SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 4375 of 26 June, 2017

LEGAL NOTICE NO.119 OF 2017.

INTERPRETATION AND GENERAL CLAUSES ACT

PROCEEDS OF CRIME ACT 2015 (AMENDMENT) REGULATIONS 2017

In exercise of the powers conferred upon it by section 23(g)(ii) of the Interpretation and General Clauses Act, and for the purpose of transposing, in part, Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, the Government has made the following Regulations-

Title.

1. These Regulations may be cited as the Proceeds of Crime Act 2015 (Amendment) Regulations 2017.

Commencement.

2. These Regulations come into operation on the day of publication.

Amendment.

3.(1) The Proceeds of Crime Act 2015 is amended in accordance with this regulation.

(2) After section 1 insert the following section-

"**Terrorist finance: interpretation.**

1ZA. In this Act "terrorist financing" means-

(a) the use of funds or other assets, or the making available of funds or assets, by any means, directly or indirectly for the purposes of terrorism; or

(b) the acquisition, possession, concealment, conversion or transfer of funds that are (directly or indirectly) to be used or made available for those purposes,

and cognate expressions shall be construed accordingly.".

(3) In section 1A-

(a) after the definition of "Directive" insert-

""EEA State" means a State party to the European Economic Area Agreement;";

(b) for the definition of "EU FIU" substitute-

""EU FIU" means an FIU established by a Member State of the European Union or an EEA State;";

(c) after the definition of "Minister" insert-

""Member State" means a Member State of the European Union and includes an EEA State;".

(4) In section 1B-

(a) in the two instances where "objectives" appears substitute "functions";

(b) after subsection (4) insert-

"(5) The GFIU shall have access, directly or indirectly, in a timely manner, to the financial, administrative and law enforcement information that the GFIU requires in order to fulfil the duties and functions set out in this Act properly.".

(5) In section 1C-

(a) in the section heading for "**Objectives**" substitute "**Functions**";

(b) in the frontispiece for "objectives" substitute "functions";

(c) in paragraph (a) for "activity" substitute "conduct";

(d) in paragraph (d) after "3A" insert "and section 3B" .

(6) Before section 1DA insert-

"**Reporter to provide additional information.**

1ZDA. Where a person makes a report (including, but not limited to, a disclosure or suspicious activity report in accordance with this or any other enactment) that person must provide the GFIU with such additional information relating to that disclosure as that officer may reasonably request in such form and within such reasonable period as the GFIU may require.".

(7) In section 1DA(1)(a) before "the "reporter"" insert "(".

(8) Section 1DB(2) is amended as follows-

(a) in paragraph (d) for the full-stop substitute a semi-colon;

(b) after paragraph (d) insert-

"(e) the information is motivated by concerns relating to money laundering, an associated predicate offence, or terrorist financing.".

(9) After section 1F(2) insert-

"(3) In exchanging information the GFIU must ensure that the confidentiality of requests is ensured and to that end must use secure channels of communication.".

(10) For section 1G substitute-

"**Forwarding of disclosures.**

1G.(1) When the GFIU receives a disclosure pursuant to section 1ZDA, 2, 3 or 5 of this or any other Act, which concerns a Member State, it shall promptly forward it to the EU FIU of that Member State.

(2) The person appointed in accordance with Article 8(4)(a) of the Directive must also transmit the information it sends to GFIU under subsection (1) in relation to a disclosure to the relevant EU FIU where the relevant financial business is established in a Member State.".

(11) After section 1G insert-

"**Requests from EU FIU's.**

1GA.(1) Where the GFIU receives a request from an EU FIU it shall use the whole range of its available powers which it would normally use domestically for receiving and analysing information and must respond to any such request in a timely manner.

(2) When an EU FIU seeks to obtain additional information from a relevant financial business established in Gibraltar which operates on its territory, the request shall be addressed to the GFIU and it shall transfer requests and answers promptly.".

(12) In section 1H after "addressed to the" insert "EU".

(13) For section 1I(1) substitute-

"1I.(1) Where there are objective grounds for assuming that the provision of information would have a negative impact on ongoing investigations or analyses, or, in exceptional circumstances, where disclosure of the information would be clearly disproportionate to the legitimate interests of a natural or legal person or irrelevant with regard to the purposes for which it has been requested, the GFIU shall be under no obligation to comply with the request for information.".

