of, such customers; and
 - (ii) is able to provide to the correspondent, upon request, the documents, data or information obtained when applying customer due diligence measures and ongoing monitoring.

Politically exposed persons.

10K.(1) relevant financial business that proposes to have a business relationship or carry out an occasional transaction with a politically exposed person must–

- (a) have approval from senior management for establishing the business relationship with that person;
- (b) take adequate measures to establish the source of wealth and source of funds which are involved in the proposed business relationship or occasional transaction; and
- (c) where the business relationship is entered into, conduct enhanced ongoing monitoring of the relationship.

(2) In subsection (1), “a politically exposed person” means a person who is–

- (a) an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function by–
 - (i) another State or territory;
 - (ii) a Community institution; or
 - (iii) an international body,

including a person who falls in any of the categories listed in paragraph 3(1)(a) of Schedule 1;

- (b) an immediate family member of a person referred to in paragraph (a), including a person who falls in any of the categories listed in paragraph 3(1)(c) of Schedule 1; or
- (c) a known close associate of a person referred to in paragraph (a), including a person who falls in either of the categories listed in paragraph 3(1)(d) of Schedule 1.

(3) For the purpose of deciding whether a person is a known close associate of a person referred to in subsection (2)(a), a relevant financial

business need only have regard to information which is in its possession or is publicly known.

Branches and subsidiaries.

10L.(1) credit or financial institution must require its branches and subsidiary undertakings which are located in a non-EEA State or Territory to apply, to the extent permitted by the law of that State or Territory, measures at least equivalent to those set out in this Act with regard to customer due diligence measures, ongoing monitoring and record-keeping.

(2) Where the law of a non-EEA State or Territory does not permit the application of such equivalent measures by the branch or subsidiary undertaking located in that State or Territory, the credit or financial institution must—

- (a) inform its supervisory authority accordingly; and
- (b) take additional measures to handle effectively the risk of money laundering and terrorist financing.

(3) In this section “subsidiary undertaking” except in relation to an incorporated friendly society, has the meaning given by section 2 of the Companies (Consolidated Accounts) Act 1999 and, in relation to a body corporate in or formed under the law of an EEA State other than the law of Gibraltar, includes an undertaking which is a subsidiary undertaking within the meaning of any rule of law in force in that State for purposes connected with implementation of the European Council Seventh Company Law Directive 83/349/EEC on consolidated accounts.

(4) The Government, EEA States, EBA, EIOPA and ESMA and the European Commission, to the extent relevant for the purposes of this Act, the Money Laundering Directive and in accordance with the relevant provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, shall inform each other of cases where the legislation of non-EEA States does not permit application of the measures required under Article 31(1)(1st paragraph) and coordinated action could be taken to pursue a solution.

Shell banks, anonymous accounts etc..

10M.(1) A credit institution must not enter into, or continue, a correspondent banking relationship with a shell bank.

(2) A credit institution must take appropriate measures to ensure that it does not enter into, or continue, a corresponding banking relationship with a bank which is known to permit its accounts to be used by a shell bank.

(3) A credit or financial institution carrying on business in Gibraltar must not set up an anonymous account or an anonymous passbook for any new or existing customer.

(4) As soon as reasonably practicable on or after 15th December 2007 all credit and financial institutions carrying on business in Gibraltar must apply customer due diligence measures to, and conduct ongoing monitoring of, all anonymous accounts and passbooks in existence on that date and in any event before such accounts or passbooks are used.

(5) A “shell bank” means a credit institution, or an institution engaged in equivalent activities, incorporated in a jurisdiction in which it has no physical presence involving meaningful decision making and management, and which is unaffiliated with a regulated financial group.

Reliance.

10N. (1) A relevant financial business may rely on a person who falls within subsection (2) (or who the relevant financial business has reasonable grounds to believe falls within subsection (2)) to apply any customer due diligence measures provided that—

- (a) the other person consents to being relied on; and
- (b) notwithstanding the relevant person's reliance on the other person, the relevant person remains liable for any failure to apply such measures.

(2) The persons are—

- (a) a credit or financial institution which is an authorised person;
- (b) an auditor, insolvency practitioner, external accountant, tax adviser or independent legal professional supervised for the purposes of this Act by one of the bodies listed in Part 1 of Schedule 2;
- (c) a person who carries on business in another EEA state who is—

- (i) a credit or financial institution, auditor, insolvency practitioner, external accountant, tax adviser or independent legal professional;
 - (ii) subject to mandatory professional registration recognised by law; and
 - (iii) supervised for compliance with the requirements laid down in the money laundering directive in accordance with section 2 of Chapter V of that directive; or
- (d) a person who carries on business in a non-EEA state who is–
- (i) a credit or financial institution (or equivalent institution), auditor, insolvency practitioner, external accountant, tax adviser or independent legal professional;
 - (ii) subject to mandatory professional registration recognised by law;
 - (iii) subject to requirements equivalent to those laid down in the Money Laundering Directive; and
 - (iv) supervised for compliance with those requirements in a manner equivalent to section 2 of Chapter V of the Money Laundering Directive.

(3) In subsection (2)(c)(i) and (d)(i), "auditor" and "insolvency practitioner" includes a person situated in another EEA state or a non-EEA state who provides services equivalent to the services provided by an auditor or insolvency practitioner.

(4) Nothing in this section prevents a relevant financial business applying customer due diligence measures by means of an outsourcing service provider or agent provided that the relevant person remains liable for any failure to apply such measures.

(5) In this section, "financial institution" excludes money service businesses.

(6) Where the Government considers that a non-EEA State meets the conditions set out in subsection (2)(d) it shall ensure that EEA States, EBA,

EIOPA and ESMA are informed, to the extent relevant for the purposes of this Act, the Money Laundering Directive and in accordance with the relevant provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010.

Directions where Financial Action Task Force applies counter-measures.

10O.(1) The Minister may direct any relevant financial business—

- (a) not to enter into a business relationship;
- (b) not to carry out an occasional transaction; or
- (c) not to proceed any further with a business relationship or occasional transaction,

with a person who is situated or incorporated in a non-EEA State or Territory to which the Financial Action Task Force has decided to apply counter-measures.

- (2) Where the Minister issues a direction under subsection (1) he shall cause that direction to be published in the Gazette.

Record-keeping, procedures and training

Record-keeping.

10P.(1) Subject to subsection (4), a relevant financial business must keep the records specified in subsection (2) for at least the period specified in subsection (3).

- (2) The records are—
 - (a) a copy of, or the references to, the evidence of the customer's identity obtained pursuant to section 10B, 10C, 10E, 10H, 10I, 10J, 10K or 10M(4);
 - (b) the supporting records (consisting of the original documents or copies) in respect of a business relationship or occasional transaction which is the subject of customer due diligence measures or ongoing monitoring.
- (3) The period is five years beginning on—

- (a) in the case of the records specified in subsection (2)(a), the date on which—
 - (i) the occasional transaction is completed; or
 - (ii) the business relationship ends; or
- (b) in the case of the records specified in subsection (2)(b)—
 - (i) where the records relate to a particular transaction, the date on which the transaction is completed;
 - (ii) for all other records, the date on which the business relationship ends.

(4) A relevant financial business who is relied on by another person must keep the records specified in subsection (2)(a) for five years beginning on the date on which he is relied on for the purposes of sections 10B, 10E, 10H, 10I, 10J, 10K or 10M(4) in relation to any business relationship or occasional transaction.

(5) A person referred to in section 10N(2)(a) or (b) who is relied on by a relevant financial business must, if requested by the person relying on him within the period referred to in subsection (4)—

- (a) as soon as reasonably practicable make available to the person who is relying on him any information about the customer (and any beneficial owner) which he obtained when applying customer due diligence measures; and
- (b) as soon as reasonably practicable forward to the person who is relying on him copies of any identification and verification data and other relevant documents on the identity of the customer (and any beneficial owner) which he obtained when applying those measures.

(6) A relevant financial business who relies on a person referred to in section 10N(2)(c) or (d) to apply customer due diligence measures must take steps to ensure that the third party will, if requested by the relevant financial business within the period referred to in subsection (4)—

- (a) as soon as reasonably practicable make available to him any information about the customer (and any beneficial owner)

which the third party obtained when applying customer due diligence measures; and

- (b) as soon as reasonably practicable forward to him copies of any identification and verification data and other relevant documents on the identity of the customer (and any beneficial owner) which the third party obtained when applying those measures.

(7) Subsection (5) and (6) do not apply where a relevant financial business applies customer due diligence measures by means of an outsourcing service provider or agent.

(8) For the purposes of this section a person relies on another person when he does so in accordance with section 10N(1).

(9) Institutions and persons referred to in section 8(1) situated in Gibraltar shall recognise and accept the outcome of the customer due diligence requirements laid down in this Act and carried out in accordance with this Act by an institution referred to in section 8(1) in Gibraltar or another EEA State and meeting the requirements laid down in subsections (10) and (11) even if, in the case of institutions situated in another EEA State, the documents or data on which these requirements have been based are different to those required in Gibraltar.

Policies and procedures.

10Q.(1) A relevant financial business must establish and maintain appropriate and risk-sensitive policies and procedures relating to—

- (a) customer due diligence measures and ongoing monitoring;
- (b) reporting;
- (c) record-keeping;
- (d) internal control;
- (e) risk assessment and management;
- (f) the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing.

(2) The policies and procedures referred to in subsection (1) include policies and procedures—

- (a) which provide for the identification and scrutiny of—
 - (i) complex or unusually large transactions;
 - (ii) unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
 - (iii) any other activity which the relevant financial business regards as particularly likely by its nature to be related to money laundering or terrorist financing;
- (b) which specify the taking of additional measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions which might favour anonymity;
- (c) to determine whether a customer is a politically exposed person;
- (d) under which—
 - (i) an individual in the relevant financial business's organisation is the appropriate person nominated to receive disclosures under section 18;
 - (ii) anyone in the organisation to whom information or other matter comes in the course of the business as a result of which he knows or suspects or has reasonable grounds for knowing or suspecting that a person is engaged in money laundering or terrorist financing is required to comply with Part II of this Act;
 - (iii) where a disclosure is made to the appropriate person, he must consider it in the light of any relevant information which is available to the relevant financial business and determine whether it gives rise to knowledge or suspicion or reasonable grounds for knowledge or suspicion that a person is engaged in money laundering or terrorist financing.

(3) Subsection (2)(d) does not apply where the relevant financial business is an individual who neither employs nor acts in association with any other person.

(4) A credit or financial institution must establish and maintain systems which enable it to respond fully and rapidly to enquiries from the GFIU as to–

- (a) whether it maintains, or has maintained during the previous five years, a business relationship with any person; and
- (b) the nature of that relationship.

(5) A credit or financial institution must communicate where relevant the policies and procedures which it establishes and maintains in accordance with this section to its branches and subsidiary undertakings which are located outside Gibraltar.

(6) In this section–

“politically exposed person” has the same meaning as in section 10K(2);

“subsidiary undertaking” has the same meaning as in section 10L.

Training.

10R. A relevant financial business must take appropriate measures so that all relevant employees of his are–

- (a) made aware of the law relating to money laundering and terrorist financing; and
- (b) regularly given training in how to recognise and deal with transactions and other activities which may be related to money laundering or terrorist financing.

11-17. *Omitted.*

Internal reporting procedures.

18. Internal reporting procedures maintained by a person are in accordance with this section if they include provision–

- (a) identifying a person (“the appropriate person”) to whom a report is to be made of any information or other matter which comes to the attention of a person handling relevant financial business and which, in the opinion of the person handling that business, gives rise to a knowledge or suspicion that another person is engaged in money laundering;
- (b) requiring that any such report be considered in the light of all other relevant information by the appropriate person, or by another designated person, for the purpose of determining whether or not the information or other matter contained in the report does give rise to such a knowledge or suspicion;
- (c) for any person charged with considering a report in accordance with paragraph (b) to have reasonable access to other information which may be of assistance to him and which is available to the person responsible for maintaining the internal reporting procedures concerned; and
- (d) for securing that the information or other matter contained in a report is disclosed to the GFIU where the person who has considered the report under the procedures maintained in accordance with the preceding provisions of this section knows or suspects that another person is engaged in money laundering.

Supervisory authorities.

19. (1) References in this Part to supervisory authorities shall be construed in accordance with the following provisions.

(2) For the purposes of this Part, each of the bodies listed in Part I of Schedule 2 shall be a supervisory authority.

(3) The Minister may by Order published in the Gazette add to, delete from, or amend the list of supervisory authorities in Part I of Schedule 2.

Duties of supervisory authorities.

19A. A supervisory authority must effectively monitor the relevant persons for whom it is the supervisory authority and take necessary measures for the purpose of securing compliance by such persons with the requirements of this Act.

(2) Where under section 19 there is more than one supervisory authority for a relevant person, the supervisory authorities shall agree between them which one shall act as the supervisory authority for that person and shall notify that person accordingly.

Duty to cooperate with EBA, EIOPA and ESMA.

19B.(1) The supervisory authorities shall cooperate with EBA, EIOPA and ESMA, for the purposes of this Act, the Money Laundering Directive and in accordance with the relevant provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, respectively.

(2) The supervisory authorities shall provide EBA, EIOPA and ESMA, with all information necessary to carry out their duties under the Money Laundering Directive and under Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, respectively

Supervisors, etc. to report evidence of money laundering.

20. (1) Subject to subsection (2), where a supervisory authority—

- (a) obtains any information; and
- (b) is of the opinion that the information indicates that any person has or may have been engaged in money laundering,

the authority shall, as soon as is reasonably practicable, disclose that information to the GFIU.

(2) Where any person is a secondary recipient of information obtained by a supervisory authority, and that person forms such an opinion as is mentioned in subsection (1)(b), that person may disclose the information to the GFIU.

(3) Where any person within subsection (6)—

- (a) obtains any information whilst acting in the course of any investigation, or discharging any functions to which his appointment or authorisation relates; and

- (b) is of the opinion that the information indicates that any person has or may have been engaged in money laundering,

that person shall, as soon as is reasonably practicable, either disclose that information to the GFIU or disclose that information to the supervisory authority by whom he was appointed or authorised.

(4) Any disclosure when made in good faith made by virtue of the preceding provisions of this section shall not be treated as a breach of any restriction imposed by statute or otherwise.

(5) Any information—

- (a) which has been disclosed to the GFIU by virtue of the preceding provisions of this section; and
- (b) which would, apart from the provisions of subsection (4), be subject to such a restriction as is mentioned in that subsection;

may be disclosed by the GFIU, or any person obtaining the information directly or indirectly from him, in connection with the investigation of any criminal offence or for the purposes of any criminal proceedings, but not otherwise.

- (6) (a) Persons falling within this section are persons or inspectors appointed under an enactment set out in Part II of Schedule 2;
- (b) The Minister may by Order published in the Gazette add to, delete from or amend the list of enactments set out in Part II of Schedule 2.

(7) In this section “secondary recipient” in relation to information obtained by a supervisory authority, means any person to whom that information has been passed by the authority.

Criminal offences.

20A.(1) A person who fails to comply with any requirement in sections 10B(1), (2) or (3), 10C(1) or (3), 10D(2), 10E, 10F(1)(a), (b) or (c), 10H, 10L(1) or (2), 10M(1), (2), (3) or (4), 10P(1), (4), (5) or (6), 10Q(1), (4) or (5) or 10R, or a direction made under section 10O, is guilty of an offence and liable—

- (a) on summary conviction, to a fine not exceeding level 5 on the standard scale;
- (b) on conviction on indictment, to imprisonment for a term not exceeding two years, to a fine or to both.

(2) In deciding whether a person has committed an offence under subsection (1), the court must consider whether he followed any relevant guidance which was at the time issued by a supervisory authority or any other appropriate body.

(3) In subsection (2), an “appropriate body” means any body which regulates or is representative of any trade, profession, business or employment carried on by the alleged offender.

(4) A person is not guilty of an offence under this section if he took all reasonable steps and exercised all due diligence to avoid committing the offence.

Offences by bodies corporate, partnerships and unincorporated associations.

20B.(1) Where an offence under a provision of this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any other person who was purporting to act in any such capacity he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by the members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of a body corporate.

(3) Where an offence is committed by a partnership, or by an unincorporated association other than a partnership, is proved to have been committed with the consent or connivance of, or is attributable to any neglect on the part of, a partner in the partnership or (as the case may be) a person concerned in the management or control of the association he, as well as the partnership or association, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

21. *Omitted.*

Revocation of the Drug Trafficking (Money Laundering) Regulations 1995.

22. The Drug Trafficking (Money Laundering) Regulations 1995 are hereby revoked.

PART IV.

CONFISCATION OF THE PROCEEDS OF CRIMINAL CONDUCT.

Confiscation orders.

23. (1) Where a defendant appears before the court to be sentenced in respect of one or more than one indictable offence, and has not previously been sentenced or otherwise dealt with in respect of his conviction for the offence or, as the case may be, any of the offences concerned, then—

- (a) if the prosecutor asks the court to proceed under this section, or
- (b) if the court considers that, even though the prosecutor has not asked it to do so, it is appropriate for it to proceed under this section,

it shall act as follows.

(2) The court shall first determine whether the defendant has benefited from criminal conduct.

(3) For the purposes of this Part, a person has benefited from criminal conduct if he has at any time (whether before or after the commencement of this section) received any payment or other reward in connection with criminal conduct carried on by him or another person.

(4) If the court determines that the defendant has so benefited, the court shall, before sentencing or otherwise dealing with him in respect of the offence or, as the case may be, any of the offences concerned, determine, in accordance with section 26, the amount to be recovered in his case by virtue of this section.

(5) The court shall then, in respect of the offence or the offences concerned—

- (a) order the defendant to pay that amount;
- (b) take account of the order before—
 - (i) imposing any fine on him;
 - (ii) making any order involving any payment by him; or
 - (iii) making any order under section 525 of the Crimes Act 2011 or section 123 or 124 of the Imports and Exports Act or section 604 of the Criminal Procedure and Evidence Act 2011; and
- (c) subject to paragraph (b), leave the order out of account in determining the appropriate sentence or other manner of dealing with him.

(6) No enactment restricting the power of a court dealing with an offender in a particular way from dealing with him also in any other way shall, by reason only of the making of an order under this section, restrict the court from dealing with an offender in any way the court considers appropriate in respect of an indictable offence.

(7) The standard of proof required to determine any question arising under this Part as to—

- (a) whether a person has benefited from criminal conduct, or
- (b) the amount to be recovered in his case by virtue of this section,

shall be that applicable in civil proceedings.

Postponed determinations.

24. (1) Where the court is acting under section 23 but considers that it requires further information before—

- (a) determining whether the defendant has benefited from criminal conduct, or

- (b) determining the amount to be recovered in his case by virtue of that section,

it may, for the purpose of enabling that information to be obtained, postpone making the determination for such period as it may specify.

(2) More than one postponement may be made under subsection (1) in relation to the same case.

(3) Unless it is satisfied that there are exceptional circumstances, the court shall not specify a period under subsection (1) which—

- (a) by itself, or,
- (b) where there have been one or more previous postponements under subsections (1) or (4), when taken together with the earlier specified period or periods,

exceeds six months beginning with the date of conviction.

(4) Where the defendant appeals against his conviction, the court may, on that account—

- (a) postpone making either or both of the determinations mentioned in subsection (1) for such period as it may specify; or
- (b) where it has already exercised its powers under this section to postpone, extend the specified period.

(5) A postponement or extension under subsections (1) and (4) may be made—

- (a) on application by the defendant or the prosecutor; or
- (b) by the court of its own motion.

(6) Unless the court is satisfied that there are exceptional circumstances, any postponement or extension under subsection (4) shall not exceed the period ending three months after the date on which the appeal is determined or otherwise disposed of.

(7) Where the court exercises its power under subsection (1) or (4), it may nevertheless proceed to sentence, or otherwise deal with, the defendant in respect of the relevant offence or any of the relevant offences.

(8) Where the court has so proceeded, section 23 shall have effect as if—

- (a) in subsection (4) of that section, the words “before sentencing or otherwise dealing with him in respect of the offence or, as the case may be, any of the offences concerned” were omitted; and
- (b) in subsection (5)(c) of that section, after the word “determining” there were inserted “, in relation to any offence in respect of which he has not been sentenced or otherwise dealt with,”.

(9) In sentencing, or otherwise dealing with, the defendant in respect of the relevant offence or any of the relevant offences at any time during the specified period, the court shall not—

- (a) impose any fine on him; or
- (b) make any such order as is mentioned in section 23(5) (b)(ii) or (iii).

(10) In this section—

“the date of conviction” means—

- (a) the date on which the defendant was convicted; or
- (b) where he appeared to be sentenced in respect of one or more than one conviction and those convictions were not all on the same date, the date of the latest of those convictions; and

“the relevant offence” means the offence in respect of which the defendant appears (as mentioned in section 23 (1)) before the court, and where more than one offence is concerned “relevant offences” shall be construed accordingly;

and references to an appeal include references to an application under section 62 of the Magistrates Court Act.

Assessing the proceeds of criminal conduct.

25.(1) For the purposes of this Part—

- (a) any payment or other rewards received by a person at any time (whether before or after the commencement of this Act) in connection with criminal conduct carried on by him or another person are his proceeds of criminal conduct; and
- (b) the value of his proceeds of criminal conduct is the aggregate of the values of the payments or other rewards.

(2) The court shall, for the purpose of determining whether the defendant has benefited from criminal conduct and, if he has, of assessing the value of his proceeds of criminal conduct, make the required assumptions.

(3) The required assumptions are—

- (a) that any item of property appearing to the court—
 - (i) to have been held by the defendant at any time since his conviction, or
 - (ii) to have been transferred to him at any time since the beginning of the period of six years ending when the proceedings were instituted against him,

was received by him, at the earliest time at which he appears to the court to have held it, as a payment or reward in connection with criminal conduct carried on by him;

- (b) that any item of expenditure of his, since the beginning of that period, was met out of payments received by him in connection with criminal conduct carried on by him; and
- (c) that for the purposes of valuing any item of property received or assumed to have been received by him at any time as such a reward, he received the property free of any other interests in it.

(4) The court shall not make any one of the required assumptions only to the extent that—

- (a) that assumption is shown to be incorrect in the defendant's case:

Provided that the required assumptions may be shown to be incorrect only to the extent that the defendant shows to the satisfaction of the court that the property, or, where the property is not money, the money with which the property was purchased, has been declared by the defendant to the Commissioner of Income Tax or to the taxation authority or authorities in the jurisdiction in which the property is or from which it came, or, where the property is not liable to tax in the hands of the defendant, has been so declared by another person unless the defendant can, by the production of such evidence as the court may, in its discretion, require, satisfy the court that the property was not and is not subject to taxation in Gibraltar or in any other jurisdiction in which the property is or from which it came; or

- (b) the court is satisfied that there would be a serious risk of injustice in the defendant's case if the assumption were to be made.

(5) Subsection (2) does not apply if the only offence in respect of which the defendant appears before the court to be sentenced is an offence under sections 2, 3 or 4.

(6) Where the court does not make one or more of the required assumptions, it shall state its reasons.

(7) For the purpose of assessing the value of the defendant's proceeds of criminal conduct in a case where a confiscation order has previously been made against him, the court shall leave out of account any of his proceeds of criminal conduct that are shown to the court to have been taken into account in determining the amount to be recovered under that order.

Amount to be recovered under confiscation order.

26. (1) Subject to subsection (3), the amount to be recovered in the defendant's case under the confiscation order shall be the amount the court assesses to be the value of the defendant's proceeds of criminal conduct.

(2) If the court is satisfied as to any matter relevant for determining the amount that might be realised at the time the confiscation order is made whether by reason of—

- (a) the acceptance by the prosecutor or the defendant of an allegation made in a statement given under section 44; or
- (b) information given under section 45; or
- (c) a failure to comply with an order under section 45; or
- (d) otherwise,

the court may issue a certificate giving the court's opinion as to the matters concerned, and shall do so if satisfied as mentioned in subsection (3).

(3) If the court is satisfied that the amount that might be realised at the time the confiscation order is made is less than the amount the court assesses to be the value of his proceeds of criminal conduct, the amount to be recovered in the defendant's case under the confiscation order shall be—

- (a) the amount appearing to the court to be the amount that might be so realised; or
- (b) a nominal amount, whether it appears to the court, on the information available to it at the time, that the amount that might be so realised is nil.

Meaning of “amount that might be realised” and “realisable property”.

27.(1) For the purposes of this Part, the amount that might be realised at the time a confiscation order is made against the defendant is—

- (a) the total of the values at that time of all the realisable property held by the defendant, less
- (b) where there are obligations having priority at that time, the total amount payable in pursuance of such obligations,

together with the total of the values at that time of all gifts caught by this Part.

(2) In this Part, “realisable property” means, subject to subsection (1)—

- (a) any property held by the defendant; and

(b) any property held by a person to whom the defendant has directly or indirectly made a gift caught by this Part.

(3) Property is not realisable property if there is in force in respect of it an order under any of the following enactments, namely–

(a) section 525 of the Crimes Act 2011;

(b) section 604 of the Criminal Procedure and Evidence Act 2011.

(4) For the purposes of subsection (1), an obligation has priority at any time if it is an obligation of the defendant–

(a) to pay an amount due in respect of a fine, or other order of a court, imposed or made on conviction of an offence, where the fine was imposed or the order was made before the confiscation order, or

(b) to pay any sum which would be included among the preferential debts, within the meaning given by subsection (5), in the defendant’s bankruptcy commencing on the date of the confiscation order or order appointing a liquidator made on that date.

(5) For the purposes of subsection (4) “preferential debts” means debts that are preferential debts within the meaning of the Insolvency Act 2011;

Value of property, etc.

28. (1) Subject to the following provisions of this section and to section 29, for the purposes of this Part the value of property, other than cash, in relation to any person holding the property is the market value of the property, except that, where any other person holds an interest in the property, the value is–

(a) the market value of the first-mentioned person’s beneficial interest in the property, less

(b) the amount required to discharge any incumbrance, other than a charging order, on that interest.

(2) Subject to section 29(2), references in this Part to the value at any time (referred to in subsection (3) as “the material time”) of a gift caught by this Part or of any payment or reward are references to–

- (a) the value of the gift, payment or reward to the recipient when he received it, adjusted to take account of subsequent changes in the value of money, or
- (b) where subsection (3) applies, the value there mentioned,

whichever is the greater.

- (3) Subject to section 29(2), if at the material time the recipient holds—
 - (a) the property which he received, not being cash, or
 - (b) property which, in whole or in part, directly or indirectly represents in his hands the property which he received,

the value referred to in subsection (2)(b) is the value to him at the material time of the property mentioned in paragraph (a) or, as the case may be, of the property mentioned in paragraph (b) so far as it represents the property which he received, but disregarding in either case any charging order.

(4) References in this section to a charging order include a reference to a charging order under section 48.

Gifts caught by this Part.

29.(1) A gift, including a gift made before the commencement of this Act, is caught by this Part if—

- (a) it was made by the defendant at any time since the beginning of the period of six years ending when the proceedings were instituted against him; or
- (b) it was made by the defendant at any time and was a gift of property—
 - (i) received by the defendant in connection with criminal conduct carried on by him or another person; or
 - (ii) which in whole or in part directly or indirectly represented in the defendant's hands property received by him in that connection.

(2) For the purposes of this Part—

- (a) the circumstances in which the defendant is to be treated as making a gift include those where he transfers property to another person directly or indirectly for a consideration the value of which is significantly less than the value of the consideration provided by the defendant; and
- (b) in those circumstances, the provisions of subsection (1) and of sections 27 and 28 shall apply as if the defendant had made a gift of such share in the property as bears to the whole property the same proportion as the difference between the values referred to in paragraph (a) bears to the value of the consideration provided by the defendant.

Application of procedure for enforcing fines.

30. (1) Where the court orders the defendant to pay any amount under section 23, it shall make an order fixing the term of imprisonment which he is to undergo if any sum which he is liable to pay is not duly paid or covered.

(2) Subject to subsections (3) and (4), the periods set out in the second column of the following table shall be the maximum periods of imprisonment under subsection (1) applicable respectively to the amounts set out opposite thereto.

TABLE

| | |
|---|-----------|
| An amount not exceeding £50 | 7 days |
| An amount exceeding £400 but not exceeding £1,000 | 60 days |
| An amount exceeding £1,000 but not exceeding £2,000 | 90 days |
| An amount exceeding £2,000 but not exceeding £5,000 | 6 months |
| An amount exceeding £5,000 but not exceeding £10,000 | 9 months |
| An amount exceeding £10,000 but not exceeding £20,000 | 12 months |
| An amount exceeding £20,000 but not exceeding £50,000 | 18 months |

| | |
|---|-----------|
| An amount exceeding £50,000 but not exceeding £100,000 | 2 years |
| An amount exceeding £100,000 but not exceeding £250,000 | 3 years |
| An amount exceeding £250,000 but not exceeding £1 million | 5 years |
| An amount exceeding £1 million | 10 years. |

(3) Where the amount due at the time imprisonment is imposed is so much as remains due after part payment, then, subject to subsection (4), the maximum period applicable to the amount shall be the period applicable to the whole sum reduced by such number of days as bears to the total number of days therein the same proportion as the part paid bears to the total sum.

(4) In calculating the reduction required under subsection (3), any fraction of a day shall be left out of account and the maximum period shall not be reduced to less than five days.

(5) Where the defendant serves a term of imprisonment in default of paying any amount due under a confiscation order, his serving that term does not prevent the confiscation order from continuing to have effect, so far as any other method of enforcement is concerned.

- (6) This section applies in relation to confiscation orders made—
- (a) by the court by virtue of section 38,
 - (b) by the Court of Appeal under Part II of the Court of Appeal Act, or
 - (c) by Her Majesty in Council on appeal from the Court of Appeal,

as it applies in relation to confiscation orders made by the court, and the reference in subsection (1) to the court shall be construed accordingly.

Interest on sums unpaid under confiscation orders.

31. (1) If any sum required to be paid by a person under a confiscation order is not paid when it is required to be paid that person shall be liable to pay interest on that sum for the period for which it remains unpaid, and the

amount of the interest shall for the purposes of enforcement be treated as part of the amount to be recovered from him under the confiscation order.

(2) The court may, on the application of the prosecutor, increase the term of imprisonment fixed in respect of the confiscation order under section 30(1) if the effect of subsection (1) is to increase the maximum period applicable in relation to the order under section 30(2).

(3) The rate of interest under subsection (1) shall be that for the time being applying to a civil judgment debt as provided for under section 36 of the Supreme Court Act.

Reconsideration of case where the court has not proceeded under section 23.

32. (1) This section applies where the defendant has appeared before the court to be sentenced in respect of one or more indictable offences but the court has not proceeded under section 23.

(2) If the prosecutor has evidence—

(a) which was not available to him when the defendant appeared to be sentenced, and accordingly was not considered by the court; but

(b) which the prosecutor believes would have led the court to determine that the defendant had benefited from criminal conduct if—

(i) the prosecutor had asked the court to proceed under section 23; and

(ii) the evidence had been considered by the court,

he may apply to the court for it to consider the evidence.

(3) The court shall proceed under section 23 if, having considered the evidence, it is satisfied that it is appropriate to do so.

(4) In considering whether it is appropriate to proceed under section 23, the court shall have regard to all the circumstances of the case.

(5) Where, having decided to proceed under section 23, the court proposes to make a confiscation order against the defendant, it shall order

the payment of such amount as it thinks just in all the circumstances of the case.

(6) In considering the circumstances of any case, the court shall have regard, in particular, to the amount of any fine or fines imposed on the defendant in respect of the offence or offences in question.

(7) Where the court is proceeding under section 23 by virtue of this section, subsection (4) of that section shall have effect as if the words “before sentencing or otherwise dealing with him in respect of the offence or, as the case may be, any of the offences concerned” were omitted.

(8) The court may take into account any payment or other reward received by the defendant on or after the date of conviction, but only if the prosecutor shows that it was received by the defendant in connection with criminal conduct carried on by the defendant or another person on or before that date.

(9) In considering under this section any evidence which relates to any payment or reward to which subsection (8) applies, the court shall not make the assumptions which would otherwise be required by section 25.

(10) No application shall be entertained by the court under this section if it is made after the end of the period of six years beginning with the date of conviction.

(11) In this section, “the date of conviction” means—

- (a) the date on which the defendant was convicted; or
- (b) where he appeared to be sentenced in respect of more than one conviction, and those convictions were not all on the same date, the date of the latest of those convictions.

(12) Sections 44 and 45 shall apply where the prosecutor makes an application under this section as they apply where the prosecutor asks the court to proceed under section 23.

Re-assessment of whether defendant has benefited from criminal conduct.

33. (1) This section applies where the court has made a determination under section 23(2) (“the section 23(2) determination”) that the defendant has not benefited from criminal conduct.

- (2) If the prosecutor has evidence—
- (a) which was not considered by the court in making the section 23(2) determination, but
 - (b) which the prosecutor believes would have led the court to determine that the defendant had benefited from criminal conduct if it had been considered by the court,

he may apply to the court for it to consider that evidence.

(3) If, having considered the evidence, the court is satisfied that it would have determined that the defendant had benefited from criminal conduct if that evidence had been available to it, the court—

- (a) shall make—
 - (i) a fresh determination under subsection (2) of section 23; and
 - (ii) a determination under subsection (4) of that section of the amount to be recovered by virtue of that section; and
- (b) may make an order under that section.

(4) Where the court is proceeding under section 23 by virtue of this section, subsection (4) of that section shall have effect as if the words “before sentencing or otherwise dealing with him in respect of the offence or, as the case may be, any of the offences concerned” were omitted.

(5) The court may take into account any payment or other reward received by the defendant on or after the date of the section 23 (2) determination, but only if the prosecutor shows that it was received by the defendant in connection with criminal conduct carried on by the defendant or another person on or before that date.

(6) In considering under this section any evidence which relates to any payment or reward to which subsection (5) applies, the court shall not make the assumptions which would otherwise be required by section 25.

(7) No application shall be entertained by the court under this section if it is made after the end of the period of six years beginning with the date of

conviction, and in this subsection “the date of conviction” has the same meaning as in section 32.

(8) Sections 44 and 45 shall apply where the prosecutor makes an application under this section as they apply where the prosecutor asks the court to proceed under section 23.

Increase in realisable property.

34. (1) This section applies where, by virtue of section 26(3), the amount which a person is ordered to pay by a confiscation order is less than the amount assessed to be the value of his proceeds of criminal conduct.

(2) If, on an application made in accordance with subsection (3), the court is satisfied that the amount that might be realised in the case of the person in question is greater than the amount taken into account in making the confiscation order (whether it was greater than was thought when the order was made or has subsequently increased) the court shall issue a certificate to that effect giving the court’s reasons.

(3) An application under subsection (2) may be made either by the prosecutor or by a receiver appointed under this Part in relation to the realisable property of the person in question under section 47 or section 50.

(4) Where a certificate has been issued under subsection (2), the prosecutor may apply to the court for an increase in the amount to be recovered under the confiscation order, and on that application the court may—

- (a) substitute for that amount such amount, not exceeding the amount assessed as the value referred to in subsection (1), as appears to the court to be appropriate having regard to the amount now shown to be realisable; and
- (b) increase the term of imprisonment fixed in respect of the confiscation order under subsection (1) of section 30 if the effect of the substitution is to increase the maximum period applicable in relation to the order under subsection (2) of that section.

Revised assessment of proceeds of criminal conduct.

35. (1) This section applies where the court has made a determination under subsection (4) of section 23 of the amount to be recovered in a

particular case by virtue of that section (“the current section 23(4) determination”).

(2) Where the prosecutor is of the opinion that the real value of the defendant’s proceeds of criminal conduct was greater than their assessed value, the prosecutor may apply to the court for the evidence on which the prosecutor has formed his opinion to be considered by the court.

(3) If, having considered the evidence, the court is satisfied that the real value of the defendant’s proceeds of criminal conduct is greater than their assessed value (whether because the real value at the time of the current section 23(4) determination was higher than was thought or because the value of the proceeds in question has subsequently increased), the court shall make a fresh determination under subsection (4) of section 23 of the amount to be recovered by virtue of that section.

(4) In subsections (2) and (3)–

“assessed value” means the value of the defendant’s proceeds of criminal conduct as assessed by the court in accordance with section 26(1); and

“real value” means the value of the defendant’s proceeds of criminal conduct which took place–

- (a) in the period by reference to which the current section 23(4) determination was made; or
- (b) in any earlier period.

(5) Where the court is proceeding under section 23 by virtue of this section, subsection (4) of that section shall have effect as if the words “before sentencing or otherwise dealing with him in respect of the offence or, as the case may be, any of the offences concerned” were omitted.

(6) Any determination made under section 23(4) by virtue of this section shall be by reference to the amount that might be realised at the time when the determination is made.

(7) In the case of any determination under section 23(4) by virtue of this section, section 25(7) shall not apply in relation to any of the defendant’s proceeds of criminal conduct taken into account in respect of the current section 23(4) determination.

- (8) In relation to any such determination by virtue of this section—
- (a) sections 26(2), 27(4) and 44(9)(a) shall have effect as if for “confiscation order” there were substituted “determination”;
 - (b) section 26(3) shall have effect as if for “confiscation order is made” there were substituted “determination is made”; and
 - (c) section 27(1) shall have effect as if for “a confiscation order is made against the defendant” there were substituted “of the determination”.

(9) The court may take into account any payment or other reward received by the defendant on or after the date of the current section 23(4) determination, but only if the prosecutor shows that it was received by the defendant in connection with criminal conduct carried on by the defendant or another person on or before that date.

(10) In considering under this section any evidence which relates to any payment or reward to which subsection (9) applies, the court shall not make the assumptions which would otherwise be required by section 25.

(11) If, as a result of making the fresh determination required by subsection (4), the amount to be recovered exceeds the amount set by the current section 23(4) determination, the court may substitute for the amount to be recovered under the confiscation order which was made by reference to the current section 23(4) determination such greater amount as it thinks just in all the circumstances of the case.

(12) Where the court varies a confiscation order under subsection (11), it shall substitute for the term of imprisonment fixed under section 30(1) in respect of the amount to be recovered under the order a longer term determined in accordance with that section in respect of the greater amount substituted under subsection (11).

(13) Subsection (12) shall apply only if the effect of the substitution is to increase the maximum period applicable in relation to the order under section 30(2).

(14) No application shall be entertained by the court under this section if it is made after the end of the period of six years beginning with the date of conviction, and in this subsection “the date of conviction” has the same meaning as in section 32.

(15) Sections 44 and 45 shall apply where the prosecutor makes an application as they apply where the prosecutor asks the court to proceed under section 23, but, in the case of section 44, subject to subsection (8)(a).

Inadequacy of realisable property.

36. (1) If, on an application made in respect of a confiscation order by—

- (a) the defendant, or
- (b) a receiver appointed under section 47 or 50 or in pursuance of a charging order,

the court is satisfied that the realisable property is inadequate for the payment of any amount remaining to be recovered under the confiscation order, the court shall issue a certificate to that effect, giving the court's reasons.

(2) For the purposes of subsection (1)—

- (a) in the case of realisable property held by a person against whom a bankruptcy order has been made or whose estate has been sequestrated, the court shall take into account the extent to which any property held by him may be distributed among creditors; and
- (b) the court may disregard any inadequacy in the realisable property which appears to the court to be attributable wholly or partly to anything done by the defendant for the purpose of preserving any property held by a person to whom the defendant had directly or indirectly made a gift caught by this Part from any risk of realisation under this Part.

(3) Where a certificate has been issued under subsection (1), the person who applied for it may apply to the court for the amount to be recovered under the confiscation order to be reduced.

(4) The court shall, on an application under subsection (3)—

- (a) substitute for the amount to be recovered under the order such lesser amount as the court thinks just in all the circumstances of the case; and

- (b) substitute for the term of imprisonment fixed under section 30(1) in respect of the amount to be recovered under the order a shorter term determined in accordance with that section in respect of the lesser amount.
- (5) Rules of court may make provision–
- (a) for the giving of notice of any application under this section; and
 - (b) for any person appearing to the court to be likely to be affected by any exercise of its powers under this section to be given an opportunity to make representations to the court.

Compensation.

37. (1) If proceedings are instituted against a person for any indictable offence or offences and either–

- (a) the proceedings do not result in his conviction, or
- (b) he is convicted of one or more offence but–
 - (i) the conviction or convictions concerned are quashed, or
 - (ii) he is pardoned by the Governor in respect of the conviction or convictions concerned,

the court may, on an application by a person who held property which was realisable property, order compensation to be paid to the applicant if, having regard to all the circumstances, it considers it appropriate to make such an order.

(2) The court shall not order compensation to be paid in any case unless the court is satisfied–

- (a) that there has been some serious default on the part of a person concerned in the investigation or prosecution of the offence or offences concerned, being a person mentioned in subsection (6); and

(b) that the applicant has suffered loss in consequence of anything done in relation to the property by or in pursuance of an order of the court under sections 47 to 50.

(3) The court shall not order compensation to be paid in any case where it appears to the court that the proceedings would have been instituted or continued even if the serious default had not occurred.

(4) The amount of compensation to be paid under this section shall be such as the court thinks just in all the circumstances of the case.

(5) Compensation payable under this section shall be paid out of any special fund established under the Public Finance (Control and Audit) Act which has as its prescribed expenditure such compensation, or in the absence of such a fund, out of the Consolidated Fund.

(6) The persons referred to in subsection (2) are-

(a) any customs officer;

(b) any police officer; and

(c) any person engaged by the Government to provide legal services to it.

Powers of the court where the defendant has absconded or died.

38. (1) Subsection (2) applies where a person has been convicted of one or more indictable offences.

(2) If the prosecutor asks it to proceed under this section, the court may exercise its powers under this Part to make a confiscation order against the defendant if satisfied that the defendant has died or absconded.

(3) Subsection (4) applies where proceedings for one or more indictable offences have been instituted against a person but have not been concluded.

(4) If the prosecutor asks it to proceed under this section, the court may exercise its powers under this Part to make a confiscation order against the defendant if satisfied that the defendant has absconded.

(5) The power conferred by subsection (4) may not be exercised at any time before the end of the period of two years beginning with the date which is, in the opinion of the court, the date on which the defendant absconded.

(6) In any proceedings on an application under this section—

- (a) section 25(2) shall not apply;
- (b) section 44 shall apply as it applies where the prosecutor asks the court to proceed under section 23 but with the omission of subsections (5), (7) and (8);
- (c) the court shall not make a confiscation order against a person who has absconded unless it is satisfied that the prosecutor has taken reasonable steps to contact him; and
- (d) any person appearing to the court to be likely to be affected by the making of a confiscation order by the court shall be entitled to appear before the court and make representations.

(7) Where the court—

- (a) has been asked to proceed under this section in relation to a defendant who has absconded, but
- (b) has decided not to make a confiscation order against him,

section 33 shall not apply at any time while he remains an absconder.

(8) Where a confiscation order has been made in relation to any defendant by virtue of this section, section 35 shall not apply at any time while he is an absconder.

Effect of conviction where the court has acted under section 38.

39. (1) Where, in the case of any defendant, the court has made a confiscation order by virtue of section 38, the court shall, in respect of the offence, or, as the case may be, any of the offences concerned—

- (a) take account of the order before—
 - (i) imposing any fine on the defendant;
 - (ii) making any order involving any payment by him; or

(iii) making any order under section 525 of the Crimes Act 2011 or section 604 of the Criminal Procedure and Evidence Act 2011; and

(b) subject to paragraph (a), leave the order out of account in determining the appropriate sentence or other manner of dealing with him.

(2) Where the court has made a confiscation order by virtue of section 38 and the defendant subsequently appears before the court to be sentenced in respect of one or more of the offences concerned, section 23(1) shall not apply so far as his appearance is in respect of that offence or those offences.

Variation of confiscation orders made by virtue of section 38.

40. (1) This section applies where—

(a) the court has made a confiscation order by virtue of section 38(4), and

(b) the defendant has ceased to be an absconder.

(2) If the defendant alleges that—

(a) the value of his proceeds of criminal conduct in the period by reference to which the determination in question was made (the “original value”), or

(b) the amount that might have been realised at the time the confiscation order was made,

was less than the amount ordered to be paid under the confiscation order, he may apply to the court for it to consider his evidence.

(3) If, having considered that evidence, the court is satisfied that the defendant’s allegation is correct, it—

(a) shall make a fresh determination under section 23(4); and

(b) may, if it considers it just in all the circumstances, vary the amount to be recovered under the confiscation order.

(4) In the case of any determination under section 23 by virtue of this section, section 25(7) shall not apply in relation to the defendant's proceeds of criminal conduct taken into account in determining the original value.

(5) Where the court varies a confiscation order under this section—

- (a) it shall substitute for the term of imprisonment fixed under section 30(1) in respect of the amount to be recovered under the order a shorter term determined in accordance with section 30(2) in respect of the lesser amount ; and
- (b) on the application of a person who held property which was realisable property, it may order compensation to be paid to the applicant in accordance with section 43 if—
 - (i) it is satisfied that the applicant has suffered loss as a result of the making of the confiscation order, and
 - (ii) having regard to all the circumstances of the case, the court considers it to be appropriate.

(6) No application shall be entertained by the court under this section if it is made after the end of the period of six years beginning with the date on which the confiscation order was made.

Compensation, etc. where absconder is acquitted.

41. (1) This section applies where—

- (a) the court has made a confiscation order by virtue of section 38(4), and
- (b) the defendant is subsequently tried for the offence or offences concerned and acquitted on all counts.

(2) The court by which the defendant is acquitted shall cancel the confiscation order.

(3) The court may, on the application of a person who held property which was realisable property, order compensation to be paid to the applicant in accordance with section 43 if it is satisfied that the applicant has suffered loss as a result of the making of the confiscation order.

Power to discharge confiscation order and order compensation where absconder returns.

42. (1) This section applies where—

- (a) the court has made a confiscation order by virtue of section 38(4) in relation to an absconder;
- (b) the defendant has ceased to be an absconder; and
- (c) section 41 does not apply.

(2) The court may, on the application of the defendant, cancel the confiscation order if it is satisfied that—

- (a) there has been undue delay in continuing the proceedings in respect of which the power under section 38(4) was exercised; or
- (b) the prosecutor does not intend to proceed with the prosecution.

(3) Where the court cancels a confiscation order under this section it may, on the application of a person who held property which was realisable property, order compensation to be paid to the applicant in accordance with section 43 if it is satisfied that the applicant has suffered loss as a result of the making of the confiscation order.

Provisions supplementary to sections 40, 41 and 42.