(14) After section 1I insert-

"**Restrictions and conditions for use.**

1IA.(1) When exchanging information and documents pursuant to sections 1E to 1I, the GFIU may impose restrictions and conditions for the use of that information.

(2) Where the GFIU is the recipient of information and documents from an EU FIU which is subject to restrictions and conditions for the use of that information, the GFIU shall comply with those restrictions and conditions.

(3) Information and documents received pursuant to section 1E to section 1I shall be used by the GFIU for the fulfilment tasks as laid down in the Directive.

Tax crimes.

1IB. The GFIU's ability to exchange information or provide assistance to an EU FIU concerning an offence in connection with taxes or duties, customs and exchange shall not be impeded on the ground that Gibraltar law does not impose the same kind of tax or duty or does not contain a tax, duty, customs and exchange regulation of the same kind as the law of the Member State where the EU FIU is located or where the offence took place.

Use of exchanged information.

1IC.(1) When the GFIU receives information or a document pursuant to sections 1E to 1I, the GFIU shall only use such information or document for the purpose for which it was sought or provided.

(2) The GFIU must seek prior consent from the EU FIU from which it received the information or document referred to in subsection (1) prior to disseminating it to a competent authority, agency or department for a purpose beyond that originally approved by the EU FIU providing the information or document.

(3) A competent authority, agency or department in Gibraltar that receives information or a document from the GFIU shall not

use that information or document for a purpose beyond that for which such information or document was originally supplied.

(4) Where the GFIU receives a request for the dissemination of information or a document exchanged pursuant to sections 1E to 1I from an EU FIU for a purpose beyond that originally approved it must, subject to subsection (5), promptly and to the largest extent possible grant consent to the dissemination of the information or document by the EU FIU to a competent authority, agency or department within the Member State of the EU FIU.

(5) Where the GFIU receives a request for the dissemination of information or documents exchanged pursuant to sections 1E to 1I from an EU FIU, it shall not withhold such consent unless such consent-

(a) would fall beyond the scope of the application of the GFIU's anti-money laundering or counter terrorism financing provisions;

(b) could lead to impairment of a criminal investigation;

(c) would be clearly disproportionate to the legitimate interests of a natural or legal person;

(d) would be clearly disproportionate to the legitimate interests of Gibraltar; or

(e) would not be in accordance with the fundamental principles of Gibraltar law.

(6) Where under subsection (5) the GFIU refuses to consent to the dissemination of information or documents exchanged under sections 1E to 1I, the GFIU must appropriately explain its decision to the EU FIU which sent the request for dissemination of such information or documents.".

(15) For section 1J substitute-

"**Internal cooperation.**

1J.(1) Nothing in this Part shall preclude or prevent the exchange of intelligence between the GFIU and the Royal Gibraltar Police and HM Customs or with the supervisory bodies listed in Part 1 of Schedule 2.

(2) The Royal Gibraltar Police, HM Customs and supervisory authorities must provide the GFIU with information about the use made of the information provided to them by the GFIU and about the outcome of the investigations or inspections performed on the basis of that information.".

(16) After section 1J insert-

"**Feedback.**

1JA. Where practicable, the GFIU must ensure that timely feedback on the effectiveness of and follow-up to reports of suspected money laundering or terrorist financing is provided to relevant financial businesses.".

(17) Section 1K is amended as follows-

(a) in subsection (1)(a) for "activity" substitute "conduct";

(b) in subsection (5) for "this Part" substitute "Part II, this Part or the Money Laundering Directive".

(18) In section 1S after "the words" insert ""EU FIU",".

(19) Section 2 is amended as follows-

(a) in subsection (9) for the definition of "criminal conduct" substitute-

""criminal conduct" has the meaning given to it in section 182;";

(b) in subsection (10) for the definition of "the Money Laundering Directive" substitute-

""the Money Laundering Directive" means Directive (EU) 2015/849 of the European Parliament and of the

Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC; as the same may from time to time be amended.".

(20) After section 3A insert-

"**Suspension of a transaction.**

3B.(1) Where there is a suspicion that a transaction is related to money laundering or terrorist financing, the GFIU may take urgent action in the form of a suspension order to suspend or withhold consent to a transaction that is proceeding.