43. (1) Where the court orders compensation to be paid under section 40, 41 or 42, the amount of that compensation shall be such as the court considers just in all the circumstances of the case.

(2) Rules of court may make provision—

- (a) for the giving of notice of any application under section 40, 41 or 42; and
- (b) for any person appearing to the court to be likely to be affected by any exercise of its powers under any of those sections to be given an opportunity to make representations to the court.

(3) Compensation payable under any of those sections shall be paid out of a special fund established under the Finance (Control and Audit) Act and having as its prescribed expenditure such compensation or in the absence of such a fund, out of the Consolidated Fund.

(4) Where the court cancels a confiscation order under section 41 or 42, it may make such consequential or incidental order as it considers appropriate in connection with the cancellation.

Statements relating to criminal conduct.

44. (1) Where the prosecutor asks the court to proceed under section 23, he shall give the court, within such period as it may direct, a statement of matters which he considers relevant in connection with—

- (a) determining whether the defendant has benefited from criminal conduct; or
- (b) assessing the value of his proceeds of criminal conduct.

(2) In this section such a statement is referred to as a “prosecutor’s statement”.

(3) Where the court proceeds under section 23 without the prosecutor having asked it to do so, it may require him to give it a prosecutor’s statement, within such period as it may direct.

(4) Where the prosecutor has given a prosecutor’s statement—

- (a) he may at any time give the court a further such statement; and
- (b) the court may at any time require him to give it a further such statement, within such period as it may direct.

(5) Where any prosecutor’s statement has been given and the court is satisfied that a copy of the statement has been served on the defendant, it may require the defendant—

- (a) to indicate to it, within such period as it may direct, the extent to which he accepts each allegation in the statement; and

- (b) so far as he does not accept any such allegation, to give particulars of any matters on which he proposes to rely.

(6) Where the court has given a direction under this section it may at any time vary it by giving a further direction.

(7) Where the defendant accepts to any extent any allegation in any prosecutor's statement, the court may, for the purposes of—

- (a) determining whether the defendant has benefited from criminal conduct; or
- (b) assessing the value of his proceeds of criminal conduct,

treat his acceptance as conclusive of the matters to which it relates.

(8) If the defendant fails in any respect to comply with a requirement under subsection (5), he may be treated for the purposes of this section as accepting every allegation in the prosecutor's statement in question apart from—

- (a) any allegation in respect of which he has complied with the requirement; and
- (b) any allegation that he has benefited from criminal conduct or that any payment or other reward was received by him in connection with criminal conduct carried on by him or another person.

(9) Where—

- (a) there is given to the court by the defendant a statement as to any matters relevant to determining the amount that might be realised at the time the confiscation order is made, and
- (b) the prosecutor accepts to any extent any allegation in the statement,

the court may, for the purposes of that determination, treat the acceptance by the prosecutor as conclusive of the matters to which it relates.

(10) An allegation may be accepted, or particulars of any matter may be given, for the purposes of this section in such manner as may be prescribed by rules of court or as the court may direct.

(11) No acceptance by the defendant under this section that any payment or other reward was received by him in connection with criminal conduct carried on by him or another person shall be admissible in evidence in any proceedings for an offence.

Provision of information by defendant.

45. (1) This section applies where—

- (a) the prosecutor has requested the court to proceed under section 23; or
- (b) no such request has been made but the court is nevertheless proceeding, or considering whether to proceed, under section 23.

(2) For the purpose of obtaining information to assist it in carrying out its functions, the court may at any time order the defendant to give it such information as may be specified in the order.

(3) An order under subsection (2) may require all, or any specified part, of the required information to be given to the court in such manner, and before such date, as may be specified in the order.

(4) Rules of court may make provision as to the maximum or minimum period that may be allowed under subsection (3).

(5) If the defendant fails, without reasonable excuse, to comply with any order under this section, the court may draw such inference from that failure as it considers appropriate.

(6) Where the prosecutor accepts to any extent any allegation made by the defendant in giving to the court information required by an order under this section, the court may treat that acceptance as conclusive of the matters to which it relates.

(7) For the purposes of this section, an allegation may be accepted in such manner as may be prescribed by rules of court or as the court may direct.

Cases in which restraint orders and charging orders may be made.

46. (1) The powers conferred on the court by sections 47(1) and 48(1) are exercisable where—

- (a) proceedings have been instituted in Gibraltar against the defendant for an indictable offence or an application has been made by the prosecutor in respect of the defendant under section 32, 33, 34, 35 or 38;
- (b) the proceedings have not, or the application has not, been concluded; and
- (c) the court is satisfied that there is reasonable cause to believe—
 - (i) in the case of an application under section 34 or 35, that the court will be satisfied as mentioned in section 34(2) or, as the case may be, 35(3); or
 - (ii) in any other case, that the defendant has benefited from criminal conduct.

(2) The court shall not exercise those powers by virtue of subsection (1) if it is satisfied that—

- (a) there has been undue delay in continuing the proceedings or application in question; or
- (b) the prosecutor does not intend to proceed.

(3) The powers mentioned in subsection (1) are also exercisable where—

- (a) the court is satisfied that, whether by the laying of an information or otherwise, a person is to be charged with an indictable offence or that an application of a kind mentioned in subsection (1)(a) is to be made in respect of the defendant; and
- (b) the court is also satisfied as mentioned in subsection (1)(c).

(4) For the purposes of sections 47 and 48, at any time when those powers are exercisable before proceedings have been instituted—

- (a) references in this Part to the defendant shall be construed as references to the person referred to in subsection (3)(a);

- (b) references in this Part to the prosecutor shall be construed as references to the person who the court is satisfied is to have the conduct of the proposed proceedings; and
- (c) references in this Part to realisable property shall be construed as if, immediately before that time, proceedings had been instituted against the person referred to in subsection (3)(a) for an indictable offence.

(5) Where the court has made an order under section 47(1) or 48(1) by virtue of subsection (3), the court shall discharge the order if proceedings in respect of the offence are not instituted, whether by the laying of an information or otherwise, or, as the case may be, if the application is not made, within such time as the court considers reasonable.

Restraint orders.

47. (1) The court may by order (in this Part referred to as a “restraint order”) prohibit any person from dealing with any realisable property, subject to such conditions and exceptions as may be specified in the order.

- (2) A restraint order may apply–
 - (a) to all realisable property held by a specified person, whether the property is described in the order or not; and
 - (b) to realisable property held by a specified person, being property transferred to him after the making of the order.

(3) Without prejudice to the generality of subsection (1) a restraint order may make such provision as the court deems fit for living expenses and legal expenses.

(4) This section shall not have effect in relation to any property for the time being subject to a charge under section 48.

- (5) A restraint order–
 - (a) may be made only on an application by the prosecutor;
 - (b) may be made on an ex parte application to a judge in chambers; and

- (c) shall provide for notice to be given to persons affected by the order.
- (6) A restraint order—
- (a) may be discharged or varied in relation to any property; and
 - (b) shall be discharged on the conclusion of the proceedings or of the application in question.
- (7) An application for the discharge or variation of a restraint order may be made by any person affected by it.
- (8) Where the court has made a restraint order, the court—
- (a) may at any time appoint a receiver—
 - (i) to take possession of any realisable property, and
 - (ii) in accordance with the court's directions, to manage or otherwise deal with any property in respect of which he is appointed, subject to such exceptions and conditions as may be specified by the court; and
 - (b) may require any person having possession of property in respect of which a receiver is appointed under this section to give possession of it to the receiver.
- (9) For the purposes of this section, dealing with property held by any person includes (without prejudice to the generality of that expression)—
- (a) where a debt is owed to that person, making a payment to any person in reduction of the amount of the debt; and
 - (b) removing the property from Gibraltar.
- (10) Where a restraint order has been made, a police or customs officer may, for the purpose of preventing any realisable property being removed from Gibraltar, seize the property.
- (11) Property seized under subsection (10) shall be dealt with in accordance with the directions of the court which made the order.

Charging orders in respect of land, securities, etc.

48. (1) The court may make a charging order on realisable property for securing the payment to the Crown—

- (a) where a confiscation order has not been made, of an amount equal to the value from time to time of the property charged; and
- (b) where a confiscation order has been made, of an amount not exceeding the amount payable under the confiscation order.

(2) For the purposes of this Part, a charging order is an order made under this section imposing on any such realisable property as may be specified in the order a charge for securing the payment of money to the Crown.

(3) A charging order—

- (a) may be made only on an application by the prosecutor;
- (b) may be made on an ex parte application to a judge in chambers;
- (c) shall provide for notice to be given to persons affected by the order; and
- (d) may be made subject to such conditions as the court thinks fit including, without prejudice to the generality of this paragraph, such conditions as it thinks fit as to the time when the charge is to become effective.

(4) Subject to subsection (6), a charge may be imposed by a charging order only on—

- (a) any interest in realisable property which is an interest held beneficially by the defendant or by a person to whom the defendant has directly or indirectly made a gift caught by this Part and is an interest—
 - (i) in any asset of a kind mentioned in subsection (5); or
 - (ii) under any trust; or

- (b) any interest in realisable property held by a person as trustee of a trust (“the relevant trust”) if the interest is in such an asset or is an interest under another trust and a charge made by virtue of paragraph (a) be imposed by a charging order on the whole beneficial interest under the relevant trust.
- (5) The assets referred to in subsection (4) are–
 - (a) land in Gibraltar; or
 - (b) securities of any of the following kinds–
 - (i) government stock;
 - (ii) stock of any body (other than a building society) incorporated within Gibraltar;
 - (iii) stock of any body incorporated outside Gibraltar or of any country or territory outside Gibraltar, being stock registered in a register kept at any place within Gibraltar;
 - (iv) units of any unit trust in respect of which a register of the unit holders is kept at any place within Gibraltar.
- (6) In any case where a charge is imposed by a charging order or any interest in an asset of a kind mentioned in subsection (5)(b), the court may provide for the charge to extend to any interests or dividend payable in respect of the asset.
- (7) In relation to a charging order, the court–
 - (a) may make an order discharging or varying it; and
 - (b) shall make an order discharging it–
 - (i) on the conclusion of the proceedings or of the application in question; or
 - (ii) on payment into court of the amount, payment of which is secured by the charge.
- (8) An application for the discharge or variation of a charging order may be made by any person affected by it.

(9) In this section “dividend”, “government stock”, “stock” and “unit trust” have the same meaning as in the Charging Orders Act, 1988.

Charging orders: supplementary provisions.

49. (1) Subject to any provision made under section 50 or by rules of court, a charge imposed by a charging order shall have the like effect and shall be enforceable in the same court and in the same manner as an equitable charge created by the person holding the beneficial interest or, as the case may be, the trustees by writing under their hand.

(2) The Government may, by notice in the Gazette, amend section 48 by adding to or removing from the kinds of assets for the time being referred to there any asset of a kind which, in its opinion, ought to be so added or removed.

Realisation of property.

50. (1) Where a confiscation order—

- (a) has been made under this Part,
- (b) is not satisfied, and
- (c) is not subject to appeal,

the court may, on an application by the prosecutor, exercise the powers conferred by subsections (2) to (6).

(2) The court may appoint a receiver in respect of realisable property.

(3) The court may empower a receiver appointed under subsection (2) of this section, under section 47 or in pursuance of a charging order—

- (a) to enforce any charge imposed under section 48 on realisable property or on interest or dividends payable in respect of such property; and
- (b) in relation to any realisable property, other than property for the time being subject to a charge under section 48, to take possession of the property subject to such conditions or exceptions as may be specified by the court.

(4) The court may order any person having possession of realisable property to give possession of it to any such receiver.

(5) The court may empower any such receiver to realise any realisable property in such manner as the court may direct.

(6) The court may—

- (a) order any person holding an interest in realisable property to make to the receiver such payment as it may direct in respect of any beneficial interest held by the defendant or, as the case may be, the recipient of a gift caught by this Part; and
- (b) on the payment being made, by order transfer, grant or extinguish any interest in the property.

(7) Subsections (4) to (6) do not apply to property for the time being subject to a charge under section 48.

(8) The court shall not in respect of any property exercise the powers conferred by subsection (3)(a), (5) or (6) unless a reasonable opportunity has been given for persons holding any interest in the property to make representations to the court.

Application of proceeds of realisation and other sums.

51. (1) The following sums in the hands of a receiver appointed under section 47 or 50 or in pursuance of a charging order, that is—

- (a) the proceeds of the enforcement of any charge imposed under section 48,
- (b) the proceeds of the realisation, other than by the enforcement of such a charge, of any property under section 47 or 50, and
- (c) any other sums, being property held by the defendant,

shall be applied, subject to subsection (2), on the defendant's behalf towards the satisfaction of the confiscation order.

(2) Before any such sums are so applied they shall be applied—

- (a) first, in payment of such expenses incurred by a person acting as an insolvency practitioner as are payable under section 55(3); and
- (b) second, in making such payments, if any, as the court may direct.

(3) If, after the amount payable under the confiscation order has been fully paid, any such sums remain in the hands of such a receiver as is mentioned in subsection (1), the receiver shall distribute those sums—

- (a) among such of those who held property which has been realised under this Part, and
- (b) in such proportions,

as the court may direct after giving a reasonable opportunity for such persons to make representations to the court.

(4) A receipt of any sum by a clerk of the magistrates' court on account of an amount payable under a confiscation order shall reduce the amount so payable, but the clerk of the magistrates' court shall apply the money received for the purpose specified in this section and in the order so specified.

(5) The clerk of the magistrates' court shall first pay any expenses incurred by a person acting as an insolvency practitioner and payable under section 55(3) but not already paid under subsection (2).

(6) If the money was paid to the clerk of the magistrates' court by a receiver appointed under section 47 or 50 or in pursuance of a charging order, the clerk of the magistrates' court shall next pay the receiver's remuneration and expenses.

(7) After making—

- (a) any payment required by subsection (5), and
- (b) in a case to which subsection (6) applies, any payment required by that subsection,

the clerk of the magistrates' court shall reimburse any amount paid under section 56(2).

(8) Any balance in the hands of the clerk to the magistrates' court after he has made all payments required by the preceding provisions of this section shall be paid into any special fund established under the Public Finance (Control and Audit) Act having as prescribed income such sums, and in the absence of such a fund, shall be paid into the Consolidated Fund.

Exercise by the court or receiver of powers for the realisation of property.

52. (1) The following provisions apply to the powers conferred—

- (a) on the court by sections 47 to 51; or
- (b) on a receiver appointed under section 47 or 50 or in pursuance of a charging order.

(2) Subject to the following provisions of this section, the powers shall be exercised with a view to making available for satisfying the confiscation order or, as the case may be, any confiscation order that may be made in the defendant's case, the value for the time being of realisable property held by any person, by means of the realisation of such property.

(3) In the case of realisable property held by a person to whom the defendant has directly or indirectly made a gift caught by this Part, the powers shall be exercised with a view to realising no more than the value for the time being of the gift.

(4) The powers shall be exercised with a view to allowing any person other than the defendant or the recipient of any such gift to retain or recover the value of any property held by him.

(5) In exercising the powers, no account shall be taken of any obligations or of the recipient of any such gift which conflict with the obligation to satisfy the confiscation order.

(6) An order may be made or other action taken in respect of a debt owed by the Crown.

Bankruptcy of defendant, etc.

53. (1) Where a bankruptcy order is made against a person who holds realisable property,

- (a) the property for the time being subject to a restraint order made before the bankruptcy order, and
- (b) any proceeds of property by virtue of section 47(8) or 50(5) or (6) for the time being in the hands of a receiver appointed under section 47 or 50,

is excluded from the bankrupt's estate for the purpose of the Insolvency Act 2011.

(2) Where a bankruptcy order has been made against a person, the powers conferred on the court by sections 47 to 51 or on a receiver so appointed shall not be exercised in relation to—

- (a) property for the time being comprised in the bankrupt's estate for the purpose of the Insolvency Act 2011;
- (b) property which is to be applied for the benefit of creditors of the bankrupt by virtue of a condition imposed under section 412(1)(c) of the Insolvency Act 2011,

but otherwise, nothing in that Act shall be taken as restricting or enabling the restriction of, the exercise of those powers.

(3) Subsection (2) does not affect the enforcement of a charging order—

- (a) made before the order adjudging the person bankrupt; or
- (b) on property which was subject to a restraint order when the bankruptcy order was made.

(4) Where in the case of a debtor, an interim receiver stands appointed under section 334 of the Insolvency Act 2011 and any property of the debtor is subject to a restraint order, the powers conferred on the receiver by virtue of that Act do not apply to property for the time being subject to the restraint order.

(5) Where a bankruptcy order is made against a person who has directly or indirectly made a gift caught by this Part—

- (a) no order shall be made under Part 15 of the Insolvency Act 2011 (Voidable Transactions), in respect of the making of the gift, at any time when—

- (i) proceedings for an indictable offence have been instituted against him and have not been concluded;
 - (ii) an application has been made in respect of the defendant under section 32, 33, 34, 35 or 38 and has not been concluded; or
 - (iii) the property of the person to whom the gift was made is subject to a restraint order or charging order, and
- (b) any order made under Part 15 of the Insolvency Act 2011 after the conclusion of the proceedings or of the application shall take into account any realisation under this Act of property held by the person to whom the gift was made.

(6) For the purposes of this section, a confiscation order is satisfied when the defendant in respect of whom it was made has served a term of imprisonment in default of payment of the amount due under the order.

(7) Section 413 of the Insolvency Act 2011 shall have effect as if amounts payable under a confiscation order were a liability excepted under subsection (3)(c) of that section.

Liquidation or Administration of company holding realisable property.

54. (1) Where realisable property is held by a company and a liquidator or administrator has been appointed under the Insolvency Act 2011 or a voluntary liquidator has been appointed under the Companies Act 2014, the functions of the liquidator, administrator or voluntary liquidator, shall not be exercisable in relation to—

- (a) the property for the time being subject to a restraint order made before the relevant time; and
- (b) any proceeds of property realised by virtue of section 47(7) or 40(5) or (6) for the time being in the hands of a receiver appointed under section 47 or 50.

(2) Where, in the case of a company, a liquidator, administrator or voluntary liquidator has been appointed, the powers conferred on the court by sections 47 to 51 or on a receiver so appointed shall not be exercised in relation to any realisable property held by the company in relation to which the functions of the liquidator, administrator or voluntary liquidator are exercisable—

- (a) so as to inhibit him from exercising those functions for the purposes of distributing any property held by the company to the company's creditors; or
- (b) so as to prevent the payment out of any property of expenses, including the remuneration of the liquidator, administrator or voluntary liquidator properly incurred in the liquidation, administration or voluntary liquidation in respect of the property;

but otherwise nothing in the Insolvency Act 2011 or the Companies Act 2014 shall be taken as restricting, or enabling the restriction of, the exercise of those powers.

(3) Subsection (2) does not affect the enforcement of a charging order made before the relevant time or on property which was subject to a restraint order at the relevant time.

(4) In this section—

“company” means any company in respect of which a liquidator, administrator or voluntary liquidator, as the case may be, may be appointed;

“liquidator” includes a provisional liquidator; and

“the relevant time”—

(a) in the case of a company in liquidation or administration, has the meaning specified in section 2 of the Insolvency Act 2011; and

(b) in the case of a company in voluntary liquidation, means the commencement of the voluntary liquidation within the meaning of the Companies Act 2014.

Persons acting as insolvency practitioners.

55. (1) Without prejudice to the generality of a provision in the Insolvency Act 2011 or in any other Act, where—

- (a) any person acting as an insolvency practitioner seizes or disposes of any property in relation to which his functions

are not exercisable because it is for the time being subject to a restraint order; and

- (b) at the time of the seizure or disposal he believes, and has reasonable grounds for believing, that he is entitled (whether in pursuance of an order of the court or otherwise) to seize or dispose of that property,

he shall not be liable to any person in respect of any loss or damage resulting from the seizure or disposal except in so far as the loss or damage is caused by his negligence in so acting.

(2) A person acting as an insolvency practitioner shall, in the circumstances mentioned in subsection (1)(a) and (b), have a lien on the property, or the proceeds of its sale, for such of his expenses as were incurred in connection with the liquidation, voluntary liquidation, administration, bankruptcy or other proceedings in relation to which the seizure or disposal purported to take place and for so much of his remuneration as may reasonably be assigned for his acting in connection with those proceedings.

(3) Where a person acting as an insolvency practitioner—

- (a) incurs expenses in respect of such property as is mentioned in paragraph (a) of subsection (1) and in so doing does not know and has no reasonable grounds to believe that the property is for the time being subject to a restraint order, or
- (b) incurs expenses other than expenses in respect of such property as is so mentioned, being expenses which, but for the effect of a restraint order might have been met by taking possession and realising the property,

that person shall be entitled (whether or not he has seized or disposed of that property so as to have a lien under subsection (2)) to payment of those expenses under section 51(1) or (5).

Receivers: supplementary provisions.

56. (1) Where a receiver appointed under section 47 or 50 or in pursuance of a charging order—

- (a) takes any action in relation to property which is not realisable property, being action which he would be entitled to take if it were such property, and
- (b) believes, and has reasonable grounds for so believing that he is entitled to take that action in relation to that property,

he shall not be liable to any person in respect of any loss or damage resulting from his action except in so far as the loss or damage is caused by his negligence.

(2) Any amount due in respect of the remuneration and expenses of a receiver so appointed shall, if no sum is available to be applied in payment of it under section 51(6) be paid by the prosecutor or, in a case where proceedings for an indictable offence are not instituted, by the person on whose application the receiver was appointed.

PART V CIVIL RECOVERY OF THE PROCEEDS ETC. OF UNLAWFUL CONDUCT.

Chapter 1 Introductory

General purpose of this Part.

57.(1) This Part has effect for the purposes of-

- (a) enabling the Attorney General to recover, in civil proceedings before the Court, property which is, or represents, property obtained through unlawful conduct,
- (b) enabling cash which is, or represents, property obtained through unlawful conduct, or which is intended to be used in unlawful conduct, to be forfeited in civil proceedings before the court.

(2) The powers conferred by this Part are exercisable in relation to any property (including cash) whether or not any proceedings have been brought for an offence in connection with the property.

"Unlawful conduct".

58.(1) Conduct occurring in Gibraltar is unlawful conduct if it is unlawful under the criminal law of Gibraltar.

(2) Conduct which occurs in a country or territory other than Gibraltar and is unlawful under the criminal law applying in that country or territory is also unlawful conduct.

(3) The court must decide on a balance of probabilities whether it is proved-

(a) that any matter alleged to constitute unlawful conduct has occurred, or

(b) that any person intended to use any cash in unlawful conduct.

"Property obtained through unlawful conduct".

59.(1) A person obtains property through unlawful conduct (whether his own conduct or another's) if he obtains property by or in return for the conduct.

(2) In deciding whether any property was obtained through unlawful conduct-

(a) it is immaterial whether or not any money, goods or services were provided in order to put the person in question in a position to carry out the conduct,

(b) it is not necessary to show that the conduct was of a particular kind if it is shown that the property was obtained through conduct of one of a number of kinds, each of which would have been unlawful conduct.

Chapter 2
Civil Recovery

Proceedings for recovery orders

Proceedings for recovery orders.

60.(1) Proceedings for a recovery order may be taken by the Attorney General against any person who he thinks holds recoverable property.

(2) The Attorney General must serve the claim form-

(a) on the respondent, and

(b) unless the court dispenses with service, on any other person who the authority thinks holds any associated property which the Attorney General wishes to be subject to a recovery order,

wherever domiciled, resident or present.