(2) The GFIU may issue a suspension order, including the information in subsection (3), on a relevant financial business for up to 14 working days in order to analyse the transaction, confirm the suspicion and disseminate the results of the analysis to a competent authority.

(3) A suspension order must specify the following information-

(a) the person or recipient suspected of money laundering or terrorist financing;

(b) the transaction that is to be suspended; or

(c) the property involved in the transaction that is to be suspended; and

(d) the number of days for which the suspension order is valid.

(4) A relevant financial business must comply with the suspension order issued under subsection (2).

(5) If a relevant financial business fails to comply with the suspension order issued under subsection (2) its respective supervisory authority may remove its license or where no supervisory authority exists the magistrates' court may, following an application by GFIU, remove the relevant financial business's license.

(6) A person is guilty of an offence if-

(a) he discloses the fact that a suspension order has been issued under this section; or

(b) he takes or fails to take any action which results in the transaction not being suspended.

(7) A person guilty of an offence under this section is liable-

(a) on summary conviction, to imprisonment for a term not exceeding 6 months or to a fine not exceeding level 5 on the standard scale, or to both;

(b) on conviction on indictment, to imprisonment for a term not exceeding 14 years or to a fine, or to both.

(8) An EU FIU may make a request to the GFIU to suspend a transaction in accordance with subsection (1).

(9) "supervisory authority" means each of the bodies listed in Part I of Schedule 2.".

(21) Section 5 is amended as follows-

(a) after subsection (2) insert-

"(2A) Nothing in subsections (1) and (2) make it an offence for a person to disclose information to the GFIU, a police or customs officer, the appropriate person under section 28 or a supervisory body.";

(b) for subsection (5) substitute-

"(5) A person shall not incur any liability under this section where the disclosure is made between a credit institution or financial institution, or between a credit institution or financial institution and their branches and majority-owned subsidiaries located in third countries, provided that those branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures including procedures for sharing information within in the group, in accordance with Article 45 of the Money Laundering Directive and the group-wide policies and procedures comply with the requirements of the Money Laundering Directive.";

(c) for subsections (6) and (7) substitute-

"(6) Nothing in this section shall prevent a disclosure by a person to whom points (3)(a) and (b) of article 2(1) of the Money Laundering 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 in a third country which imposes requirements that are equivalent to the Money Laundering Directive; and

(c) those persons perform their professional activities, regardless of whether they are employed or self-employed, within different undertakings within the same legal person or larger structure to which the person belongs and which share common ownership, management or compliance control.

(7) Nothing in this section shall prevent the disclosure of information when this is done for the purposes of

preventing money laundering and the following conditions are satisfied–

(a) the disclosure is between a person to whom point (1), (2) or (3)(a) or (b) of article 2(1) of the Money Laundering Directive applies and one or more such persons 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 Laundering 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).";

(d) in subsection (8) for "activity" substitute "conduct";

(e) after subsection (13) insert-

"(14) In this section "group" has the meaning attributed to it in section 7(1).".

(22) Section 6 is repealed.

(23) After section 6 insert-

"**Disclosures to supervisory authorities.**

6A.(1) Supervisory authorities must establish effective and reliable mechanisms to encourage the reporting of potential or actual breaches of Gibraltar law transposing the Money Laundering Directive.

(2) The mechanisms referred to in subsection (1) shall include at least-

(a) specific procedures for the receipt of reports on breaches and their follow-up;

(b) appropriate protection for employees or persons in a comparable position, of a relevant financial business who report breaches committed within the relevant financial business;

(c) appropriate protection for the accused person;

(d) protection of personal data concerning both the person who reports the breaches and the natural person who is allegedly responsible for a breach, in compliance with the principles laid down in the Data Protection Act 2004;

(e) clear rules that ensure that confidentiality is guaranteed in all cases in relation to the person who reports the breaches committed within the relevant financial business, unless disclosure is required by Gibraltar law in the context of further investigations or subsequent judicial proceedings.".