(3) If any property which the Attorney General wishes to be subject to a recovery order is not specified in the claim form it must be described in the form in general terms; and the form must state whether it is alleged to be recoverable property or associated property.

(4) The references above to the claim form include the particulars of claim, where they are served subsequently.

(5) Except as may be expressly provided, nothing in this Chapter limits any power of the court apart from granting interim relief in connection with proceedings (including prospective proceedings).

"Associated property".

61.(1) "Associated property" means property of any of the following descriptions (including property held by the respondent) which is not itself the recoverable property-

- (a) any interest in the recoverable property,
- (b) any other interest in the property in which the recoverable property subsists,
- (c) if the recoverable property is a tenancy in common, the tenancy of the other tenant,
- (d) if the recoverable property is part of a larger property, but not a separate part, the remainder of that property.

(2) References to property being associated with recoverable property are to be read accordingly.

(3) No property is to be treated as associated with recoverable property consisting of rights under a pension scheme.

Property freezing orders

Application for property freezing order.

62.(1) Where the Attorney General may take proceedings for a recovery order, he may apply to the court for a property freezing order (whether before or after starting the proceedings).

(2) A property freezing order is an order that-

- (a) specifies or describes the property to which it applies, and
- (b) subject to any exclusions, prohibits any person to whose property the order applies from dealing with the property in any way.

(3) An application for a property freezing order may be made without notice if the circumstances are such that notice of the application would prejudice any right of the Attorney General to obtain a recovery order in respect of any property.

(4) The court may make a property freezing order on an application if it is satisfied that the condition in subsection (5) is met and, where applicable, that the condition in subsection (6) is met.

(5) The first condition is that there is a good arguable case-

- (a) that the property to which the application for the order relates is or includes recoverable property, and
- (b) that, if any of it is not recoverable property, it is associated property.

(6) The second condition is that, if-

- (a) the property to which the application for the order relates includes property alleged to be associated property, and
- (b) the Attorney General has not established the identity of the person who holds it,

the Attorney General has taken all reasonable steps to do so.

Variation and setting aside of order.

63.(1) The court may at any time vary or set aside a property freezing order.

(2) If the court makes an interim receiving order that applies to all of the property to which a property freezing order applies, it must set aside the property freezing order.

(3) If the court makes an interim receiving order that applies to some but not all of the property to which a property freezing order applies, it

must vary the property freezing order so as to exclude any property to which the interim receiving order applies.

(4) If the court decides that any property to which a property freezing order applies is neither recoverable property nor associated property, it must vary the order so as to exclude the property.

(5) Before exercising power under this Chapter to vary or set aside a property freezing order, the court must (as well as giving the parties to the proceedings an opportunity to be heard) give such an opportunity to any person who may be affected by its decision.

(6) Subsection (5) does not apply where the court is acting as required by subsection (2) or (3).

Exclusions.

64.(1) The power to vary a property freezing order includes (in particular) power to make exclusions as follows-

- (a) power to exclude property from the order, and
- (b) power, otherwise than by excluding property from the order, to make exclusions from the prohibition on dealing with the property to which the order applies.

(2) Exclusions from the prohibition on dealing with the property to which the order applies (other than exclusions of property from the order) may also be made when the order is made.

(3) An exclusion may, in particular, make provision for the purpose of enabling any person-

- (a) to meet his reasonable living expenses, or
- (b) to carry on any trade, business, profession or occupation.

(4) An exclusion may be made subject to conditions.

(5) Where the court exercises the power to make an exclusion for the purpose of enabling a person to meet legal expenses that he has incurred, or may incur, in respect of proceedings under this Part, it must ensure that the exclusion-

- (a) is limited to reasonable legal expenses that the person has reasonably incurred or that he reasonably incurs,
- (b) specifies the total amount that may be released for legal expenses in pursuance of the exclusion, and

(c) is made subject to the required conditions (see section 101) in addition to any conditions imposed under subsection (4).

(6) The court, in deciding whether to make an exclusion for the purpose of enabling a person to meet legal expenses of his in respect of proceedings under this Part must have regard (in particular) to the desirability of the person being represented in any proceedings under this Part in which he is a participant.

(7) If excluded property is not specified in the order it must be described in the order in general terms.

(8) The power to make exclusions must, subject to subsection (6), be exercised with a view to ensuring, insofar as practicable, that the satisfaction of any right of the Attorney General to recover the property obtained through unlawful conduct is not unduly prejudiced.

(9) Subsection (8) does not apply where the court is acting as required by section 63(3) or (4).

Restriction on proceedings and remedies.

65.(1) While a property freezing order has effect-

(a) the court may stay any action, execution or other legal process in respect of the property to which the order applies, and

(b) no distress may be levied against the property to which the order applies except with the leave of the court and subject to any terms the court may impose.

(2) If proceedings are pending in respect of any property is satisfied that a property freezing order has been applied for or made in respect of the property, it may either stay the proceedings or allow them to continue on any terms it thinks fit.

(3) If a property freezing order applies to a tenancy of any premises, no landlord or other person to whom rent is payable may exercise the right of forfeiture by peaceable re-entry in relation to the premises in respect of any failure by the tenant to comply with any term or condition of the tenancy, except with the leave of the court and subject to any terms the court may impose.

(4) Before exercising any power conferred by this section, the court must (as well as giving the parties to any of the proceedings concerned an opportunity to be heard) give such an opportunity to any person who may be affected by the court's decision.

Receivers in connection with property freezing orders.

66.(1) Subsection (2) applies if-

- (a) the court makes a property freezing order on an application by the Attorney General, and
- (b) the authority applies to the court to proceed under subsection (2) (whether as part of the application for the property freezing order or at any time afterwards).

(2) The court may by order appoint a receiver in respect of any property to which the property freezing order applies.

(3) An application for an order under this section may be made without notice if the circumstances are such that notice of the application would prejudice any right of the Attorney General to obtain a recovery order in respect of any property.

(4) In its application for an order under this section, the Attorney General must nominate a suitably qualified person for appointment as a receiver.

(5) Such a person may be a member of staff of the Attorney General.

(6) The Attorney General may apply a sum received under section 91(2) in making payment of the remuneration and expenses of a receiver appointed under this section.

(7) Subsection (6) does not apply in relation to the remuneration of the receiver if he is a member of the staff of the Attorney General (but it does apply in relation to such remuneration if the receiver is a person providing services under arrangements made by the Attorney General).

Powers of receivers appointed under section 66.

67.(1) If the court appoints a receiver on an application by the Attorney General, the court may act under this section.

(2) The court may by order authorise or require the receiver-

- (a) to exercise management powers in relation to any property in respect of which the receiver is appointed, including-

(i) selling or otherwise disposing of assets comprised in the property which are perishable or which ought to be disposed of before their value diminishes,

(ii) where the property comprises assets of a trade or business, carrying on, or arranging for another to carry on, the trade or business,

(iii) incurring capital expenditure in respect of the property;

(b) to take any other steps the court thinks appropriate in connection with the management of any such property (including securing the detention, custody or preservation of the property in order to manage it).

(3) The court may by order require any person in respect of whose property the receiver is appointed-

(a) to bring the property to a place specified by the receiver or to place it in the custody of the receiver (if, in either case, he is able to do so),

(b) to do anything he is reasonably required to do by the receiver for the preservation of the property.

(4) The court may by order require any person in respect of whose property the receiver is appointed to bring any documents relating to the property which are in his possession or control to a place specified by the receiver or to place them in the custody of the receiver.

(5) In subsection (4) "document" means anything in which information of any description is recorded.

(6) Any prohibition on dealing with property imposed by a property freezing order does not prevent a person from complying with any requirements imposed by virtue of this section.

(7) If-

(a) the receiver deals with any property which is not property in respect of which he is appointed, and

(b) at the time he deals with the property he believes on reasonable grounds that he is entitled to do so by virtue of his appointment,

the receiver is not liable to any person in respect of any loss or damage resulting from his dealing with the property except insofar as the loss or damage is caused by his negligence.

Supervision of section 66 receiver and variations.

68.(1) Any of the following persons may at any time apply to the Court for directions as to the exercise of the functions of a receiver appointed under section 66-

- (a) the receiver,
- (b) any party to the proceedings for the appointment of the receiver or the property freezing order concerned,
- (c) any person affected by any action taken by the receiver,
- (d) any person who may be affected by any action proposed to be taken by the receiver.

(2) Before giving any directions under subsection (1), the court must give an opportunity to be heard to-

- (a) the receiver,
- (b) the parties to the proceedings for the appointment of the receiver and for the property freezing order concerned,
- (c) any person who may be interested in the application under subsection (1).

(3) The court may at any time vary or set aside the appointment of a receiver under section 66, any order under section 67 or any directions under this section.

(4) Before exercising any power under subsection (3), the court must give an opportunity to be heard to-

- (a) the receiver,
- (b) the parties to the proceedings for the appointment of the receiver, for the order or, as the case may be, for the directions under this section;
- (c) the parties to the proceedings for the property freezing order concerned,
- (d) any person who may be affected by the court's decision.

Property freezing orders

Application for interim receiving order.

69.(1) Where the Attorney General may take proceedings for a recovery order, he may apply to the court for an interim receiving order (whether before or after starting the proceedings).

(2) An interim receiving order is an order for-

- (a) the detention, custody or preservation of property, and
- (b) the appointment of an interim receiver.

(3) An application for an interim receiving order may be made without notice if the circumstances are such that notice of the application would prejudice any right of the Attorney General to obtain a recovery order in respect of any property.

(4) The court may make an interim receiving order on an application if it is satisfied that the conditions in subsections (5) and, where applicable, (6) are met.

(5) The first condition is that there is a good arguable case-

- (a) that the property to which the application for the order relates is or includes recoverable property, and
- (b) that, if any of it is not recoverable property, it is associated property.

(6) The second condition is that, if-

- (a) the property to which the application for the order relates includes property alleged to be associated property, and
- (b) the Attorney General has not established the identity of the person who holds it,

the Attorney General has taken all reasonable steps to do so.

(7) In his application for an interim receiving order, the Attorney General must nominate a suitably qualified person for appointment as interim receiver, but the nominee may not be a member of the staff of the Attorney General.

(8) The extent of the power to make an interim receiving order is not limited by sections 70 to 77.

Functions of interim receiver.

70.(1) An interim receiving order may authorise or require the interim receiver-

- (a) to exercise any of the powers mentioned in Schedule 3,
- (b) to take any other steps the court thinks appropriate,

for the purpose of securing the detention, custody or preservation of the property to which the order applies or of taking any steps under subsection (2).

(2) An interim receiving order must require the interim receiver to take any steps which the court thinks necessary to establish-

- (a) whether or not the property to which the order applies is recoverable property or associated property,
- (b) whether or not any other property is recoverable property (in relation to the same unlawful conduct) and, if it is, who holds it.

(3) If-

- (a) the interim receiver deals with any property which is not property to which the order applies, and
- (b) at the time he deals with the property he believes on reasonable grounds that he is entitled to do so in pursuance of the order,

the interim receiver is not liable to any person in respect of any loss or damage resulting from his dealing with the property except insofar as the loss or damage is caused by his negligence.

Property freezing orders and interim receiving orders: registration

Registration.

71.(1) The Gibraltar Land Titles Act 2011-

- (a) shall apply as appropriate in relation to property freezing orders, and in relation to interim receiving orders, as it applies in relation to orders which affect land and are made by the court for the purpose of enforcing judgements or recognisances,

(b) shall apply as appropriate in relation to applications for property freezing orders, and in relation to applications for interim receiving orders, as it applies in relation to other pending land actions.

Interim receiving orders: further provisions

Duties of respondent etc.

72.(1) An interim receiving order may require any person to whose property the order applies-

- (a) to bring the property to a place specified by the interim receiver or place it in the custody of the interim receiver (if, in either case, he is able to do so),
- (b) to do anything he is reasonably required to do by the interim receiver for the preservation of the property.

(2) An interim receiving order may require any person to whose property the order applies to bring any documents relating to the property which are in his possession or control to a place specified by the interim receiver or to place them in the custody of the interim receiver.

"Document" means anything in which information of any description is recorded.

Supervision of interim receiver and variation of order.

73.(1) The interim receiver, any party to the proceedings and any person affected by any action taken by the interim receiver, or who may be affected by any action proposed to be taken by him, may at any time apply to the court for directions as to the exercise of the interim receiver's functions.

(2) Before giving any directions under subsection (1), the court must (as well as giving the parties to the proceedings an opportunity to be heard) give such an opportunity to the interim receiver and to any person who may be interested in the application.

(3) The court may at any time vary or set aside an interim receiving order.

(4) Before exercising any power under this Chapter to vary or set aside an interim receiving order, the court must (as well as giving the parties to the proceedings an opportunity to be heard) give such an opportunity to

the interim receiver and to any person who may be affected by the court's decision.

Restrictions on dealing etc. with property.

74.(1) An interim receiving order must, subject to any exclusions made in accordance with this section, prohibit any person to whose property the order applies from dealing with the property.

(2) Exclusions may be made when the interim receiving order is made or on an application to vary the order.

(3) An exclusion may, in particular, make provision for the purpose of enabling any person-

- (a) to meet his reasonable living expenses, or
- (b) to carry on any trade, business, profession or occupation,

and may be made subject to conditions.

(4) Where the court exercises the power to make an exclusion for the purpose of enabling a person to meet legal expenses that he has incurred, or may incur, in respect of proceedings under this Part, it must ensure that the exclusion-

- (a) is limited to reasonable legal expenses that the person has reasonably incurred or that he reasonably incurs,
- (b) specifies the total amount that may be released for legal expenses in pursuance of the exclusion, and
- (c) is made subject to the required conditions (see section 101) in addition to any conditions imposed under subsection (3).

(5) The court, in deciding whether to make an exclusion for the purpose of enabling a person to meet legal expenses of his in respect of proceedings under this Part must have regard (in particular) to the desirability of the person being represented in any proceedings under this Part in which he is a participant.

(6) If the excluded property is not specified in the order it must be described in the order in general terms.

(7) The power to make exclusions must, subject to subsection (5), be exercised with a view to ensuring, insofar as practicable, that the satisfaction of any right of the Attorney General to recover the property obtained through unlawful conduct is not unduly prejudiced.

Restriction on proceedings and remedies.

75.(1) While an interim receiving order has effect-

- (a) the court may stay any action, execution or other legal process in respect of the property to which the order applies,
- (b) no distress may be levied against the property to which the order applies except with the leave of the court and subject to any terms the court may impose.

(2) If a court in which proceedings are pending in respect of any property is satisfied that an interim receiving order has been applied for or made in respect of the property, the court may either stay the proceedings or allow them to continue on any terms it thinks fit.

(3) If the interim receiving order applies to a tenancy of any premises, no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to the premises in respect of any failure by the tenant to comply with any term or condition of the tenancy, except with the leave of the court and subject to any terms the court may impose.

(4) Before exercising any power conferred by this section, the court must (as well as giving the parties to any of the proceedings in question an opportunity to be heard) give such an opportunity to the interim receiver (if appointed) and any person who may be affected by the court's decision.

Exclusion of property which is not recoverable etc.

76.(1) If the court decides that any property to which an interim receiving order applies is neither recoverable property nor associated property, it must vary the order so as to exclude it.

(2) The court may vary an interim receiving order so as to exclude from the property to which the order applies any property which is alleged to be associated property if the court thinks that the satisfaction of any right of the Attorney General to recover the property obtained through unlawful conduct will not be prejudiced.

(3) The court may exclude any property within subsection (2) on any terms or conditions, applying while the interim receiving order has effect, which the court thinks necessary or expedient.

Reporting.

77.(1) An interim receiving order must require the interim receiver to inform the Attorney General and the court as soon as reasonably practicable if the interim receiver thinks that-

- (a) any property to which the order applies by virtue of a claim that it is recoverable property is not recoverable property,
- (b) any property to which the order applies by virtue of a claim that it is associated property is not associated property,
- (c) any property to which the order does not apply is recoverable property (in relation to the same unlawful conduct) or associated property, or
- (d) any property to which the order applies is held by a person who is different from the person it is claimed holds it,

or if he thinks that there has been any other material change of circumstances.

- (2) An interim receiving order must require the interim receiver-
 - (a) to report his findings to the court,
 - (b) to serve copies of his report on the Attorney General and on any person who holds any property to which the order applies or who may otherwise be affected by the report.

Vesting and realisation of recoverable property

Recovery orders.

78.(1) If in proceedings under this Chapter the court is satisfied that any property is recoverable, the court must make a recovery order.

(2) The recovery order must vest the recoverable property in the trustee for civil recovery.

(3) But the court may not make in a recovery order any provision in respect of any recoverable property if each of the conditions in subsection (4) or (as the case may be) (5) is met and it would not be just and equitable to do so.

- (4) The conditions referred to in subsection (3) are that-
 - (a) the respondent obtained the recoverable property in good faith,

- (b) he took steps after obtaining the property which he would not have taken if he had not obtained it or he took steps before obtaining the property which he would not have taken if he had not believed he was going to obtain it,
 - (c) when he took the steps, he had no notice that the property was recoverable,
 - (d) if a recovery order were made in respect of the property, it would, by reason of the steps, be detrimental to him.
- (6) In deciding whether it would be just and equitable to make the provision in the recovery order where the conditions in subsection (4) are met, the court must have regard to-
- (a) the degree of detriment that would be suffered by the respondent if the provision were made,
 - (b) the Attorney General's interest in receiving the realised proceeds of the recoverable property.
- (7) A recovery order may sever any property.
- (8) A recovery order may impose conditions as to the manner in which the trustee for civil recovery may deal with any property vested by the order for the purpose of realising it.
- (9) A recovery order made by a court may provide for payment under section 91 of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of-
- (a) the proceedings under this Part in which the order is made, or
 - (b) any related proceedings under this Part.
- (10) If regulations under section 102 apply to an item of expenditure, a sum in respect of the item is not payable under section 91 in pursuance of provision under subsection (9) unless-
- (a) the Attorney General agrees to its payment, or
 - (b) the court has assessed the amount allowed by the regulations in respect of that item and the sum is paid in respect of the assessed amount.
- (11) This section is subject to sections 81 to 89.

Functions of the trustee for civil recovery.

79.(1) The trustee for civil recovery is a person appointed by the court to give effect to a recovery order.

(2) The Attorney General must nominate a suitably qualified person for appointment as the trustee.

(3) The functions of the trustee are-

(a) to secure the detention, custody or preservation of any property vested in him by the recovery order,

(b) in the case of property other than money, to realise the value of the property for the benefit of the Attorney General, and

(c) to perform any other functions conferred on him by virtue of this Chapter.

(4) In performing his functions, the trustee acts on behalf of the Attorney General and must comply with any directions given by the authority.

(5) The trustee is to realise the value of property vested in him by the recovery order, insofar as practicable, in the manner best calculated to maximise the amount payable to the Attorney General.

(6) The trustee has the powers mentioned in Schedule 4.

(7) References in this section to a recovery order include an order under section 87 and references to property vested in the trustee by a recovery order include property vested in him in pursuance of an order under section 87.

Rights of pre-emption, etc.

80.(1) A recovery order is to have effect in relation to any property despite any provision (of whatever nature) which would otherwise prevent, penalise or restrict the vesting of the property.

(2) A right of pre-emption, right of return or other similar right does not operate or become exercisable as a result of the vesting of any property under a recovery order.

A right of return means any right under a provision for the return or reversion of property in specified circumstances.

(3) Where property is vested under a recovery order, any such right is to have effect as if the person in whom the property is vested were the same person in law as the person who held the property and as if no transfer of the property had taken place.

(4) References to rights in subsections (2) and (3) do not include any rights in respect of which the recovery order was made.

(5) This section applies in relation to the creation of interests, or the doing of anything else, by a recovery order as it applies in relation to the vesting of property.

Associated and joint property.

81.(1) Sections 82 and 83 apply if the court makes a recovery order in respect of any recoverable property in a case within subsection (2) or (3).

(2) A case is within this subsection if-

(a) the property to which the proceedings relate includes property which is associated with the recoverable property and is specified or described in the claim form, and

(b) if the associated property is not the respondent's property, the claim form or application has been served on the person whose property it is or the court has dispensed with service.

(3) A case is within this subsection if-

(a) the recoverable property belongs to joint tenants, and

(b) one of the tenants is an excepted joint owner.

(4) An excepted joint owner is a person who obtained the property in circumstances in which it would not be recoverable as against him; and references to the excepted joint owner's share of the recoverable property are to so much of the recoverable property as would have been his if the joint tenancy had been severed.

Agreements about associated and joint property.

82.(1) Where-

(a) this section applies, and

(b) the Attorney General (on the one hand) and the person who holds the associated property or who is the excepted joint owner (on the other) agree,

the recovery order may, instead of vesting the recoverable property in the trustee for civil recovery, require the person who holds the associated

property or who is the excepted joint owner to make a payment to the trustee.

(2) A recovery order which makes any requirement under subsection (1) may, insofar as required for giving effect to the agreement, include provision for vesting, creating or extinguishing any interest in property.

(3) The amount of the payment is to be the amount which the Attorney General and that person agree represents-

(a) in a case within section 81(2), the value of the recoverable property,

(b) in a case within section 81(3), the value of the recoverable property less the value of the excepted joint owner's share.

(4) But if-

(a) a property freezing order or an interim receiving order applied at any time to the associated property or joint tenancy, and

(b) the Attorney General agrees that the person has suffered loss as a result of the order mentioned in paragraph (a),

the amount of the payment may be reduced by any amount the Attorney General and that person agree is reasonable, having regard to that loss and to any other relevant circumstances.

(5) If there is more than one such item of associated property or excepted joint owner, the total amount to be paid to the trustee, and the part of that amount which is to be provided by each person who holds any such associated property or who is an excepted joint owner, is to be agreed between both (or all) of them and the Attorney General.

(6) A recovery order which makes any requirement under subsection (1) must make provision for any recoverable property to cease to be recoverable.

Associated and joint property: default of agreement.

83.(1) Where this section applies, the court may make the following provision if-

(a) there is no agreement under section 82, and

(b) the court thinks it just and equitable to do so.

(2) The recovery order may provide-

- (a) for the associated property to vest in the trustee for civil recovery or (as the case may be) for the excepted joint owner's interest to be extinguished, or
 - (b) in the case of an excepted joint owner, for the severance of his interest.
- (3) A recovery order making any provision by virtue of subsection (2)(a) may provide-
- (a) for the trustee to pay an amount to the person who holds the associated property or who is an excepted joint owner, or
 - (b) for the creation of interests in favour of that person, or the imposition of liabilities or conditions, in relation to the property vested in the trustee,
- or for both.
- (4) In making any provision in a recovery order by virtue of subsection (2) or (3), the court must have regard to-
- (a) the rights of any person who holds the associated property or who is an excepted joint owner and the value to him of that property or, as the case may be, of his share (including any value which cannot be assessed in terms of money),
 - (b) the Attorney General's interest in receiving the realised proceeds of the recoverable property.
- (5) If-
- (a) a property freezing order or an interim receiving applied at any time to the associated property or joint tenancy, and
 - (b) the court is satisfied that the person who holds the associated property or who is an excepted joint owner has suffered loss as a result of the order mentioned in paragraph (a),

a recovery order making any provision by virtue of subsection (2) or (3) may require the Attorney General to pay compensation to that person.

- (6) The amount of compensation to be paid under subsection (5) is the amount the court thinks reasonable, having regard to the person's loss and to any other relevant circumstances.

Payments in respect of rights under pension schemes.

84.(1) This section applies to recoverable property consisting of rights under a pension scheme.

(2) A recovery order in respect of the property must, instead of vesting the property in the trustee for civil recovery, require the trustees or managers of the pension scheme-

(a) to pay to the trustee for civil recovery within a prescribed period the amount determined by the trustees or managers to be equal to the value of the rights, and

(b) to give effect to any other provision made by virtue of this section and the two following sections in respect of the scheme.

This subsection is subject to sections 87 to 89.

(3) A recovery order made by virtue of subsection (2) overrides the provisions of the pension scheme to the extent that they conflict with the provisions of the order.

(4) A recovery order made by virtue of subsection (2) may provide for the recovery by the trustees or managers of the scheme (whether by deduction from any amount which they are required to pay to the trustee for civil recovery or otherwise) of costs incurred by them in-

(a) complying with the recovery order, or

(b) providing information, before the order was made, to the Attorney General, receiver appointed under section 66, interim receiver or interim administrator.

Consequential adjustment of liabilities under pension schemes.

85. (1) A recovery order made by virtue of section 84(2) must require the trustees or managers of the pension scheme to make such reduction in the liabilities of the scheme as they think necessary in consequence of the payment made in pursuance of that subsection.

(2) Accordingly, the order must require the trustees or managers to provide for the liabilities of the pension scheme in respect of the respondent's recoverable property to which section 84 applies to cease.

(3) Insofar as the trustees or managers are required by the recovery order to provide for the liabilities of the pension scheme in respect of the respondent's recoverable property to which section 84 applies to cease, their powers include (in particular) power to reduce the amount of-

- (a) any benefit or future benefit to which the respondent is or may be entitled under the scheme,
- (b) any future benefit to which any other person may be entitled under the scheme in respect of that property.

Pension schemes: supplementary.

86. (1) Regulations may make provision as to the exercise by trustees or managers of their powers under sections 84 and 85, including provision about the calculation and verification of the value at any time of rights or liabilities.

(2) The power conferred by subsection (1) includes power to provide for any values to be calculated or verified-

- (a) in a manner which, in the particular case, is approved by a prescribed person, or
- (b) in accordance with guidance from time to time prepared by a prescribed person.

(3) Regulations means regulations made by the Minister and prescribed means prescribed by regulations.

(4) A pension scheme means an occupational pension scheme or a personal pension scheme.

(5) In relation to an occupational pension scheme or a personal pension scheme, the trustees or managers means-

- (a) in the case of a scheme established under a trust, the trustees,
- (b) in any other case, the managers.

(6) References to a pension scheme include-

- (a) a retirement annuity contract,
- (b) an annuity or insurance policy purchased, or transferred, for the purpose of giving effect to rights under an occupational pension scheme or a personal pension scheme.

(7) References to the trustees or managers-

- (a) in relation to a retirement annuity contract or other annuity, are to the provider of the annuity,
- (b) in relation to an insurance policy, are to the insurer.

(8) Subsections (3) to (7) have effect for the purposes of this group of sections (that is, sections 84 and 85 and this section).

Consent orders.

87.(1) The court may make an order staying any proceedings for a recovery order on terms agreed by the parties for the disposal of the proceedings if each person to whose property the proceedings, or the agreement, relates is a party both to the proceedings and the agreement.

(2) An order under subsection (1) may, as well as staying the proceedings on terms-

- (a) make provision for any property which may be recoverable property to cease to be recoverable,
- (b) make any further provision which the court thinks appropriate.

(3) Section 91 applies to property vested in the trustee for civil recovery, or money paid to him, in pursuance of the agreement as it applies to property vested in him by a recovery order or money paid under section 82.

Consent orders: pensions.

88.(1) This section applies where recoverable property to which proceedings under this Chapter relate includes rights under a pension scheme.

(2) An order made under section 87-

- (a) may not stay the proceedings on terms that the rights are vested in any other person, but
- (b) may include provision imposing the following requirement, if the trustees or managers of the scheme are parties to the agreement by virtue of which the order is made.

(3) The requirement is that the trustees or managers of the pension scheme-

- (a) make a payment in accordance with the agreement, and
- (b) give effect to any other provision made by virtue of this section in respect of the scheme.

- (4) The trustees or managers of the pension scheme have power to enter into an agreement in respect of the proceedings on any terms on which an order made under section 87 may stay the proceedings.
- (5) The following provisions apply in respect of an order under section 87, insofar as it includes the requirement mentioned in subsection (3).
- (6) The order overrides the provisions of the pension scheme to the extent that they conflict with the requirement.
- (7) The order may provide for the recovery by the trustees or managers of the scheme (whether by deduction from any amount which they are required to pay in pursuance of the agreement or otherwise) of costs incurred by them in-
- (a) complying with the order, or
 - (b) providing information, before the order was made, to the Attorney General, receiver or interim receiver.
- (8) Sections 84(5) and 85 (read with section 86) apply as if the requirement were included in an order made by virtue of section 84(2).
- (9) Section 86(4) to (7) has effect for the purposes of this section.

Limit on recovery.

- 89.(1) This section applies if the Attorney General seeks a recovery order-
- (a) in respect of both property which is or represents property obtained through unlawful conduct and related property, or
 - (b) in respect of property which is or represents property obtained through unlawful conduct where such an order, or an order under section 87, has previously been made in respect of related property.
- (2) For the purposes of this section-
- (a) the original property means the property obtained through unlawful conduct,
 - (b) the original property, and any items of property which represent the original property, are to be treated as related to each other.

(3) The court is not to make a recovery order if it thinks that the Attorney General's right to recover the original property has been satisfied by a previous recovery order or order under section 87.

(4) Subject to subsection (3), the court may act under subsection (5) if it thinks that-

(a) a recovery order may be made in respect of two or more related items of recoverable property, but

(b) the making of a recovery order in respect of both or all of them is not required in order to satisfy the Attorney General's right to recover the original property.

(5) The court may in order to satisfy that right to the extent required make a recovery order in respect of-

(a) only some of the related items of property, or

(b) only a part of any of the related items of property,

or both.

(6) Where the court may make a recovery order in respect of any property, this section does not prevent the recovery of any profits which have accrued in respect of the property.

(6A) If-

(a) recoverable property is forfeited in pursuance of a forfeiture notice under section 111, and

(b) the Attorney General subsequently seeks a recovery order in respect of related property,

the forfeiture notice is to be treated for the purposes of this section as if it were a recovery order obtained by the Attorney General in respect of the forfeited property.

(7) If-

(a) an order is made under section 118 for the forfeiture of recoverable property, and

(b) the Attorney General subsequently seeks a recovery order in respect of related property,

the order under section 118 is to be treated for the purposes of this section as if it were a recovery order obtained by the Attorney General in respect of the forfeited property.

(8) If-

- (a) in pursuance of a judgment in civil proceedings (whether in Gibraltar or elsewhere), the claimant has obtained property from the defendant ("the judgment property"),
- (b) the claim was based on the defendant's having obtained the judgment property or related property through unlawful conduct, and
- (c) the Attorney General subsequently seeks a recovery order in respect of property which is related to the judgment property,

the judgment is to be treated for the purposes of this section as if it were a recovery order obtained by the Attorney General in respect of the judgment property.

(9) If-

- (a) property has been taken into account in deciding the amount of a person's benefit from criminal conduct for the purpose of making a confiscation order, and
- (b) the Attorney General subsequently seeks a recovery order in respect of related property,

the confiscation order is to be treated for the purposes of this section as if it were a recovery order obtained by the Attorney General in respect of the property referred to in paragraph (a).

Section 89: supplementary.

90.(1) Subsections (2) and (3) give examples of the satisfaction of the Attorney General's right to recover the original property.

(2) If-

- (a) there is a disposal, other than a part disposal, of the original property, and
- (b) other property (the representative property) is obtained in its place,

the Attorney General's right to recover the original property is satisfied by the making of a recovery order in respect of either the original property or the representative property.

- (3) If-
- (a) there is a part disposal of the original property, and
 - (b) other property (the representative property) is obtained in place of the property disposed of,

the Attorney General's right to recover the original property is satisfied by the making of a recovery order in respect of the remainder of the original property together with either the representative property or the property disposed of.

- (4) In this section-
- (a) a part disposal means a disposal to which section 132(1) applies,
 - (b) the original property has the same meaning as in section 89(2).

Applying realised proceeds.

91.(1) Subsection (2) applies to sums which are in the hands of the trustee for civil recovery if they are-

- (a) sums which represent the realised proceeds of property which was vested in the trustee for civil recovery by a recovery order or which he obtained in pursuance of a recovery order,
- (b) sums vested in the trustee by a recovery order or obtained by him in pursuance of a recovery order.

- (2) The trustee is to make out of the sums-
- (a) first, any payment required to be made by him by virtue of section 83,
 - (b) next, any payment of legal expenses which, after giving effect to section 78, are payable under this subsection in pursuance of provision under section 78 contained in the recovery order,
 - (c) then, any payment of expenses incurred by a person acting as an insolvency practitioner which are payable under this subsection,

and any sum which remains is to be paid to the Attorney General.

- (3) The Attorney General may apply a sum received by it under subsection (2) in making payment of the remuneration and expenses of-
- (a) the trustee, or

(b) any interim receiver appointed in, or in anticipation of, the proceedings for the recovery order.

(4) Subsection (3)(a) does not apply in relation to the remuneration of the trustee if the trustee is a member of the staff of the Attorney General (but it does apply in relation to such remuneration if the trustee is a person providing services under arrangements made by the Attorney General).

Exemptions etc.

Victims of theft, etc.

92.(1) In proceedings for a recovery order, a person who claims that any property alleged to be recoverable property, or any part of the property, belongs to him may apply for a declaration under this section.

(2) If the applicant appears to the court to meet the following condition, the court may make a declaration to that effect.

(3) The condition is that-

(a) the person was deprived of the property he claims, or of property which it represents, by unlawful conduct,

(b) the property he was deprived of was not recoverable property immediately before he was deprived of it, and

(c) the property he claims belongs to him.

(4) Property to which a declaration under this section applies is not recoverable property.

Other exemptions.

93.(1) Proceedings for a recovery order may not be taken against any person in circumstances of a prescribed description; and the circumstances may relate to the person himself or to the property or to any other matter.

In this subsection, prescribed means prescribed by an order made by the Minister.

(2) Proceedings for a recovery order may not be taken in respect of cash found at any place unless the proceedings are also taken in respect of property other than cash which is property of the same person.

(3) Proceedings for a recovery order may not be taken against any person in respect of any recoverable property which he holds by reason of his acting, or having acted, as an insolvency practitioner.

Acting as an insolvency practitioner has the same meaning as in section 260.

Scope of powers

Scope of powers.

94.(1) An order under this Chapter may be made by the Court-

- (a) in respect of property wherever situated, and
- (b) in respect of a person wherever domiciled, resident or present,

subject to subsection (2).

(2) Such an order may not be made by the Court in respect of property that is outside Gibraltar unless there is or has been a connection between the case and Gibraltar.

(3) The circumstances in which there is or has been such a connection include those described in Schedule 5.

Enforcement outside Gibraltar

Enforcement abroad before recovery order: Attorney General.

95.(1) This section applies if-

- (a) the property freezing conditions are met in relation to property,
- (b) the property is not property to which a recovery order applies, and
- (c) the Attorney General believes that the property is in a country or territory outside Gibraltar (the receiving country or territory).

(2) The property freezing conditions are the conditions in section 62(5) and (6) and, for the purposes of this subsection, the references in those provisions to property to which the application for the order relates are to be read as references to the property mentioned in subsection (1)(a).

(3) The Attorney General may send a request for assistance in relation to the property to the Minister with a view to it being forwarded under this section.

(4) The Minister may forward the request for assistance to the government of the receiving country or territory.

(5) A request for assistance under this section is a request to the government of the receiving country or territory-

(a) to secure that any person is prohibited from dealing with the property;

(b) for assistance in connection with the management of the property, including with securing its detention, custody or preservation.

Enforcement abroad before recovery order: receiver or administrator.

96.(1) This section applies if-

(a) a property freezing order made by the court has effect in relation to property, and

(b) the receiver appointed under section 61 or 66 in respect of the property believes that it is in a country or territory outside Gibraltar (the receiving country or territory).

(2) This section also applies if-

(a) an interim receiving order made by the court has effect in relation to property, and

(b) the interim receiver or interim administrator believes that the property is in a country or territory outside Gibraltar (the receiving country or territory).

(3) The receiver or administrator may send a request for assistance in relation to the property to the Minister with a view to it being forwarded under this section.

(4) The Minister must forward the request for assistance to the government of the receiving country or territory.

(5) A request for assistance under this section is a request to the government of the receiving country or territory-

- (a) to secure that any person is prohibited from dealing with the property;
- (b) for assistance in connection with the management of the property, including with securing its detention, custody or preservation.

Evidence overseas: interim receiver or interim administrator.

97.(1) This section applies if-

- (a) an interim receiving order made by the has effect in relation to property, and
 - (b) the order requires the interim receiver or interim administrator to take steps to establish a matter described in section 70(2)(a) or (b).
- (2) The interim receiver or interim administrator may request assistance under this section if the interim receiver or interim administrator thinks that there is relevant evidence in a country or territory outside Gibraltar.
- (3) A judge of the court may request assistance under this section if-
- (a) an application is made by the interim receiver or by a person subject to investigation by the interim receiver, and
 - (b) the judge thinks that there is relevant evidence in a country or territory outside Gibraltar.
- (4) The assistance that may be requested under this section is assistance in obtaining outside Gibraltar relevant evidence specified in the request.
- (5) Relevant evidence is, in relation to an application or request made for the purposes of an investigation by an interim receiver, evidence as to a matter described in section 70(2)(a) or (b).
- (6) A request for assistance under this section may be sent-
- (a) to a court or tribunal which is specified in the request and which exercises jurisdiction in the place where the evidence is to be obtained,
 - (b) to the government of the country or territory concerned, or
 - (c) to an authority recognised by the government of the country or territory concerned as the appropriate authority for receiving requests for assistance of that kind.
- (7) Alternatively, a request for assistance under this section may be sent to the Minister with a view to it being forwarded to a court, tribunal, government or authority mentioned in subsection (6).

(8) The Minister must forward the request for assistance to the court, tribunal, government or authority.

(9) In a case of urgency, a request for assistance under this section may be sent to-

(a) the International Criminal Police Organisation (INTERPOL) (INTERPOL), or

(b) any person competent to receive it under any provisions adopted under the EU Treaties,

for forwarding to the court, tribunal, government or authority mentioned in subsection (6).

(10) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to requests for assistance made by a judge under this section.

(11) "Evidence" includes documents, information in any other form and material.

Evidence overseas: restrictions on use.

98.(1) This section applies to evidence obtained by means of a request for assistance under section 95.

(2) The evidence must not be used for any purpose other than-

(a) for the purposes of carrying out the functions of the interim receiver or interim administrator, or

(b) for the purposes of proceedings under this Chapter of this Part in respect of property described in subsection (3) or any proceedings arising out of such proceedings.

(3) That property is-

(a) the property that is the subject of the interim receiving order, or

(b) other property that is recoverable property in respect of the same unlawful conduct.

(4) Subsection (2) does not apply if the court, tribunal, government or authority to whom the request for assistance was sent consents to the use.

(5) In , the evidence may be received in evidence without being sworn to by anyone, insofar as that may be done without unfairness to any party.

Enforcement abroad: after recovery order.

99.(1) This section applies if-

- (a) a recovery order made by the Court has effect in relation to property, and
- (b) the Attorney General or the trustee for civil recovery believes that the property is in a country or territory outside Gibraltar (the receiving country or territory).

(2) The Attorney General or trustee for civil recovery may send a request for assistance in relation to the property to the Minister with a view to it being forwarded under this section.

(3) The Minister may forward a request for assistance from the Attorney General to the government of the receiving country or territory.

(4) The Minister must forward a request for assistance from the trustee for civil recovery to the government of the receiving country or territory.

(5) A request for assistance is a request to the government of the receiving country or territory for assistance in connection with the management and disposal of the property and includes a request-

- (a) to secure the detention, custody or preservation of the property;
- (b) in the case of money, to secure that it is applied in accordance with the law of the receiving country or territory;
- (c) in the case of property other than money, to secure that the property is realised and the proceeds are applied in accordance with the law of the receiving country or territory.

(6) A certificate purporting to be issued by or on behalf of the government of the receiving country or territory is admissible as evidence of the facts it states if it states-

- (a) that property has been realised in pursuance of a request under this section,
- (b) the date of realisation, and
- (c) the proceeds of realisation.

Miscellaneous

Compensation.

100.(1) If, in the case of any property to which a property freezing order or an interim receiving order has at any time applied, the court does not in the course of the proceedings decide that the property is recoverable property or associated property, the person whose property it is may make an application to the court for compensation.

(2) Subsection (1) does not apply if the court-

(a) has made a declaration in respect of the property by virtue of section 92, or

(b) makes an order under section 87.

(3) If the court has made a decision by reason of which no recovery order could be made in respect of the property, the application for compensation must be made within the period of three months beginning with the date of the decision or, if any application is made for leave to appeal, with the date on which the application is withdrawn or refused or (if the application is granted) on which any proceedings on appeal are finally concluded,

(4) If the proceedings in respect of the property have been discontinued, the application for compensation must be made within the period of three months beginning with the discontinuance.

(5) If the court is satisfied that the applicant has suffered loss as a result of the order mentioned in subsection (1), it may require the Government to pay compensation to him.

(6) If, but for section 80(2), any right mentioned there would have operated in favour of, or become exercisable by, any person, he may make an application to the court for compensation.

(7) The application for compensation under subsection (6) must be made within the period of three months beginning with the vesting referred to in section 80(2).

(8) If the court is satisfied that, in consequence of the operation of section 80, the right in question cannot subsequently operate in favour of the applicant or (as the case may be) become exercisable by him, it may require the Attorney General to pay compensation to him.

(9) The amount of compensation to be paid under this section is the amount the court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

Legal expenses excluded from freezing: required conditions.

101.(1) The Minister may by regulations specify the required conditions for the purposes of section 64(5) or 74(4).

(2) A required condition may (in particular)-

(a) restrict who may receive sums released in pursuance of the exclusion (by, for example, requiring released sums to be paid to professional legal advisers), or

(b) be made for the purpose of controlling the amount of any sum released in pursuance of the exclusion in respect of an item of expenditure.

(3) A required condition made for the purpose mentioned in subsection (2)(b) may (for example)-

(a) provide for sums to be released only with the agreement of the Attorney General;

(b) provide for a sum to be released in respect of an item of expenditure only if the court has assessed the amount allowed by regulations under section 102 in respect of that item and the sum is released for payment of the assessed amount;

(c) provide for a sum to be released in respect of an item of expenditure only if-

(i) the Attorney General agrees to its release, or

(ii) the court has assessed the amount allowed by regulations under section 102 in respect of that item and the sum is released for payment of the assessed amount.

(4) Before making regulations under this section, the Minister must consult the Chief Justice and such persons as he considers appropriate.

Legal expenses: regulations for purposes of section 78 or 101.

102.(1) The Minister may by regulations-

(a) make provision for the purposes of section 78;

- (b) make provision for the purposes of required conditions that make provision of the kind mentioned in section 101(3)(b) or (c).
- (2) Regulations under this section may (in particular)-
- (a) limit the amount of remuneration allowable to representatives for a unit of time worked;
 - (b) limit the total amount of remuneration allowable to representatives for work done in connection with proceedings or a step in proceedings;
 - (c) limit the amount allowable in respect of an item of expense incurred by a representative or incurred, otherwise than in respect of the remuneration of a representative, by a party to proceedings.
- (3) Before making regulations under this section, the Minister must consult such persons as he considers appropriate.

Financial threshold.

103.(1) At any time when an order specifying an amount for the purposes of this section has effect, the Attorney General may not start proceedings for a recovery order unless it reasonably believes that the aggregate value of the recoverable property which it wishes to be subject to a recovery order is not less than the specified amount.

(2) The power to make an order under subsection (1) is exercisable by the Minister.

(3) If the authority applies for a property freezing order or an interim receiving order before starting the proceedings, subsection (1) applies to the application instead of to the start of the proceedings.

(4) This section does not affect the continuation of proceedings for a recovery order which have been properly started or the making or continuing effect of a property freezing order or an interim receiving order which has been properly applied for.

Searches.

104.(1) If a police officer or a customs officer is lawfully on any premises and has reasonable grounds for suspecting that there is on the premises cash-

- (a) which is recoverable property or is intended by any person for use in unlawful conduct, and
- (b) the amount of which is not less than the minimum amount,

he may search for the cash there.

(2) The powers specified in subsection (5) are exercisable if-

- (a) the police officer or customs officer has reasonable grounds for suspecting that there is cash falling within subsection (6) in a vehicle, and
- (b) it appears to the officer, police officer or investigator that the vehicle is under the control of a person (the suspect) who is in or in the vicinity of the vehicle.

(3) The powers are exercisable only if the vehicle is-

- (a) in any place to which, at the time of the proposed exercise of the powers, the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission, or
- (b) in any other place to which at that time people have ready access but which is not a dwelling.

(4) But if the vehicle is in a garden or yard or other land occupied with and used for the purposes of a dwelling, the police officer or customs officer may exercise the powers under subsection (5) only if the officer has reasonable grounds for believing-

- (a) that the suspect does not reside in the dwelling, and
- (b) that the vehicle is not in the place in question with the express or implied permission of a person who resides in the dwelling.

(5) The police officer or customs officer may, insofar as the officer thinks it necessary or expedient, require the suspect to-

- (a) permit entry to the vehicle,

(b) permit a search of the vehicle.

(6) Cash falls within this subsection if-

(a) it is recoverable property or is intended by any person for use in unlawful conduct, and

(b) the amount of it is not less than the minimum amount.

(7) If a police officer or customs officer has reasonable grounds for suspecting that a person (the suspect) is carrying cash-

(a) which is recoverable property or is intended by any person for use in unlawful conduct, and

(b) the amount of which is not less than the minimum amount,

the officer may exercise the following powers.

(8) The officer may, insofar as he thinks it necessary or expedient, require the suspect-

(a) to permit a search of any article he has with him,

(b) to permit a search of his person.

(9) An officer exercising powers by virtue of subsection (3)(b) may -

(a) in exercising powers by virtue of subsection (4), detain the vehicle for so long as is necessary for their exercise,

(b) in exercising powers by virtue of subsection (3)(b), detain the suspect for so long as is necessary for their exercise.

(10) The powers conferred by this section are exercisable only insofar as reasonably required for the purpose of finding cash.

(11) Cash means-

(a) notes and coins in any currency,

(b) postal orders,

(c) cheques of any kind, including travellers' cheques,

(d) bankers' drafts,

(e) bearer bonds and bearer shares,

found at any place in Gibraltar.

Prior approval.

105.(1) The powers conferred by section 104 may be exercised only with the appropriate approval unless, in the circumstances, it is not practicable to obtain that approval before exercising the power.

(2) The appropriate approval means the approval of a judge or (if that is not practicable in any case) the approval of a senior officer.

(3) A senior officer means-

(a) in relation to the exercise of the power by a customs officer, a customs officer of at least the rank of HM Customs Higher Executive Officer,

(b) in relation to the exercise of the power by a police officer, a police officer of at least the rank of inspector.