(24) Section 7 is amended as follows-

(a) in subsection (1)-

(i) for the definition of "beneficial owner" substitute-

""beneficial owner" has the meaning given in subsections (1A) to (1C);";

(ii) for the definition of "Consolidated Banking Directive" substitute-

""Consolidated Banking Directive" means Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and

pursuit of the business of credit institutions (recast), as may be amended from time to time;";

(iii) after the definition for "Consolidated Banking Directive" insert-

""correspondent relationship" means-

(a) the provision of banking services by one bank as the correspondent to another bank as the respondent, including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services;

(b) the relationships between and among credit institutions and financial institutions including where similar services are provided by a correspondent institution to a respondent institution, and including relationships established for securities transactions or funds transfers;";

(iv) for the definition of "credit institution" substitute-

""credit institution" means a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council, including branches thereof, as defined in point (17) of Article 4(1) of that Regulation, located in the European Union, whether its head office is situated within the European Union or in a third country;";

(v) for the definition of "Electronic Money Directive" substitute-

""Electronic Money Directive" means Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives

2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC, as the same may be amended from time to time;";

(vi) for the definition of "financial institution" substitute-

""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), (14) and (15) of Annex I to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, including the activities of currency exchange offices (bureaux de change);

(b) an insurance undertaking as defined in point (1) of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), insofar as it carries out life assurance 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;".

(vii) after the definition of "Financial Services Commission" insert-

""gambling services" means a service which involves wagering a stake with monetary value in games of chance, including those with an element of skill such as lotteries, casino games, poker games and betting transactions that are provided at a physical location, or by any means at a distance, by electronic means or any other technology for facilitating communication, and at the individual request of a recipient of services;

"group" means a group of undertakings which consists of a parent undertaking, its subsidiaries, and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a relationship within the meaning of Article 22 of Directive 2013/34/EU;";

(viii) after the definition of "Savings Bank" insert-

""senior management" means an officer or employee with sufficient knowledge of the institution's money laundering and terrorist financing risk exposure and sufficient seniority to take decisions affecting its risk exposure, and need not, in all cases, be a member of the board of directors;";

(b) After subsection (1) insert-

"(1A) In this Act, "beneficial owner" means either or both a natural person who ultimately owns or controls the customer and a natural person on whose behalf a

transaction or activity is being conducted and includes at least-

(a) in the case of corporate or legal entities-

(i) the natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information;

(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under subparagraph (i) is identified, or if there is any doubt that the person identified is the beneficial owner, the natural person who holds the position of senior managing official, the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under subparagraph (i) and this subparagraph;

(b) in the case of trusts-

(i) the settlor;

(ii) the trustee;

(iii) the protector, if any;

(iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;

(v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

(c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, the natural person holding equivalent or similar positions to those referred to in subparagraph (b).

(1B) In the meaning of "beneficial owner" in subregulation (1), a shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person, or by multiple corporate entities, which are under the control of the same natural person, shall be an indication of indirect ownership. Control through other means may be determined, inter alia, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.

(1C) The Minister may by legal notice in the Gazette amend the percentage referred to in subregulation (2) which may be taken as an indication of ownership or control.".

(25) For section 8 substitute-

"**Business relationships.**

8. In this Part "business relationship" means a business, professional or commercial relationship which is connected with the professional activities of a relevant financial business and which is expected, at the time when contact is established, to have an element of duration.".

(26) Section 9(1) is amended as follows-

(a) in paragraph (i)(i)(C) remove the "or" after the semi-colon;

(b) after paragraph (i)(i)(C) insert-

"(D) organisations of contributions necessary for the creation, operation or management of companies;

(E) creation, operation or management of trusts, companies, foundations, or similar structures; or";

(c) for paragraph (k) substitute-

"(k) dealers in all high value goods whenever payment is made or received in cash and in an amount of 10,000 euro or more;";

(d) for paragraph (l) substitute-

"(l) gambling services;";

(e) in paragraph (o) for "2005." substitute "2011.".

(27) After section 9 insert-

"**Extension of provisions to other entities.**

9A. The Minister must, by regulations made pursuant to section 9(3) and in accordance with the risk-based approach, ensure that the scope of this Part is extended in whole or in part to professions and to categories of undertakings, other than the obliged entities referred to in Article 2(1) of the Money Laundering Directive, which engage in activities which are particularly likely to be used for the purposes of money laundering or terrorist financing.

Responsibility for compliance.