(4) If the powers are exercised without the approval of a judge in a case where-

(a) no cash is seized by virtue of section 107, or

(b) any cash so seized is not detained for more than 48 hours (calculated in accordance with section 108(1B),

the officer who exercised the powers must give a written report to the Commissioner of Police if the officer is a police officer, or to the Collector of Customs if the officer is a customs officer.

(5) The report must give particulars of the circumstances which led him to believe that-

(a) the powers were exercisable, and

(b) it was not practicable to obtain the approval of a judge.

Report on exercise of powers.

106.(1) The Commissioner of Police and the Collector of Customs must each publish an annual report as to the circumstances and manner in which the powers conferred by section 104 have been exercised, based on the reports that either has received pursuant to section 105(5).

(2) The annual report referred to in subsection (1) may be a joint annual report by the Commissioner of Police and the Collector of Customs.

Seizure and detention

Seizure of cash.

107.(1) A customs officer or a police officer may seize any cash if he has reasonable grounds for suspecting that it is-

- (a) recoverable property, or
- (b) intended by any person for use in unlawful conduct.

(2) A customs officer or a police officer may also seize cash part of which he has reasonable grounds for suspecting to be-

- (a) recoverable property, or
- (b) intended by any person for use in unlawful conduct,

if it is not reasonably practicable to seize only that part.

(3) This section does not authorise the seizure of an amount of cash if it or, as the case may be, the part to which his suspicion relates, is less than the minimum amount.

Detention of seized cash.

108.(1) While the customs officer continues to have reasonable grounds for his suspicion, cash seized under section 107 may be detained initially for a period of 48 hours.

(2) The period of 48 hours mentioned in subsection (1) is to be calculated in accordance with subsection (3).

(3) In calculating a period of 48 hours in accordance with this subsection, no account shall be taken of-

- (a) any Saturday or Sunday,
- (b) Christmas Day,
- (c) Good Friday,
- (d) any day that is a bank holiday under the Banking and Financial Dealings Act within which the cash is seized.

(4) The period for which the cash or any part of it may be detained may be extended by an order made by the court; but the order may not authorise the detention of any of the cash-

(a) beyond the end of the period of six months beginning with the date of the order,

(b) in the case of any further order under this section, beyond the end of the period of two years beginning with the date of the first order.

(5) A judge may also exercise the power of the court to make the first order under subsection (4) extending the period.

(6) An application for an order under subsection (4) may be made by a customs officer or a police officer and the court or judge may make the order if satisfied, in relation to any cash to be further detained, that either of the following conditions is met.

(7) The first condition is that there are reasonable grounds for suspecting that the cash is recoverable property and that either-

(a) its continued detention is justified while its derivation is further investigated or consideration is given to bringing (in Gibraltar or elsewhere) proceedings against any person for an offence with which the cash is connected, or

(b) proceedings against any person for an offence with which the cash is connected have been started and have not been concluded.

(8) The second condition is that there are reasonable grounds for suspecting that the cash is intended to be used in unlawful conduct and that either-

(a) its continued detention is justified while its intended use is further investigated or consideration is given to bringing (in Gibraltar or elsewhere) proceedings against any person for an offence with which the cash is connected, or

(b) proceedings against any person for an offence with which the cash is connected have been started and have not been concluded.

(9) An application for an order under subsection (4) may also be made in respect of any cash seized under section 107(2), and the judge may make the order if satisfied that-

(a) the condition in subsection (7) or (8) is met in respect of part of the cash, and

(b) it is not reasonably practicable to detain only that part.

(10) An order under subsection (4) must provide for notice to be given to persons affected by it.

Interest.

109.(1) If cash is detained under section 108 for more than 48 hours (calculated in accordance with section 108(2)), it is at the first opportunity to be paid into an interest-bearing account and held there; and the interest accruing on it is to be added to it on its forfeiture or release.

(2) In the case of cash detained under section 108 which was seized under section 107(2), the customs officer or police officer must, on paying it into the account, release the part of the cash to which the suspicion does not relate.

(3) Subsection (1) does not apply if the cash or, as the case may be, the part to which the suspicion relates is required as evidence of an offence or evidence in proceedings under this Chapter.

Release of detained cash.

110.(1) This section applies while any cash is detained under section 108.

(2) The court may direct the release of the whole or any part of the cash if the following condition is met.

(3) The condition is that the court is satisfied, on an application by the person from whom the cash was seized, that the conditions in section 108 for the detention of the cash are no longer met in relation to the cash to be released.

(4) A customs officer or a police officer may, after notifying the judge under whose order cash is being detained, release the whole or any part of it if satisfied that the detention of the cash to be released is no longer justified.

Forfeiture without court order

Forfeiture notice.

111. (1) Subsection (2) applies while any cash is detained in pursuance of an order under section 108(4) made by the court.

- (2) A senior officer may give a notice for the purpose of forfeiting the cash or any part of it if satisfied that the cash or part-
- (a) is recoverable property, or
 - (b) is intended by any person for use in unlawful conduct.
- (3) The Minister may make regulations about how a notice is to be given.
- (4) The regulations may provide-
- (a) for a notice to be given to such person or persons, and in such manner, as may be prescribed;
 - (b) for a notice to be given by publication in such manner as may be prescribed;
 - (c) for circumstances in which, and the time at which, a notice is to be treated as having been given.
- (5) The regulations must ensure that where a notice is given it is, if possible, given to every person to whom notice of an order under section 108(4) in respect of the cash has been given.
- (6) A senior officer means-
- (a) a customs officer of at least the rank of HM Customs Higher Executive Officer, or
 - (b) a police officer of at least the rank of inspector.
- (7) A notice under this section is referred to in this Chapter as a forfeiture notice.

Content.

- 112.(1) A forfeiture notice must-
- (a) state the amount of cash in respect of which it is given,
 - (b) state when and where the cash was seized,
 - (c) confirm that the senior officer is satisfied as mentioned in section 111(2),
 - (d) specify a period for objecting to the proposed forfeiture and an address to which any objections must be sent, and

(e) explain that the cash will be forfeited unless an objection is received at that address within the period for objecting.

(2) The period for objecting must be at least 30 days starting with the day after the notice is given.

Effect.

113.(1) This section applies if a forfeiture notice is given in respect of any cash.

(2) The cash is to be detained until-

- (a) the cash is forfeited under this section,
- (b) the notice lapses under this section, or
- (c) the cash is released under a power conferred by this Chapter.

(3) If no objection is made within the period for objecting, and the notice has not lapsed, the cash is forfeited (subject to section 115).

(4) If an objection is made within the period for objecting, the notice lapses.

(5) If an application is made for the forfeiture of the whole or any part of the cash under section 118, the notice lapses.

(6) If the cash or any part of it is released under a power conferred by this Chapter, the notice lapses or (as the case may be) lapses in relation to that part.

(7) An objection may be made by anyone, whether a recipient of the notice or not.

(8) An objection means a written objection sent to the address specified in the notice; and an objection is made when it is received at the address.

(9) An objection does not prevent forfeiture of the cash under section 118.

(10) Nothing in this section affects the validity of an order under section 108(4).

Detention following lapse of notice.

114.(1) This section applies if-

- (a) a forfeiture notice is given in respect of any cash,
- (b) the notice lapses under section 113(4), and

- (c) the period for which detention of the cash was authorised under section 108(4) has expired.
- (2) The cash may be detained for a further period of up to 48 hours (calculated in accordance with section 108(2)).
- (3) But if within that period either the Collector of Customs or the Commissioner of Police, a police officer decides that neither of the applications mentioned in subsection (4) ought to be made, the cash must be released.
- (4) The applications are-
 - (a) an application for a further order under section 108(4);
 - (b) an application for forfeiture of the cash under section 118.
- (5) If within that period an application is made for a further order under section 108(4) the cash may be detained until the application is determined or otherwise disposed of.

Application to set aside forfeiture.

- 115.(1) This section applies if any cash is forfeited in pursuance of a forfeiture notice.
- (2) A person aggrieved by the forfeiture may apply to the court for an order setting aside the forfeiture of the cash or any part of it.
 - (3) The application must be made before the end of the period of 30 days starting with the day on which the period for objecting ended.
 - (4) The court may give permission for an application to be made after the 30-day period has ended if it thinks that there are exceptional circumstances to explain why the applicant-
 - (a) failed to object to the forfeiture within the period for objecting, and
 - (b) failed to make an application within the 30-day period.
 - (5) On an application under this section the court must consider whether the cash to which the application relates could be forfeited under section 118 (ignoring the forfeiture mentioned in subsection (1) above).
 - (6) If the court is satisfied that the cash to which the application relates or any part of it could not be forfeited under that section it must set aside the forfeiture of that cash or part.
 - (7) Where the court sets aside the forfeiture of any cash-

- (a) it must order the release of that cash, and
- (b) that cash is to be treated as never having been forfeited.

Release of cash subject to forfeiture notice.

116.(1) This section applies while any cash is detained under section 113 or 114.

(2) The judge may direct the release of the whole or any part of the cash if the following condition is met.

(3) The condition is that the court is not satisfied, on an application by the person from whom the cash was seized, that the cash to be released-

- (a) is recoverable property, or
- (b) is intended by any person for use in unlawful conduct.

(4) A customs officer or police officer may release the cash or any part of it if satisfied that the detention of the cash to be released is no longer justified.

Application of forfeited cash.

117.(1) Cash forfeited in pursuance of a forfeiture notice, and any accrued interest on it, is to be paid into the Consolidated Fund.

(2) But it is not to be paid in-

- (a) before the end of the period within which an application under section 115 may be made (ignoring the possibility of an application by virtue of section 115(4)), or
- (b) if an application is made within that period, before the application is determined or otherwise disposed of.

Forfeiture

Forfeiture.

118.(1) While cash is detained under section 108, 113 or 114, an application for the forfeiture of the whole or any part of it may be made to the court by a customs officer or a police officer,

(2) The court may order the forfeiture of the cash or any part of it if satisfied that the cash or part-

- (a) is recoverable property, or
- (b) is intended by any person for use in unlawful conduct.

(3) But in the case of recoverable property which belongs to joint tenants, one of whom is an excepted joint owner, the order may not apply to so much of it as the court thinks is attributable to the excepted joint owner's share.

(4) Where an application for the forfeiture of any cash is made under this section, the cash is to be detained (and may not be released under any power conferred by this Chapter) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.

Appeal against decision under section 118.

119. (1) Any party to proceedings for an order for the forfeiture of cash under section 118 who is aggrieved by an order under that section or by the decision of the court not to make such an order may appeal that order or decision.

(2) An appeal under subsection (1) must be made before the end of the period of 30 days starting with the day on which the court makes the order or decision.

(3) The court hearing the appeal may make any order it thinks appropriate.

(4) If the court upholds an appeal against an order forfeiting the cash, it may order the release of the whole or any part of the cash.

Application of forfeited cash.

120.(1) Cash forfeited under section 118, and any accrued interest on it is to be paid into the Consolidated Fund.

(2) But it is not to be paid in-

(a) before the end of the period within which an appeal under section 119 may be made, or

(b) if a person appeals under that section, before the appeal is determined or otherwise disposed of.

Supplementary

Victims and other owners.

121.(1) A person who claims that any cash detained under this Chapter, or any part of it, belongs to him may apply to the court for the cash or part to be released to him.

(2) The application may be made in the course of proceedings under section 108 or 118 or at any other time.

(3) If it appears to the court concerned that-

(a) the applicant was deprived of the cash to which the application relates, or of property which it represents, by unlawful conduct,

(b) the property he was deprived of was not, immediately before he was deprived of it, recoverable property, and

(c) that cash belongs to him,

the court may order the cash to which the application relates to be released to the applicant.

(4) If-

(a) the applicant is not the person from whom the cash to which the application relates was seized,

(b) it appears to the court that that cash belongs to the applicant,

(c) the court is satisfied that the release condition is met in relation to that cash, and

(d) no objection to the making of an order under this subsection has been made by the person from whom that cash was seized,

the court may order the cash to which the application relates to be released to the applicant or to the person from whom it was seized.

(5) The release condition is met-

(a) in relation to cash detained under section 108, if the conditions in that section for the detention of the cash are no longer met,

(b) in relation to cash detained under section 113 or 114, if the cash is not recoverable property and is not intended by a person for use in unlawful conduct, and

(c) in relation to cash detained under 118, if the court decides not to make an order under that section in relation to the cash.

Compensation.

122.(1) If cash is detained under this Chapter the person to whom the cash belongs or from whom it was seized may make an application to the court for compensation if-

- (a) the cash is not forfeited in pursuance of a forfeiture notice, and
 - (b) no forfeiture order is made in respect of the cash.
- (2) If, for any period beginning with the first opportunity to place the cash in an interest-bearing account after the initial detention of the cash for 48 hours (calculated in accordance with section 108(2)), the cash was not held in an interest-bearing account while detained, the court may order an amount of compensation to be paid to the applicant.
- (3) The amount of compensation to be paid under subsection (2) is the amount the court thinks would have been earned in interest in the period in question if the cash had been held in an interest-bearing account.
- (4) If the court is satisfied that, taking account of any interest to be paid under section 109 or any amount to be paid under subsection (2), the applicant has suffered loss as a result of the detention of the cash and that the circumstances are exceptional, the court may order compensation (or additional compensation) to be paid to him.
- (5) The amount of compensation to be paid under subsection (4) is the amount the court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.
- (6) If the cash was seized by a customs officer, the compensation is to be paid by HM Customs.
- (7) If the cash was seized by a police officer, the compensation is to be paid out of the fund from which the expenses of the Royal Gibraltar Police are met.
- (8) The Minister with responsibility for finance may by order amend subsection (6) or (7).
- (9) If any cash is detained under this Chapter and part only of the cash is forfeited in pursuance of a forfeiture notice, this section has effect in relation to the other part.
- (10) If a forfeiture order is made in respect only of a part of any cash detained under this Chapter, this section has effect in relation to the other part.

"The minimum amount".

123.(1) In this Chapter, the minimum amount is the amount in sterling specified in an order made by the Minister.

(2) For that purpose the amount of any cash held in a currency other than sterling must be taken to be its sterling equivalent, calculated in accordance with the prevailing rate of exchange.

Chapter 4 General

Recoverable property

Property obtained through unlawful conduct.

124.(1) Property obtained through unlawful conduct is recoverable property.

(2) If property obtained through unlawful conduct has been disposed of (since it was so obtained), it is recoverable property only if it is held by a person into whose hands it may be followed.

(3) Recoverable property obtained through unlawful conduct may be followed into the hands of a person obtaining it on a disposal by-

- (a) the person who through the conduct obtained the property, or
- (b) a person into whose hands it may (by virtue of this subsection) be followed.

Tracing property, etc.

125.(1) Where property obtained through unlawful conduct ("the original property") is or has been recoverable, property which represents the original property is also recoverable property.

(2) If a person enters into a transaction by which-

- (a) he disposes of recoverable property, whether the original property or property which (by virtue of this Chapter) represents the original property, and
- (b) he obtains other property in place of it,

the other property represents the original property.

(3) If a person disposes of recoverable property which represents the original property, the property may be followed into the hands of the person who obtains it (and it continues to represent the original property).

Mixing property.

126.(1) Subsection (2) applies if a person's recoverable property is mixed with other property (whether his property or another's).

(2) The portion of the mixed property which is attributable to the recoverable property represents the property obtained through unlawful conduct.

(3) Recoverable property is mixed with other property if (for example) it is used-

- (a) to increase funds held in a bank account,
- (b) in part payment for the acquisition of an asset,
- (c) for the restoration or improvement of land,
- (d) by a person holding a leasehold interest in the property to acquire the freehold.

Recoverable property: accruing profits.

127.(1) This section applies where a person who has recoverable property obtains further property consisting of profits accruing in respect of the recoverable property.

(2) The further property is to be treated as representing the property obtained through unlawful conduct.

General exceptions.

128.(1) If-

- (a) a person disposes of recoverable property, and
- (b) the person who obtains it on the disposal does so in good faith, for value and without notice that it was recoverable property,

the property may not be followed into that person's hands and, accordingly, it ceases to be recoverable.

(2) If recoverable property is vested, forfeited or otherwise disposed of in pursuance of powers conferred by virtue of this Part, it ceases to be recoverable.

(3) If-

- (a) in pursuance of a judgment in civil proceedings (whether in Gibraltar or elsewhere), the defendant makes a payment to the

claimant or the claimant otherwise obtains property from the defendant,

(b) the claimant's claim is based on the defendant's unlawful conduct, and

(c) apart from this subsection, the sum received, or the property obtained, by the claimant would be recoverable property,

the property ceases to be recoverable.

(4) If a payment is made to a person in pursuance of a restitution order or a person otherwise obtains any property in pursuance of such an order and, apart from this subsection, the sum received, or the property obtained, would be recoverable property, the property ceases to be recoverable.

(5) If-

(a) in pursuance of a requirement of the Financial Services Commission, an amount is paid to or distributed among any persons, and

(b) apart from this subsection, the sum received by them would be recoverable property,

the property ceases to be recoverable.

(6) Property is not recoverable while a restraint order applies to it.

(7) Property is not recoverable if it has been taken into account in deciding the amount of a person's benefit from criminal conduct for the purpose of making a confiscation order.

(8) Where-

(a) a person enters into a transaction to which section 125(2) applies, and

(b) the disposal is one to which subsection (1) or (2) applies,

this section does not affect the recoverability (by virtue of section 125(2)) of any property obtained on the transaction in place of the property disposed of.

Other exemptions.

129.(1) An order may provide that property is not recoverable or (as the case may be) associated property if-

- (a) it is prescribed property, or
 - (b) it is disposed of in pursuance of a prescribed enactment or an enactment of a prescribed description.
- (2) An order may provide that if property is disposed of in pursuance of a prescribed enactment or an enactment of a prescribed description, it is to be treated for the purposes of section 89 as if it had been disposed of in pursuance of a recovery order.
- (3) An order under this section may be made so as to apply to property, or a disposal of property, only in prescribed circumstances; and the circumstances may relate to the property or disposal itself or to a person who holds or has held the property or to any other matter.
- (4) In this section, an order means an order made by the Minister and prescribed means prescribed by the order.

Granting interests.

- 130.(1) If a person grants an interest in his recoverable property, the question whether the interest is also recoverable is to be determined in the same manner as it is on any other disposal of recoverable property.
- (2) Accordingly, on his granting an interest in the property ("the property in question")-
- (a) where the property in question is property obtained through unlawful conduct, the interest is also to be treated as obtained through that conduct,
 - (b) where the property in question represents in his hands property obtained through unlawful conduct, the interest is also to be treated as representing in his hands the property so obtained.

Insolvency

Insolvency.

- 131.(1) Proceedings for a recovery order may not be taken or continued in respect of property to which subsection (3) applies unless the court gives leave and the proceedings are taken or (as the case may be) continued in accordance with any terms imposed by the court.
- (2) An application for an order for the further detention of any cash to which subsection (3) applies may not be made under section 108 unless the court gives leave.

(3) This subsection applies to recoverable property, or property associated with it, if-

(a) it is an asset of a company being wound up in pursuance of a resolution for voluntary winding up,

(b) it is an asset of a company and a voluntary arrangement under Part 2 of the Insolvency Act 2011 has effect in relation to the company,

(c) an order under Part 13 of the Insolvency Act 2011 in relation to the appointment of interim trustee or interim receiver has effect in relation to the property,

(e) it is an asset of an individual and a voluntary arrangement under Part 2 of the Insolvency Act 2011 has effect in relation to him.

(4) An application under this section, or under any provision of the Insolvency Act 2011, for leave to take proceedings for a recovery order may be made without notice to any person.

(5) Subsection (4) does not affect any requirement for notice of an application to be given to any person acting as an insolvency practitioner or to the Official Receiver (whether or not acting as an insolvency practitioner).

Interpretation

Obtaining and disposing of property.

132.(1) References to a person disposing of his property include a reference-

(a) to his disposing of a part of it, or

(b) to his granting an interest in it,

(or to both); and references to the property disposed of are to any property obtained on the disposal.

(2) A person who makes a payment to another is to be treated as making a disposal of his property to the other, whatever form the payment takes.

(3) Where a person's property passes to another under a will or intestacy or by operation of law, it is to be treated as disposed of by him to the other.

(4) A person is only to be treated as having obtained his property for value in a case where he gave unexecuted consideration if the consideration has become executed consideration.

General interpretation.

133.(1) In this Part-

"associated property" has the meaning given by section 61,

"cash" has the meaning given by section 104(6) or (7) or (11),

"dealing" with property includes disposing of it, taking possession of it or removing it from Gibraltar,

"excepted joint owner" has the meaning given by section 81(4),

"interest", in relation to land means any legal estate and any equitable interest or power.

"interest", in relation to property other than land, includes any right (including a right to possession of the property),

"interim receiving order" has the meaning given by section 69(2),

"the minimum amount" (in Chapter 3) has the meaning given by section 123,

"part", in relation to property, includes a portion,

"premises" has the same meaning as in section 2 of the Crimes Act 2011,

"property freezing order" has the meaning given by section 62(2);

"property obtained through unlawful conduct" has the meaning given by section 59,

"recoverable property" is to be read in accordance with sections 124 to 130,

"recovery order" means an order made under section 78,

"respondent" means-

- (a) where proceedings are brought by the Attorney General by virtue of Chapter 2, the person against whom the proceedings are brought,

(b) where no such proceedings have been brought but the Attorney General has applied for a property freezing order or an interim receiving order, the person against whom he intends to bring such proceedings,

"share", in relation to an excepted joint owner, has the meaning given by section 81(4),

"unlawful conduct" has the meaning given by section 58,

"value" means market value.

- (2) The following provisions apply for the purposes of this Part.
- (3) For the purpose of deciding whether or not property was recoverable at any time (including times before commencement), it is to be assumed that this Part was in force at that and any other relevant time.
- (4) Property is property wherever situated and includes-
- (a) money,
 - (b) all forms of property, real or personal, heritable or moveable,
 - (c) things in action and other intangible or incorporeal property.
- (5) Any reference to a person's property (whether expressed as a reference to the property he holds or otherwise) is to be read as follows.
- (6) In relation to land, it is a reference to any interest which he holds in the land.
- (7) In relation to property other than land, it is a reference-
- (a) to the property (if it belongs to him), or
 - (b) to any other interest which he holds in the property.
- (8) References to the satisfaction of the Attorney General's right to recover property obtained through unlawful conduct are to be read in accordance with section 90.
- (9) Proceedings against any person for an offence are concluded when—
- (a) the person is convicted or acquitted, or
 - (b) the jury is discharged without a finding otherwise than in circumstances where the proceedings are continued without a jury.

PART VI
INVESTIGATIONS.

Chapter 1

Introduction

Investigations.

134.(1) For the purposes of this Part a confiscation investigation is an investigation into—

- (a) whether a person has benefited from his criminal conduct, or
- (b) the extent or whereabouts of his benefit from his criminal conduct.

(2) For the purposes of this Part a civil recovery investigation is an investigation for the purpose of identifying recoverable property or associated property and includes investigation into-

- (a) whether property is or has been recoverable property or associated property,
- (b) who holds or has held property,
- (c) what property a person holds or has held, or
- (d) the nature, extent or whereabouts of property.

(3) But an investigation is not a civil recovery investigation to the extent that it relates to-

- (a) property in respect of which proceedings for a recovery order have been started,
- (b) property to which an interim receiving order applies, or
- (c) property detained under section 108.