9B. A relevant financial business must, where applicable, appoint a director, senior manager or partner, and it shall be that person's duty to ensure compliance with Part II and this Part.".

(28) Section 10 is amended as follows-

(a) in the frontispiece for "means" substitute "shall comprise";

(b) for paragraphs (b) and (c) substitute-

"(b) identifying the beneficial owner and taking reasonable measures, on a risk-sensitive basis, to verify that person's 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, company, foundation or similar legal arrangement, taking reasonable measures to understand the ownership and control structure of the customer; and

(c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship.".

(29) After section 10 insert-

"**Actions through authorised persons.**

10A. A relevant financial business undertaking the tasks set out in section 10(a) and (b) must also verify that any person purporting to act on behalf of the customer is so authorised and identify and verify the identity of that person.".

(30) Section 11 is amended as follows-

(a) after subsection (1)(b) insert-

"(ba) in the case of persons trading in goods, when carrying out occasional transactions in cash amounting to 10,000 euro or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;";

(b) for subsection (1)(c) substitute-

"(c) suspects money laundering or terrorist financing, regardless of any derogation, exemption or threshold;";

(c) in subsection (1)(d) for the full-stop substitute a semi-colon;

(d) after subsection (1)(d) insert-

"(e) constitutes a transfer of funds, as defined in Article 3(9) of Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (1), exceeding 1,000 euro;

(f) for providers of gambling services, upon the collection of winnings, the wagering of a stake, or both, when carrying out transactions amounting to 2,000 euro or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked.";

(e) in subsection (2) after "sensitive basis" insert-

", including at times when the relevant circumstances of a customer change";

(f) in subsection (3)(b) after "terrorist financing" insert-

"that have been identified";

(g) after subsection (4) insert-

"(5) When determining to what extent to apply customer due diligence measures a relevant financial business must, at least, take into account the following list of risk variables-

(a) the purpose of an account or relationship;

(b) the level of assets to be deposited by a customer or the size of transactions undertaken;

(c) the regularity or duration of the business relationship.".

(31) In section 12(2) after "profile" insert ", including where necessary the source of funds".

(32) In section 13 for subsection (4) substitute-

"(4) A credit institution or financial institution involved in life insurance or other investment-related insurance activities must, in addition to the customer due diligence and ongoing monitoring requirements at sections 11 and 12, conduct the following customer due diligence measures on the beneficiaries of life insurance and other investment-related insurance policies, as soon as the beneficiaries are identified or designated-

(a) in the case of beneficiaries that are identified as specifically named persons or legal arrangements, taking the name of the person;

(b) in the case of beneficiaries that are designated by characteristics or by class or by other means, obtaining sufficient information concerning those beneficiaries to satisfy the credit institutions or financial institution that it will be able to establish the identity of the beneficiary at the time of the payout.

(4A) Pursuant to subsection (4)-

(a) the verification of the identity of the beneficiaries shall take place at the time of the payout; and

(b) in the case of assignment, in whole or in part, of the life or other investment-related insurance to a third party, credit institutions and financial institutions aware of the assignment shall identify the beneficial owner at the time of the assignment to the natural or

legal person or legal arrangement receiving for its own benefit the value of the policy assigned.

(4B) Subsection (4C) applies if-

(a) the relevant person is required to apply customer due diligence measures in the case of a trust, a legal entity (other than a body corporate) or a legal arrangement (other than a trust); and

(b) the beneficiaries of that trust, entity or arrangement are designated as a class, or by reference to particular characteristics.

(4C) If this subsection applies, the relevant person must establish and verify the identity of the beneficiary before-

(a) any payment is made to the beneficiary; or

(b) the beneficiary exercises its vested rights in the trust, entity or legal arrangement.".

(33) For section 16 substitute-

"**Simplified customer due diligence.**

16.(1) Where a relevant financial business-

(a) identifies areas of lower risk; and

(b) has ascertained that the business relationship or the transaction presents a lower degree of risk,

it may, in accordance with this section apply simplified customer due diligence measures.

(2) Nothing in this section is to be construed as derogating from the need to undertake sufficient monitoring of the transactions and business relationships to enable the detection of unusual or suspicious transactions or from the provisions of section 12.