(4) For the purposes of this Part a detained cash investigation is an investigation for the purposes of Chapter 3 of Part 5 into-

(a) the derivation of cash detained under that Chapter or a part of such cash, or

(b) whether cash detained under that Chapter, or a part of such cash, is intended by any person to be used in unlawful conduct.

(5) For the purposes of this Part a money laundering investigation is an investigation into whether a person has committed a money laundering offence.

(6) An appropriate person for the purposes of this Part is-

(a) the Attorney General, if the order or warrant is sought for the purposes of a civil recovery investigation;

(b) a police officer or customs officer, if the order or warrant is sought for the purposes of a detained cash investigation, a confiscation investigation or a money laundering investigation;

Orders and warrants sought for civil recovery investigations.

135. Where an application under this Part for an order or warrant specifies property that is subject to a civil recovery investigation, references in this Part to the investigation for the purposes of which the order or warrant is sought include investigation into-

(a) whether a person who appears to hold or to have held the specified property holds or has held other property,

(b) whether the other property is or has been recoverable property or associated property, and

(c) the nature, extent or whereabouts of the other property.

Offences of prejudicing investigation.

136.(1) This section applies if a person knows or suspects that an appropriate person is acting (or proposing to act) in connection with a confiscation investigation, a civil recovery investigation, a detained cash

investigation or a money laundering investigation which is being or is about to be conducted.

(2) The person commits an offence if-

(a) he makes a disclosure which is likely to prejudice the investigation, or

(b) he falsifies, conceals, destroys or otherwise disposes of, or causes or permits the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation.

(3) A person does not commit an offence under subsection (2)(a) if-

(a) he does not know or suspect that the disclosure is likely to prejudice the investigation,

(b) the disclosure is made in the exercise of a function under this Act or any other enactment relating to criminal conduct or benefit from criminal conduct or in compliance with a requirement imposed under or by virtue of this Act,

(c) the disclosure is of a matter within section 5(7) (**Tipping-off**) and the information on which the disclosure is based came to the person in the course of a business in the regulated sector, or

(d) he is a professional legal adviser and the disclosure falls within subsection (4).

(4) A disclosure falls within this subsection if it is a disclosure-

(a) to (or to a representative of) a client of the professional legal adviser in connection with the giving by the adviser of legal advice to the client, or

(b) to any person in connection with legal proceedings or contemplated legal proceedings.

(5) But a disclosure does not fall within subsection (4) if it is made with the intention of furthering a criminal purpose.

(6) A person does not commit an offence under subsection (2)(b) if-

- (a) he does not know or suspect that the documents are relevant to the investigation, or
 - (b) he does not intend to conceal any facts disclosed by the documents from any appropriate person or (in) proper person carrying out the investigation.
- (7) A person guilty of an offence under subsection (2) is liable-
- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.
- (8) For the purposes of this section a business is in the regulated sector to the extent that its activities or any part of them fall under a Supervisory Act as defined in section 2 of the Financial services Commission Act 2007 and includes the activities (or any part of them) of the Gibraltar Savings Bank and the Gibraltar International Bank.

Chapter 2

Production orders

Production orders.

- 137.(1) A judge may, on an application made to him by an appropriate person, make a production order if he is satisfied that each of the requirements for the making of the order is fulfilled.
- (2) The application for a production order must state that-
- (a) a person specified in the application is subject to a confiscation investigation, a civil recovery investigation or a money laundering investigation, or
 - (b) property specified in the application is subject to a civil recovery investigation or a detained cash investigation.

- (3) The application must also state that-
- (a) the order is sought for the purposes of the investigation;
 - (b) the order is sought in relation to material, or material of a description, specified in the application;
 - (c) a person specified in the application appears to be in possession or control of the material.
- (4) A production order is an order either-
- (a) requiring the person the application for the order specifies as appearing to be in possession or control of material to produce it to an appropriate person for him to take away, or
 - (b) requiring that person to give an appropriate person access to the material,
- within the period stated in the order.
- (5) The period stated in a production order must be a period of seven days beginning with the day on which the order is made, unless it appears to the judge by whom the order is made that a longer or shorter period would be appropriate in the particular circumstances.

Requirements for making of production order.

- 138.(1) These are the requirements for the making of a production order.
- (2) There must be reasonable grounds for suspecting that-
- (a) in the case of a confiscation investigation, the person the application for the order specifies as being subject to the investigation has benefited from his criminal conduct;
 - (b) in the case of a civil recovery investigation-
 - (i) the person the application for the order specifies as being subject to the investigation holds recoverable property or associated property,

- (ii) that person has, at any time, held property that was recoverable property or associated property at the time, or
 - (iii) the property the application for the order specifies as being subject to the investigation is recoverable property or associated property;
- (c) in the case of a detained cash investigation into the derivation of cash, the property the application for the order specifies as being subject to the investigation, or a part of it, is recoverable property;
- (d) in the case of a detained cash investigation into the intended use of cash, the property the application for the order specifies as being subject to the investigation, or a part of it, is intended by any person to be used in unlawful conduct;
- (e) in the case of a money laundering investigation, the person the application for the order specifies as being subject to the investigation has committed a money laundering offence;
- (3) There must be reasonable grounds for believing that the person the application specifies as appearing to be in possession or control of the material so specified is in possession or control of it.
- (4) There must be reasonable grounds for believing that the material is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the order is sought.
- (5) There must be reasonable grounds for believing that it is in the public interest for the material to be produced or for access to it to be given, having regard to-
- (a) the benefit likely to accrue to the investigation if the material is obtained;
 - (b) the circumstances under which the person the application specifies as appearing to be in possession or control of the material holds it.

Order to grant entry.

139.(1) This section applies if a judge makes a production order requiring a person to give an appropriate person access to material on any premises.

(2) The judge may, on an application made to him by an appropriate person and specifying the premises, make an order to grant entry in relation to the premises.

(3) An order to grant entry is an order requiring any person who appears to an appropriate person to be entitled to grant entry to the premises to allow him to enter the premises to obtain access to the material.

Further provisions.

140.(1) A production order does not require a person to produce, or give access to, privileged material.

(2) Privileged material is any material which the person would be entitled to refuse to produce on grounds of legal professional privilege in proceedings.

(3) A production order does not require a person to produce, or give access to, excluded material.

(4) A production order has effect in spite of any restriction on the disclosure of information (however imposed).

(5) An appropriate person may take copies of any material which is produced, or to which access is given, in compliance with a production order.

(6) Material produced in compliance with a production order may be retained for so long as it is necessary to retain it (as opposed to copies of it) in connection with the investigation for the purposes of which the order was made.

(7) But if an appropriate person has reasonable grounds for believing that-

(a) the material may need to be produced for the purposes of any legal proceedings, and

(b) it might otherwise be unavailable for those purposes,

it may be retained until the proceedings are concluded.

Computer information.

141.(1) This section applies if any of the material specified in an application for a production order consists of information contained in a computer.

(2) If the order is an order requiring a person to produce the material to an appropriate person for him to take away, it has effect as an order to produce the material in a form in which it can be taken away by him and in which it is visible and legible.

(3) If the order is an order requiring a person to give an appropriate person access to the material, it has effect as an order to give him access to the material in a form in which it is visible and legible.

Government departments.

142.(1) A production order may be made in relation to material in the possession or control of an authorised Government department.

(2) An order so made may require any officer of the department (whether named in the order or not) who may for the time being be in possession or control of the material to comply with it.

(3) An order containing such a requirement must be served as if the proceedings were civil proceedings against the department.

(4) If an order contains such a requirement-

(a) the person on whom it is served must take all reasonable steps to bring it to the attention of the officer concerned;

(b) any other officer of the department who is in receipt of the order must also take all reasonable steps to bring it to the attention of the officer concerned.

(5) If the order is not brought to the attention of the officer concerned within the period stated in the order (in pursuance of section 137(4)) the person on whom it is served must report the reasons for the failure to a judge.

Supplementary.

143.(1) An application for a production order or an order to grant entry may be made ex parte to a judge in chambers.

(2) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to production orders and orders to grant entry.

(3) An application to discharge or vary a production order or an order to grant entry may be made to the court by-

- (a) the person who applied for the order;
- (b) any person affected by the order.

(4) The court-

- (a) may discharge the order;
- (b) may vary the order.

(5) If a police officer or a customs officer applies for a production order or an order to grant entry, an application to discharge or vary the order need not be by the same officer.

(6) References to a person who applied for a production order or an order to grant entry must be construed accordingly.

(7) Production orders and orders to grant entry have effect as if they were orders of the court.

(8) Subsections (2) to (7) do not apply to orders made in Gibraltar for the purposes of a civil recovery investigation.

Search and seizure warrants

Search and seizure warrants.

144.(1) A judge may, on an application made to him by an appropriate person, issue a search and seizure warrant if he is satisfied that either of the requirements for the issuing of the warrant is fulfilled.

- (2) The application for a search and seizure warrant must state that-
 - (a) a person specified in the application is subject to a confiscation investigation or a money laundering investigation, or
 - (b) property specified in the application is subject to a civil recovery investigation or a detained cash investigation.
- (3) The application must also state-
 - (a) that the warrant is sought for the purposes of the investigation;
 - (b) that the warrant is sought in relation to the premises specified in the application;
 - (c) that the warrant is sought in relation to material specified in the application, or that there are reasonable grounds for believing that there is material falling within section 108(6), (7), (8), (9) or (10) on the premises.
- (4) A search and seizure warrant is a warrant authorising an appropriate person-
 - (a) to enter and search the premises specified in the application for the warrant, and
 - (b) to seize and retain any material found there which is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the application is made.
- (5) The requirements for the issue of a search and seizure warrant are-
 - (a) that a production order made in relation to material has not been complied with and there are reasonable grounds for believing that the material is on the premises specified in the application for the warrant, or

- (b) that section 108 is satisfied in relation to the warrant.

Requirements where production order not available.

145.(1) This section is satisfied in relation to a search and seizure warrant if-

- (a) subsection (2) applies, and
- (b) either the first or the second set of conditions is complied with.

(2) This subsection applies if there are reasonable grounds for suspecting that-

- (a) in the case of a confiscation investigation, the person specified in the application for the warrant has benefited from his criminal conduct;

- (b) in the case of a civil recovery investigation-

- (i) the person specified in the application for the warrant holds recoverable property or associated property,

- (ii) that person has, at any time, held property that was recoverable property or associated property at the time, or

- (iii) the property specified in the application for the warrant is recoverable property or associated property;

- (c) in the case of a detained cash investigation into the derivation of cash, the property specified in the application for the warrant, or a part of it, is recoverable property;

- (d) in the case of a detained cash investigation into the intended use of cash, the property specified in the application for the warrant, or a part of it, is intended by any person to be used in unlawful conduct;

- (e) in the case of a money laundering investigation, the person specified in the application for the warrant has committed a money laundering offence;

(3) The first set of conditions is that there are reasonable grounds for believing that-

(a) any material on the premises specified in the application for the warrant is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought,

(b) it is in the public interest for the material to be obtained, having regard to the benefit likely to accrue to the investigation if the material is obtained, and

(c) it would not be appropriate to make a production order for any one or more of the reasons in subsection (4).

(4) The reasons are-

(a) that it is not practicable to communicate with any person against whom the production order could be made;

(b) that it is not practicable to communicate with any person who would be required to comply with an order to grant entry to the premises;

(c) that the investigation might be seriously prejudiced unless an appropriate person is able to secure immediate access to the material.

(5) The second set of conditions is that-

(a) there are reasonable grounds for believing that there is material on the premises specified in the application for the warrant and that the material falls within subsection (6), (7), (8), (9), (10) (11) or (12),

(b) there are reasonable grounds for believing that it is in the public interest for the material to be obtained, having regard to the benefit likely to accrue to the investigation if the material is obtained, and

(c) any one or more of the requirements in subsection (9) is met.

(6) In the case of a confiscation investigation, material falls within this subsection if it cannot be identified at the time of the application but it-

(a) relates to the person specified in the application, the question whether he has benefited from his criminal conduct or any question as to the extent or whereabouts of his benefit from his criminal conduct, and

(b) is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought.

(7) In the case of a civil recovery investigation, material falls within this subsection if it cannot be identified at the time of the application but it-

(a) relates to the person or property specified in the application or to any of the questions listed in subsection (8), and

(b) is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought.

(8) Those questions are-

(a) where a person is specified in the application, any question as to-

(i) what property the person holds or has held,

(ii) whether the property is or has been recoverable property or associated property, or

(iii) the nature, extent or whereabouts of the property, and

(b) where property is specified in the application, any question as to-

(i) whether the property is or has been recoverable property or associated property,

(ii) who holds it or has held it,

(iii) whether a person who appears to hold or to have held it holds or has held other property,

(iv) whether the other property is or has been recoverable property or associated property, or

(v) the nature, extent or whereabouts of the specified property or the other property.

(9) In the case of a detained cash investigation into the derivation of cash, material falls within this subsection if it cannot be identified at the time of the application but it-

(a) relates to the property specified in the application, the question whether the property, or a part of it, is recoverable property or any other question as to its derivation, and

(b) is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought.

(10) In the case of a detained cash investigation into the intended use of cash, material falls within this subsection if it cannot be identified at the time of the application but it-

(a) relates to the property specified in the application or the question whether the property, or a part of it, is intended by any person to be used in unlawful conduct, and

(b) is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought.

(11) In the case of a money laundering investigation, material falls within this subsection if it cannot be identified at the time of the application but it-

(a) relates to the person specified in the application or the question whether he has committed a money laundering offence, and

(b) is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the warrant is sought.

(12) The requirements are-

(a) that it is not practicable to communicate with any person entitled to grant entry to the premises;

(b) that entry to the premises will not be granted unless a warrant is produced;

(c) that the investigation might be seriously prejudiced unless an appropriate person arriving at the premises is able to secure immediate entry to them.

(13) An appropriate person for the purposes of this section is-

(a) the Attorney General, if the warrant is sought for the purposes of a civil recovery investigation;

(b) a police officer or customs officer, if the warrant is sought for the purposes of a detained cash investigation, a confiscation investigation or a money laundering investigation;

Further provisions: general.

146.(1) A search and seizure warrant does not confer the right to seize privileged material.

(2) Privileged material is any material which a person would be entitled to refuse to produce on grounds of legal professional privilege in proceedings in the Supreme Court.

(3) A search and seizure warrant does not confer the right to seize excluded material.

Further provisions: confiscation and money laundering.

147.(1) This section applies to-

(a) search and seizure warrants sought for the purposes of a confiscation investigation, a money laundering investigation or a detained cash investigation, and

(b) powers of seizure under them.

(2) In relation to such warrants and powers, the Minister may make an order, subject to any specified modifications, which applies the provisions of the Criminal Procedure and Evidence act 2011.

Further provisions: civil recovery and detained cash.

148.(1) This section applies to search and seizure warrants sought for the purposes of civil recovery investigations.

(2) An application for a warrant may be made ex parte to a judge.

(3) A warrant may be issued subject to conditions.

(4) A warrant continues in force until the end of the period of one month starting with the day on which it is issued.

(5) A warrant authorises the person it names to require any information which is held in a computer and is accessible from the premises specified in the application for the warrant, and which the named person believes relates to any matter relevant to the investigation, to be produced in a form-

(a) in which it can be taken away, and

(b) in which it is visible and legible.

(6) A warrant may include provision authorising a person who is exercising powers under it to do other things which-

(a) are specified in the warrant, and

(b) need to be done in order to give effect to it.

(7) Copies may be taken of any material seized under a warrant.

(8) Material seized under a warrant may be retained for so long as it is necessary to retain it (as opposed to copies of it) in connection with the investigation for the purposes of which the warrant was issued.

(9) But if there are reasonable grounds for believing that-

(a) the material may need to be produced for the purposes of any legal proceedings, and

(b) it might otherwise be unavailable for those purposes,

it may be retained until the proceedings are concluded.

Disclosure orders

Disclosure orders.

149.(1) A judge may, on an application made to him by the appropriate person, make a disclosure order if he is satisfied that each of the requirements for the making of the order is fulfilled.

(2) An appropriate person for the purposes of this section is the Attorney General or a customs officer or a police officer.

(3) No application for a disclosure order may be made in relation to a detained cash investigation or a money laundering investigation.

(5) The application for a disclosure order must state that-

(a) a person specified in the application is subject to a confiscation investigation which is being carried out by an appropriate person and the order is sought for the purposes of the investigation, or

(b) a person specified in the application or property specified in the application is subject to a civil recovery investigation and the order is sought for the purposes of the investigation.

(6) A disclosure order is an order authorising a police or customs officer give to any person police or customs officer considers has relevant information notice in writing requiring him to do, with respect to any matter relevant to the investigation for the purposes of which the order is sought, any or all of the following-

(a) answer questions, either at a time specified in the notice or at once, at a place so specified;

(b) provide information specified in the notice, by a time and in a manner so specified;

(c) produce documents, or documents of a description, specified in the notice, either at or by a time so specified or at once, and in a manner so specified.

(7) Relevant information is information (whether or not contained in a document) which police or customs officer concerned considers to be relevant to the investigation.

(8) A person is not bound to comply with a requirement imposed by a notice given under a disclosure order unless evidence of authority to give the notice is produced to him.

Requirements for making of disclosure order.

150.(1) These are the requirements for the making of a disclosure order.

(2) There must be reasonable grounds for suspecting that-

(a) in the case of a confiscation investigation, the person specified in the application for the order has benefited from his criminal conduct;

(b) in the case of a civil recovery investigation-

(i) the person specified in the application for the order holds recoverable property or associated property,

(ii) that person has, at any time, held property that was recoverable property or associated property at the time, or

(iii) the property specified in the application for the order is recoverable property or associated property;

(3) There must be reasonable grounds for believing that information which may be provided in compliance with a requirement imposed under the order is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the order is sought.

(4) There must be reasonable grounds for believing that it is in the public interest for the information to be provided, having regard to the benefit likely to accrue to the investigation if the information is obtained.

Offences.

151.(1) A person commits an offence if without reasonable excuse he fails to comply with a requirement imposed on him under a disclosure order.

(2) A person guilty of an offence under subsection (1) is liable on summary conviction to-

- (a) imprisonment for a term not exceeding six months,
 - (b) a fine not exceeding level 5 on the standard scale, or
 - (c) both.
- (3) A person commits an offence if, in purported compliance with a requirement imposed on him under a disclosure order, he-
- (a) makes a statement which he knows to be false or misleading in a material particular, or
 - (b) recklessly makes a statement which is false or misleading in a material particular.
- (4) A person guilty of an offence under subsection (3) is liable-
- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both.

Statements.

152.(1) A statement made by a person in response to a requirement imposed on him under a disclosure order may not be used in evidence against him in criminal proceedings.

- (2) But subsection (1) does not apply-
- (a) in the case of proceedings under Part 2 ,
 - (b) on a prosecution for an offence under section 151(1) or (3),
 - (c) on a prosecution for an offence for perjury or false statements, or
 - (d) on a prosecution for some other offence where, in giving evidence, the person makes a statement inconsistent with the statement mentioned in subsection (1).

(3) A statement may not be used by virtue of subsection (2)(d) against a person unless-

- (a) evidence relating to it is adduced, or
- (b) a question relating to it is asked,

by him or on his behalf in the proceedings arising out of the prosecution.

Further provisions.

153.(1) A disclosure order does not confer the right to require a person to answer any privileged question, provide any privileged information or produce any privileged document, except that a lawyer may be required to provide the name and address of a client of his.

(2) A privileged question is a question which the person would be entitled to refuse to answer on grounds of legal professional privilege in proceedings.

(3) Privileged information is any information which the person would be entitled to refuse to provide on grounds of legal professional privilege in proceedings.

(4) Privileged material is any material which the person would be entitled to refuse to produce on grounds of legal professional privilege in proceedings.

(5) A disclosure order does not confer the right to require a person to produce excluded material.

(6) A disclosure order has effect in spite of any restriction on the disclosure of information (however imposed).

(7) A police or customs officer may take copies of any documents produced in compliance with a requirement to produce them which is imposed under a disclosure order.

(8) Documents so produced may be retained for so long as it is necessary to retain them (as opposed to a copy of them) in connection with the investigation for the purposes of which the order was made.

(9) But if a police or customs officer has reasonable grounds for believing that-

(a) the documents may need to be produced for the purposes of any legal proceedings, and

(b) they might otherwise be unavailable for those purposes,

they may be retained until the proceedings are concluded.

Supplementary.

154.(1) An application for a disclosure order may be made ex parte to a judge.

(2) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to disclosure orders.

(3) An application to discharge or vary a disclosure order may be made to the court by-

(a) the person who applied for the order;

(b) any person affected by the order.

(4) The court-

(a) may discharge the order;

(b) may vary the order.

(5) Subsections (2) to (3) do not apply to orders made for the purposes of a civil recovery investigation.

Customer information orders

Customer information orders.

155.(1) A judge may, on an application made to him by an appropriate person, make a customer information order if he is satisfied that each of the requirements for the making of the order is fulfilled.

(2) No application for a customer information order may be made in relation to a detained cash investigation.

(3) The application for a customer information order must state that-

(a) a person specified in the application is subject to a confiscation investigation, a civil recovery investigation, or

(b) property specified in the application is subject to a civil recovery investigation and a person specified in the application appears to hold the property.

(4) The application must also state that-

(a) the order is sought for the purposes of the investigation;

(b) the order is sought against the financial institution or financial institutions specified in the application.

(5) An application for a customer information order may specify-

(a) all financial institutions,

(b) a particular description, or particular descriptions, of financial institutions, or

(c) a particular financial institution or particular financial institutions.

(6) A customer information order is an order that a financial institution covered by the application for the order must, on being required to do so by notice in writing given by an appropriate person, provide any such customer information as it has relating to the person specified in the application.

(7) A financial institution which is required to provide information under a customer information order must provide the information to an

appropriate person in such manner, and at or by such time, as an appropriate person requires.

(8) If a financial institution on which a requirement is imposed by a notice given under a customer information order requires the production of evidence of authority to give the notice, it is not bound to comply with the requirement unless evidence of the authority has been produced to it.

Meaning of customer information.

156.(1) "Customer information", in relation to a person and a financial institution, is information whether the person holds, or has held, an account or accounts or any safe deposit box at the financial institution (whether solely or jointly with another) and (if so) information as to-

- (a) the matters specified in subsection (2) if the person is an individual;
- (b) the matters specified in subsection (3) if the person is a company or limited liability partnership or a similar body incorporated or otherwise established outside Gibraltar.

(2) The matters referred to in subsection (1)(a) are-

- (a) the account number or numbers or the number of any safe deposit box;
- (b) the person's full name;
- (c) his date of birth;
- (d) his most recent address and any previous addresses;
- (e) in the case of an account or accounts, the date or dates on which he began to hold the account or accounts and, if he has ceased to hold the account or any of the accounts, the date or dates on which he did so;
- (f) in the case of any safe deposit box, the date on which the box was made available to him and if the box has ceased to be available to him the date on which it so ceased;

(g) such evidence of his identity as was obtained by the financial institution under or for the purposes of any legislation relating to money laundering;

(h) the full name, date of birth and most recent address, and any previous addresses, of any person who holds, or has held, an account at the financial institution jointly with him;

(i) the account number or numbers of any other account or accounts held at the financial institution to which he is a signatory and details of the person holding the other account or accounts.