(3) When assessing the risks of money laundering and terrorist financing relating to types of customers, geographic areas, and particular products, services, transactions or delivery channels, a relevant financial business must take into account at least the factors of potentially lower risk situations set out in Schedule 6.

(4) In the case of credit institutions and financial institutions, these shall in addition, have regard to guidelines issued by the Commission pursuant to Article 17 of the Money Laundering Directive.".

(34) For section 17 substitute-

"**Enhanced customer due diligence measures: application.**

17.(1) Relevant financial business must apply enhanced due diligence measures to appropriately manage and mitigate risks-

(a) in the cases referred to in Articles 19 to 24 of the Money Laundering Directive;

(b) when dealing with natural persons or legal entities established in third countries identified by the European Commission as high risk third countries; and

(c) in other cases of higher risk identified-

(i) by the relevant financial business; or

(ii) by the Minister by notice in the Gazette.

(2) Notwithstanding subsection (1), enhanced customer due diligence measures need not be invoked automatically with respect to branches or majority-owned subsidiaries of obliged entities established in the European Union which are located in high-risk third countries, where those branches or majority-owned subsidiaries fully comply with the group-wide policies and procedures in accordance with Article 45 of the Money Laundering Directive, and such cases must be handled on a risk sensitive basis.

(3) A relevant financial business must examine, as far as reasonably possible, the background and purpose of all complex and unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose, in particular, a relevant financial business shall increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear suspicious.

(4) When assessing the risks of money laundering and terrorist financing, a relevant financial business must take into account at least the factors of potentially higher-risk situations set out in Schedule 7, which reproduces Annex III to the Money Laundering Directive.

(5) A relevant financial business must have regard to a guidance issued by the European Commission pursuant to Article 18(4) of the Money Laundering Directive where that guidance is aimed at the sector that the relevant financial business operates in.

Enhanced customer due diligence: correspondent relationships 3rd country.

17A.(1) With respect to cross-border correspondent relationships with a third-country respondent institution, in addition to the customer due diligence measures laid down in Article 13 of the Money Laundering Directive, a relevant financial business which is a credit institution or a financial institutions must-

(a) gather sufficient information about the respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision;

(b) assess the respondent institution’s anti-money laundering and combatting of terrorist financing controls;

(c) obtain approval from senior management before establishing new correspondent relationships;

(d) document the respective responsibilities of each institution;

(e) with respect to payable-through accounts, be satisfied that the respondent institution has verified the identity of, and performed ongoing due diligence on, the customers having direct access to accounts of the correspondent institution, and that it is able to provide relevant customer due diligence data to the correspondent institution, upon request.".

(35) Section 18 is amended as follows-

(a) for "here the customer" substitute "Where the customer";

(b) in paragraph (b) after "credit" insert "institution".

(36) In the frontispiece of section 19 after "must" insert ", in addition to the customer due diligence requirements under sections 10 to 13".

(37) Section 20 is amended as follows-

(a) in the frontispiece, after "must" insert ", in addition to the customer due diligence requirements under sections 10 to 13";

(b) in subsection (1)(a) after "establishing" insert "or continuing";

(c) for subsection (2) substitute-

"(2) Subsection (1) and section 20B applies to family members and persons known to be close associates of politically exposed persons as though such persons are themselves politically exposed persons.".

(38) After section 20 insert-

"**Politically exposed person: interpretation.**

20A. For the purposes of this Part-

"family members" includes the following-

(a) the spouse, or a person considered to be equivalent to a spouse, of a politically exposed person;

(b) the children and their spouses, or persons considered to be equivalent to a spouse, of a politically exposed person;

(c) the parents of a politically exposed person;

"persons known to be close associates" means-

(a) natural persons who are known to have joint beneficial ownership of legal entities or legal arrangements, or any other close business relations, with a politically exposed person;

(b) natural persons who have sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the de facto benefit of a politically exposed person;

"politically exposed person" means a natural person who is or who has been entrusted with prominent public functions and includes the following-

(a) heads of State, heads of government, ministers and deputy or assistant ministers;

(b) members of parliament or of similar legislative bodies;

(c) members of the governing bodies of political parties;

(d) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances;

(e) members of courts of auditors or of the boards of central banks;

(f) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;

(g) members of the administrative, management or supervisory bodies of State-owned enterprises;

(h) directors, deputy directors and members of the board or equivalent function of an international organisation,

but no public function referred to in paragraphs (a) to (h) shall be understood as covering middle-ranking or more junior officials;

Politically exposed person: continuing obligations.

20B. Where a politically exposed person is no longer entrusted with a prominent public function by a Member State or a third country, or with a prominent public function by an international organisation, a relevant financial business must, for at least 12 months after ceasing to be so entrusted, take into account the continuing risk posed by that person and to apply appropriate and risk-sensitive measures until such time as that person is deemed to pose no further risk specific to politically exposed persons.".

(39) Section 21 is amended as follows-

(a) in subsection (1) after "credit" insert "institution";

(b) in subsection (2) after "credit" insert "institution";

(c) after subsection (2) insert-

"(2A) If the additional measures referred to in subsection (2)(b) are not sufficient, the supervisory authority shall exercise additional supervisory actions, including requiring that the group does not establish or that it terminates business relationships, and does not undertake transactions and, where necessary,

requesting the group to close down its operations in the third country.".

(40) Section 22 is amended as follows-

(a) in subsections (1) and (2) after "credit institution" insert "or financial institution";

(b) in subsection (3) after "credit" insert "institution";

(c) after subsection (3) insert-

"(3A) A credit institution or financial institution which seeks to carry on business in Gibraltar must subject the owner and beneficiary of an existing anonymous account or anonymous passbook to customer due diligence measures as soon as possible and in any event before such account or passbook is used in any way.

(3B) Supervisory authorities shall publish such guidance as they consider necessary to prevent the misuse of bearer shares and bearer share warrants.";

(d) for subsection (4) substitute-

"(4) A "shell bank" means a credit institution or financial institution, or an institution that carries out equivalent activities to those carried out by credit institutions and financial institutions, 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.".

(41) Section 23 is amended as follows-

(a) in the frontispiece of subsection (1), after "measures" insert "and record keeping requirements";

(b) after subsection (1) insert-

"(1A) Subsection (1) shall not be construed as permitting reliance on a third party that is established in a high risk third country.

(1B) Subsection (1A) does not apply to branches and majority-owned subsidiaries of obliged entities established in the European Union from where those branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures in accordance with Article 45 of the Money Laundering Directive.";

(c) in subsection (2) for the three instances where "credit" appears substitute "credit institution";

(d) in subsection (2)(c)(iii) for "V of that directive" substitute "VI of the Money Laundering Directive";

(e) in subsection (2)(d)(iii) for "the Money Laundering Directive" substitute "section 2 of Chapter VI of the Money Laundering Directive";

(f) in subsection (2)(d)(iv) for "V" substitute "VI";

(g) in subsection (4) after "such measures" insert "but this section does not apply to outsourcing or agency relationships where, on the basis of a contractual arrangement, the outsourcing service provider or agent is to be regarded as part of the obliged entity.".

(42) After section 23 insert-

"**Reliance: additional provisions.**

23A. A relevant financial business that is part of a group may be considered to have complied with the provisions adopted pursuant to sections 23 and 25(5) of this Act through its group programme if-

(a) the relevant financial business relies on information provided by a person that is part of the same group;

(b) that group applies customer due diligence measures, rules on record-keeping and programmes against money laundering and terrorist financing in accordance with this Act or equivalent rules;

(c) the effective implementation of the requirements referred to in paragraph (b) is supervised at group level by a supervisory authority in Gibraltar or a supervisory authority in the third country.".

(43) Section 25 is amended as follows-

(a) for subsection (2) substitute-

"(2) The records are-

(a) a copy of, the documents and information which are necessary, the evidence of the customer's identity obtained pursuant to sections 10A, 11, 12, 13, 14, 16, 17, 17A, 18, 19, 20, 20B or 22(3);

(b) the supporting evidence and records of transactions (consisting of the original documents or copies) necessary to identify transactions in respect of a business relationship or occasional transaction which is the subject of customer due diligence measures or ongoing monitoring.";

(b) for subsection (4) substitute-

"(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 10A, 11, 12, 13, 14, 16, 17, 17A, 18, 19, 20, 20B or 22 in relation to any business relationship or occasional transaction.";

(c) after subsection (9) insert-

"(10) Upon expiry of the retention periods referred to in this section personal data shall be deleted, unless-

(a) retention is required by another enactment; or

(b) where the Minister by Order provides for the retention of records specified in that Order.