(3) The matters referred to in subsection (1)(b) are-

(a) the account number or numbers or the number of any safe deposit box;

(b) the person's full name;

(c) a description of any business which the person carries on;

(d) the country or territory in which it is incorporated or otherwise established and any number allocated to it by virtue of section 15 of the Companies Act 2014 or corresponding legislation of any country or territory outside Gibraltar;

(e) any number assigned to it for the purposes of income or other tax;

(f) its registered office, and any previous registered offices by virtue of the Companies Act 2014 (or corresponding earlier legislation) or anything similar under corresponding legislation of any country or territory outside Gibraltar;

(g) its registered office, and any previous registered offices, under the Limited Liability Partnerships Act 2008 or anything similar under corresponding legislation of any country or territory;

(h) in the case of an account or accounts, the date or dates on which it began to hold the account or accounts and, if it has ceased to hold the account or any of the accounts, the date or dates on which it did so;

- (i) in the case of any safe deposit box, the date on which the box was made available to it and if the box has ceased to be available to it the date on which it so ceased;
 - (i) such evidence of its identity as was obtained by the financial institution under or for the purposes of any legislation relating to money laundering;
 - (k) the full name, date of birth and most recent address and any previous addresses of any person who is a signatory to the account or any of the accounts.
- (4) The Minister may by order provide for information of a description specified in the order-
- (a) to be customer information, or
 - (b) no longer to be customer information.
- (5) A "safe deposit box" includes any procedure under which a financial institution provides a facility to hold items for safe keeping on behalf of another person.

Requirements for making of customer information order.

- 157.(1) These are the requirements for the making of a customer information order.
- (2) In the case of a confiscation investigation, there must be reasonable grounds for suspecting that the person specified in the application for the order has benefited from his criminal conduct.
 - (3) In the case of a civil recovery investigation, there must be reasonable grounds for suspecting that the person specified in the application-
 - (a) holds recoverable property or associated property, or

- (b) has, at any time, held property that was recoverable property or associated property at the time.
- (4) In the case of a money laundering investigation, there must be reasonable grounds for suspecting that the person specified in the application for the order has committed a money laundering offence.
- (5) In the case of any investigation, there must be reasonable grounds for believing that customer information which may be provided in compliance with the order is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the order is sought.
- (6) In the case of any investigation, there must be reasonable grounds for believing that it is in the public interest for the customer information to be provided, having regard to the benefit likely to accrue to the investigation if the information is obtained.

Offences.

158.(1) A financial institution commits an offence if without reasonable excuse it fails to comply with a requirement imposed on it under a customer information order.

(2) A financial institution guilty of an offence under subsection (1) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(3) A financial institution commits an offence if, in purported compliance with a customer information order, it-

- (a) makes a statement which it knows to be false or misleading in a material particular, or
- (b) recklessly makes a statement which is false or misleading in a material particular.

(4) A financial institution guilty of an offence under subsection (3) is liable-

- (a) on summary conviction, to a fine not exceeding the statutory maximum, or
- (b) on conviction on indictment, to a fine.

Statements.

159.(1) A statement made by a financial institution in response to a customer information order may not be used in evidence against it in criminal proceedings.

(2) But subsection (1) does not apply-

- (a) in the case of proceedings under Part 2,
- (b) on a prosecution for an offence under section 158(1) or (3), or
- (c) on a prosecution for some other offence where, in giving evidence, the financial institution makes a statement inconsistent with the statement mentioned in subsection (1).

(3) A statement may not be used by virtue of subsection (2)(c) against a financial institution unless-

- (a) evidence relating to it is adduced, or
- (b) a question relating to it is asked,

by or on behalf of the financial institution in the proceedings arising out of the prosecution.

Disclosure of information.

160. A customer information order has effect in spite of any restriction on the disclosure of information (however imposed).

Supplementary.

161.(1) An application for a customer information order may be made ex parte to a judge in chambers.

- (2) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to customer information orders.
- (3) An application to discharge or vary a customer information order may be made to the court by-
 - (a) the person who applied for the order;
 - (b) any person affected by the order.
- (4) The court-
 - (a) may discharge the order;
 - (b) may vary the order.

Account monitoring orders

Account monitoring orders.

- 162.(1) A judge may, on an application made to him by a police or customs officer, make an account monitoring order if he is satisfied that each of the requirements for the making of the order is fulfilled.
- (2) No application for an account monitoring order may be made in relation to a detained cash investigation.
 - (3) The application for an account monitoring order must state that-
 - (a) a person specified in the application is subject to a confiscation investigation, a civil recovery investigation or a money laundering investigation, or
 - (b) property specified in the application is subject to a civil recovery investigation and a person specified in the application appears to hold the property.
 - (4) The application must also state that-
 - (a) the order is sought for the purposes of the investigation;

(b) the order is sought against the financial institution specified in the application in relation to account information of the description so specified.

(5) Account information is information relating to an account or accounts held at the financial institution specified in the application by the person so specified (whether solely or jointly with another).

(6) The application for an account monitoring order may specify information relating to-

(a) all accounts held by the person specified in the application for the order at the financial institution so specified,

(b) a particular description, or particular descriptions, of accounts so held, or

(c) a particular account, or particular accounts, so held.

(7) An account monitoring order is an order that the financial institution specified in the application for the order must, for the period stated in the order, provide account information of the description specified in the order to an appropriate person in the manner, and at or by the time or times, stated in the order.

(8) The period stated in an account monitoring order must not exceed the period of 90 days beginning with the day on which the order is made.

Requirements for making of account monitoring order.

163.(1) These are the requirements for the making of an account monitoring order.

(2) In the case of a confiscation investigation, there must be reasonable grounds for suspecting that the person specified in the application for the order has benefited from his criminal conduct.

(3) In the case of a civil recovery investigation, there must be reasonable grounds for suspecting that the person specified in the application holds recoverable property or associated property.

(4) In the case of a money laundering investigation, there must be reasonable grounds for suspecting that the person specified in the application for the order has committed a money laundering offence.

(5) In the case of any investigation, there must be reasonable grounds for believing that account information which may be provided in compliance with the order is likely to be of substantial value (whether or not by itself) to the investigation for the purposes of which the order is sought.

(6) In the case of any investigation, there must be reasonable grounds for believing that it is in the public interest for the account information to be provided, having regard to the benefit likely to accrue to the investigation if the information is obtained.

Statements.

164.(1) A statement made by a financial institution in response to an account monitoring order may not be used in evidence against it in criminal proceedings.

(2) But subsection (1) does not apply-

(a) in the case of proceedings for contempt of court, or

(b) on a prosecution for an offence where, in giving evidence, the financial institution makes a statement inconsistent with the statement mentioned in subsection (1).

(3) A statement may not be used by virtue of subsection (2)(b) against a financial institution unless-

(a) evidence relating to it is adduced, or

(b) a question relating to it is asked,

by or on behalf of the financial institution in the proceedings arising out of the prosecution.

Disclosure of information.

165. An account monitoring order has effect in spite of any restriction on the disclosure of information however imposed.

Supplementary.

166.(1) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to account monitoring orders.

(2) An application to discharge or vary an account monitoring order may be made to the court by-

- (a) the person who applied for the order;
- (b) any person affected by the order.

(3) The court-

- (a) may discharge the order;
- (b) may vary the order.

(6) Account monitoring orders have effect as orders of the court.

Evidence overseas

Evidence overseas.

167.(1) This section applies if a person or property is subject to a civil recovery investigation or a detained cash investigation.

(2) A judge may request assistance under this section if-

- (a) an application is made by a police or customs officer or a person subject to the investigation, and
- (b) the judge thinks that there is relevant evidence in a country or territory outside Gibraltar.

(3) The assistance that may be requested under this section is assistance in obtaining outside Gibraltar relevant evidence specified in the request.

(5) Relevant evidence is-

(a) in relation to an application or request made for the purposes of a civil recovery investigation, evidence relevant for the purpose of identifying recoverable property or associated property, including evidence as to a matter described in section 134(2)(a) to (d);

(b) in relation to an application or request made for the purposes of a detained cash investigation, evidence as to a matter described in section 134(4)(a) or (b);

(6) A request for assistance under this section may be sent-

(a) to a court or tribunal which is specified in the request and which exercises jurisdiction in the place where the evidence is to be obtained,

(b) to the government of the country or territory concerned, or

(c) to an authority recognised by the government of the country or territory concerned as the appropriate authority for receiving requests for assistance of that kind.

(7) Alternatively, a request for assistance under this section may be sent to the Minister with a view to it being forwarded to a court, tribunal, government or authority mentioned in subsection (6).

(8) The Minister must forward the request for assistance to the court, tribunal, government or authority.

(9) In a case of urgency, a request for assistance under this section may be sent to-

(a) the International Criminal Police Organisation (INTERPOL), or

(b) any person competent to receive it under any provisions adopted under the EU Treaties,

for forwarding to the court, tribunal, government or authority mentioned in subsection (6).

(10) Rules of court may make provision as to the practice and procedure to be followed in connection with proceedings relating to requests for assistance made by a judge under this section.

(11) "Evidence" includes documents, information in any other form and material.

Evidence overseas: restrictions on use.

168.(1) This section applies to evidence obtained by means of a request for assistance under section 167.

(2) The evidence must not be used for any purpose other than-

(a) for the purposes of the investigation for which it was obtained, or

(b) for the purposes of proceedings described in subsection (3) or any proceedings arising out of such proceedings.

(3) Those proceedings are-

(a) if the request was made for the purposes of a civil recovery investigation, proceedings under Chapter 2 of Part 5 of this Act arising out of the investigation;

(b) if the request was made for the purposes of a detained cash investigation, proceedings under Chapter 3 of Part 5 of this Act arising out of the investigation;

(4) Subsection (2) does not apply if the court, tribunal, government or authority to whom the request for assistance was sent consents to the use.

Interpretation

"Document" and "excluded material".

169. "Document" and "excluded material" have the same meanings as in the Criminal Procedure and Evidence Act 2011, and "premises" has the same meaning as in section 2 of the Crimes Act 2011.

Criminal conduct.

170.(1) Criminal conduct is conduct which-

- (a) constitutes an offence in any part of Gibraltar, or
- (b) would constitute an offence in any part of Gibraltar if it occurred there.

(2) A person benefits from conduct if he obtains property or a pecuniary advantage as a result of or in connection with the conduct.

(3) References to property or a pecuniary advantage obtained in connection with conduct include references to property or a pecuniary advantage obtained in both that connection and some other.

(4) If a person benefits from conduct his benefit is the property or pecuniary advantage obtained as a result of or in connection with the conduct.

(5) It is immaterial-

- (a) whether conduct occurred before or after the passing of this Act, and
- (b) whether property or a pecuniary advantage constituting a benefit from conduct was obtained before or after the passing of this Act.

Property and additional terms.

171.(1) Property is all property wherever situated and includes-

- (a) money;
- (b) all forms of property, real or personal, heritable or moveable;
- (c) things in action and other intangible or incorporeal property.

(2) "Recoverable property" and "associated property" have the same meanings as in Part 5

(3) The following rules apply in relation to property-

- (a) property is obtained by a person if he obtains an interest in it;
 - (b) references to an interest, in relation to land are to any legal estate or equitable interest or power;
 - (c) references to an interest, in relation to property other than land, include references to a right (including a right to possession).
- (4) "financial institution" means a person carrying on a business in the regulated sector.
- (5) But a person who ceases to carry on a business in the regulated sector is to continue to be treated as a financial institution for the purposes of any requirement under-
- (a) a customer information order, or
 - (b) an account monitoring order,
- to provide information which relates to a time when the person was a financial institution.
- (6) "Recovery order" and "interim receiving order" have the same meanings as in Part 5.
- (7) "Unlawful conduct" has the meaning given by section 105.
- (8) References to notice in writing include references to notice given by electronic means.

PART VII

GENERAL.

Power to make subordinate legislation.

172. (1) The Government may make such rules, regulations or orders, or provide for such other statutory instruments as it considers necessary or useful to fulfil the purposes and objects of this Act.

(2) The power referred to in subsection (1) may be exercised for the purpose of implementing an EU or international obligation.

PART VIII
REPEAL, SAVINGS AND TRANSITIONAL.

Repeals.

173. (1) The Crime (Money Laundering and Proceeds) Act 2007 is repealed
- (2) Part V of the Drug Trafficking Offences Act is repealed.

Savings and transitional provisions.

- 31.(1) In this section a reference to the “repealed Act” shall be construed as a reference to the Act repealed by regulation 173(1).
- (2) Any proceedings which have been instituted under the repealed Act (including any appeal) which have not been concluded at the time of the coming into operation of this Act shall be continued as though the repealed Act had not been repealed.
- (3) Where proceedings for an offence committed under the repealed Act have not been commenced at the commencement of this Act—
- (a) if there is an equivalent offence under this Act proceedings must be brought under this Act;
- (b) if there is no equivalent offence proceedings cannot be brought.
- (4) Any regulation, rule, order, instruction direction, exemption, notice, permit, complaint or other legislative or non-legislative instrument made or issued by any person or body under the repealed Act shall, if in force at the date of such repeal and unless a contrary intention appears, remain in force, so far as it is not inconsistent with this Act, until it has been revoked or amended by subsidiary legislation made under the provisions of this Act, and shall be deemed for all purposes to have been made thereunder.

SCHEDULE 1

Sections 10G, 10K

Simplified due diligence.

1. For the purposes of section 10G(6), the conditions are—
 - (a) the authority has been entrusted with public functions pursuant to the Treaty on the European Union, the Treaties on the European Communities or Community secondary legislation;
 - (b) the authority's identity is publicly available, transparent and certain;
 - (c) the activities of the authority and its accounting practices are transparent;
 - (d) either the authority is accountable to a Community institution or to the authorities of an EEA State, or otherwise appropriate check and balance procedures exist ensuring control of the authority's activity.

2. For the purposes of section 10G(8), the conditions are—
 - (a) the product has a written contractual base;
 - (b) any related transaction is carried out through an account of the customer with a credit institution which is subject to the Money Laundering Directive or with a credit institution situated in a non-EEA State which imposes requirements equivalent to those laid down in that directive;
 - (c) the product or related transaction is not anonymous and its nature is such that it allows for the timely application of customer due diligence measures where there is a suspicion of money laundering or terrorist financing;
 - (d) the product is within the following maximum threshold—
 - (i) in the case of insurance policies or savings products of a similar nature, the annual premium is no more

than 1,000 euro or there is a single premium of no more than 2,500 euro;

- (ii) in the case of products which are related to the financing of physical assets where the legal and beneficial title of the assets is not transferred to the customer until the termination of the contractual relationship (whether the transaction is carried out in a single operation or in several operations which appear to be linked), the annual payments do not exceed 15,000 euro;
 - (iii) in all other cases, the maximum threshold is 15,000 euro;
- (e) the benefits of the product or related transaction cannot be realised for the benefit of third parties, except in the case of death, disablement, survival to a predetermined advanced age, or similar events;
- (f) in the case of products or related transactions allowing for the investment of funds in financial assets or claims, including insurance or other kinds of contingent claims–
- (i) the benefits of the product or related transaction are only realisable in the long term;
 - (ii) the product or related transaction cannot be used as collateral; and
 - (iii) during the contractual relationship, no accelerated payments are made, surrender clauses used or early termination takes place.

Politically exposed persons.

3.(1) For the purposes of section 10K(2)–

- (a) individuals who are or have been entrusted with prominent public functions include the following–
 - (i) heads of state, heads of government, ministers and deputy or assistant ministers;

- (ii) members of parliaments;
 - (iii) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not generally subject to further appeal, other than in exceptional circumstances;
 - (iv) members of courts of auditors or of the boards of central banks;
 - (v) ambassadors, chargés d'affaires and high-ranking officers in the armed forces; and
 - (vi) members of the administrative, management or supervisory bodies of state-owned enterprises;
- (b) the categories set out in paragraphs (i) to (vi) of subparagraph (a) do not include middle ranking or more junior officials;
- (c) immediate family members include the following–
- (i) a spouse;
 - (ii) a partner;
 - (iii) children and their spouses or partners; and
 - (iv) parents;
- (d) persons known to be close associates include the following–
- (i) any individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with a person referred to in section 10J(5)(a); and
 - (ii) any individual who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of a person referred to in section 10J(5)(a).

(2) In paragraph (1)(c) “partner” means a person who is considered by his national law as equivalent to a spouse.

SCHEDULE 2

Section 19(2)

PART I

The following are supervisory bodies–

- (a) the Financial Services Commission;
- (b) the Authority appointed under section 2(1) of the Financial Services (Investment and Fiduciary Services) Act;
- (c) the Commissioner of Banking and the Banking Supervisor;
- (d) the Commissioner of Insurance and the Insurance Supervisor;
- (e) the Financial Secretary, or such other person or entity as may from time to time be designated by the Minister for Finance by notice in the Gazette in respect of relevant financial businesses to which section 8(1) applies and which are not supervised by a body listed in paragraphs (a) to (d).

PART II

- (a) the Financial Services (Banking) Act, 1992;
- (b) the Insurance Companies Act, 1987;
- (c) the Financial Services (Investment and Fiduciary Services) Act, 1989;
- (d) the Companies Act 2014.

SCHEDULE 3

Section 70

POWERS OF INTERIM RECEIVER

Seizure

1. Power to seize property to which the order applies.

Information

2. (1) Power to obtain information or to require a person to answer any question.

(2) A requirement imposed in the exercise of the power has effect in spite of any restriction on the disclosure of information (however imposed).

(3) An answer given by a person in pursuance of such a requirement may not be used in evidence against him in criminal proceedings.

(5) But an answer may not be used by virtue of sub-paragraph (4)(b) against a person unless-

- (a) evidence relating to it is adduced, or
- (b) a question relating to it is asked,

by him or on his behalf in the proceedings arising out of the prosecution.

Entry, search, etc.

- 3(1) Power to-

- (a) enter any premises in Gibraltar to which the interim order applies, and
- (b) take any of the following steps.

- (2) Those steps are-

- (a) to carry out a search for or inspection of anything described in the order,

- (b) to make or obtain a copy, photograph or other record of anything so described,
 - (c) to remove anything which he is required to take possession of in pursuance of the order or which may be required as evidence in the proceedings under Chapter 2 of Part 5.
- (3) The order may describe anything generally, whether by reference to a class or otherwise.

Supplementary

4. (1) An order making any provision under paragraph 2 or 3 must make provision in respect of legal professional privilege .
- (2) An order making any provision under paragraph 3 may require any person-
- (a) to give the interim receiver or administrator access to any premises which he may enter in pursuance of paragraph 3,
 - (b) to give the interim receiver or administrator any assistance he may require for taking the steps mentioned in that paragraph.

Management

- 5.(1) Power to manage any property to which the order applies.
- (2) Managing property includes-
- (a) selling or otherwise disposing of assets comprised in the property which are perishable or which ought to be disposed of before their value diminishes,
 - (b) where the property comprises assets of a trade or business, carrying on, or arranging for another to carry on, the trade or business,
 - (c) incurring capital expenditure in respect of the property.

SCHEDULE 4

Section 79

POWERS OF TRUSTEE FOR CIVIL RECOVERY

Sale

1. Power to sell the property or any part of it or interest in it.

Expenditure

2. Power to incur expenditure for the purpose of-
 - (a) acquiring any part of the property, or any interest in it, which is not vested in him,
 - (b) discharging any liabilities, or extinguishing any rights, to which the property is subject.

Management

3. (1) Power to manage property.
 - (2) Managing property includes doing anything mentioned in paragraph 5(2) of Schedule 3.

Legal proceedings

4. Power to start, carry on or defend any legal proceedings in respect of the property.

Compromise

5. Power to make any compromise or other arrangement in connection with any claim relating to the property.

Supplementary

6. (1) For the purposes of, or in connection with, the exercise of any of his powers-

(a) power by his official name to do any of the things mentioned in sub-paragraph (2),

(b) power to do any other act which is necessary or expedient.

(2) Those things are-

(a) holding property,

(b) entering into contracts,

(c) suing and being sued,

(d) employing agents,

(e) executing a power of attorney, deed or other instrument.

SCHEDULE 5

Section 94

CONNECTION WITH GIBRALTAR

Unlawful conduct

1. There is a connection where the unlawful conduct occurred entirely or partly in Gibraltar.

Property

2. There has been a connection where the property in question has been in Gibraltar, but only if it was recoverable property in relation to the unlawful conduct for some or all of the time it was there.

3. There is a connection where there is other property in Gibraltar that is recoverable property in relation to the unlawful conduct.

4. There has been a connection where, at any time, there has been other property in Gibraltar that, at the time, was recoverable property in relation to the unlawful conduct.

Person

5. (1) There is or has been a connection where a person described in subparagraph (2)-

(a) is linked to Gibraltar,

(b) was linked to Gibraltar at a time when the unlawful conduct, or some of the unlawful conduct, was taking place, or

(c) has been linked to Gibraltar at any time since that conduct took place.

(2) Those persons are-

- (a) a person whose conduct was, or was part of, the unlawful conduct;
 - (b) a person who was deprived of property by the unlawful conduct;
 - (c) a person who holds the property in question;
 - (d) a person who has held the property in question, but only if it was recoverable property in relation to the unlawful conduct at the time;
 - (e) a person who holds other property that is recoverable property in relation to the unlawful conduct;
 - (f) a person who, at any time, has held other property that was recoverable property in relation to the unlawful conduct at the time.
- (3) A person is linked to Gibraltar if the person is-
- (a) registered in the Register of Gibraltarians,
 - (b) a person domiciled, resident or present in Gibraltar,
 - (c) a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen,
 - (d) a person who, under the British Nationality Act 1981, is a British subject,
 - (e) a British protected person within the meaning of that Act,
 - (f) a body incorporated or constituted under the law of Gibraltar.

Property held on trust

6. (1) There is a connection where the property in question is property held on trust, or an interest in property held on trust, and-
- (a) the trust arises under the law of Gibraltar,
 - (b) the trust is entirely or partly governed by the law of Gibraltar,
 - (c) one or more of the trustees is linked to Gibraltar, or

- (d) one or more of the beneficiaries of the trust is linked to Gibraltar.
- (2) A person is linked to Gibraltar if the person falls within paragraph 5(3).
- (3) "Beneficiaries" includes beneficiaries with a contingent interest in the trust property and potential beneficiaries.

Interpretation

8. "the unlawful conduct" means-

- (a) in a case in which the property in question was obtained through unlawful conduct, that conduct,
- (b) in a case in which the property in question represents property obtained through unlawful conduct, that conduct, or
- (c) in a case in which it is shown that the property in question was obtained through unlawful conduct of one of a number of kinds or represents property so obtained.

EXPLANATORY MEMORANDUM

This Bill incorporates the substance of Parts I-III of the Crime (Money Laundering and Proceeds) Act 2007 but re-defines "criminal conduct" so that the money-laundering regime in sections 2 to 5A of the Act applies to all indictable offences, including drug-trafficking offences; (2) introduces a single, post-conviction confiscation regime by replicating the substance of Part V of the Drug Trafficking Offences Act in Part IV and which, among other things, provides for a court to make a confiscation order without the need for a prosecutor to apply for one; (3) introduces a comprehensive regime for the civil recovery of the proceeds of unlawful conduct in Part V; (4) introduces a regime for investigations to complement existing powers in other enactments in Part VI; and (5) repeals the Crime (Money Laundering and Proceeds) Act 2007, and provides for savings and transitional provisions in Part VIII.

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