(11) The Minister must not make an Order under subsection (10)(b) unless there has been carried out a thorough assessment of the necessity and proportionality of such further retention and the Minister considers it to be justified as necessary for the prevention, detection or investigation of money laundering or terrorist financing.

(12) An order under subsection (10)(b) cannot require retention of records for a period exceeding 5 years.".

(44) After section 25 insert-

"**Record keeping and legal proceedings.**

25ZA.(1) A relevant financial business may retain, until the 25 June 2020 the information and documents which are necessary evidence of the customer's identity obtained pursuant to sections 10A, 11, 12, 13, 14, 16, 17, 17A, 18, 19, 20, 20B or 22(3), where this information is related to legal proceedings which commenced prior to 25 June 2015.

(2) Upon expiry of the retention periods referred to in this section personal data shall be deleted, unless-

(a) retention is required by another enactment; or

(b) where the Minister by Order provides for the retention of the information and documents specified in that Order.

(3) The Minister must not make an Order under subsection (2)(b) unless there has been carried out a thorough assessment of the

necessity and proportionality of such further retention and the Minister considers it to be justified as necessary for the prevention, detection or investigation of money laundering or terrorist financing.

(4) An order under subsection (2)(b) cannot require retention of information and documents for a period exceeding 5 years.

Risk assessment.

25A.(1) Subject to subsection (4), a relevant financial business must take appropriate steps to identify and assess the risks of money laundering and terrorist financing, taking into account risk factors including those relating to their customers, countries or geographic areas, products, services, transactions or delivery channels, and any information that is made available to the relevant financial business pursuant to the National Coordinator for Anti-Money Laundering and Combatting Terrorist Financing Regulations 2016.

(2) The steps referred to in subsection (1) must be proportionate to the nature and size of the relevant financial business.

(3) The risk assessment referred to in subsection (1) must be documented, kept up-to-date and made available to the relevant competent authorities concerned.

(4) A competent authority may decide that individual documented risk assessments are not required where the specific risks inherent in the sector are clear and understood, and where that competent authority takes such a decision it shall ensure that the relevant financial businesses which it supervises are informed accordingly.".

(45) Section 26 is amended as follows-

(a) for the frontispiece of subsection (1) substitute-

"(1) A relevant financial business must establish and maintain appropriate and risk-sensitive policies, controls and procedures, proportionate to its nature and size, relating to–";

(b) for subsection (1)(f) substitute-

"(f) compliance management including, where appropriate with regard to the size and nature of the business the allocation of overall responsibility for the

establishment and maintenance of effective systems of control to a compliance officer at management level (being a director or senior manager); and";

(c) after subsection(1)(f) insert-

"(g) employee screening.";

(d) after subsection (1) insert-

"(1A) A relevant financial business must ensure that an independent audit is undertaken for the purposes of testing the policies controls and procedures referred to in subsection (1) and the frequency and extent of the audit shall be proportionate to the size and nature of the business.

(1B) A relevant financial business that has branches or subsidiaries must implement group-wide policies and procedures for sharing information within the group, to the extent permitted under the Data Protection Act 2004.

(1C) Any sharing of information under subsection (1B) may only be used for the purposes of anti-money laundering and combatting terrorist financing.";

(e) for subsection (2)(c) substitute-

"(c) to determine whether a customer or a beneficial owenr of a customer is a politically exposed person by way of the provision of appropriate risk management systems, including risk-based procedures;";

(f) after subsection (2) insert-

"(2A) The policies and procedures implemented for the purposes of compliance with subsection (2)(d), where they concern the determination whether the beneficiary of a life or other investment-related insurance policy or, if appropriate, the beneficial owner of the beneficiary, is a politically exposed

person then the policies and procedures must be implemented no later than at the time of the payout or at the time of the assignment, in whole or in part, of the policy, and where there are higher risks identified, in addition to applying the customer due diligence measures laid down in sections 10 to 13, a relevant financial business must-

(a) ensure that senior management is informed before payout of policy proceeds;

(b) conduct enhanced scrutiny of the entire business relationship with the policyholder.";

(g) in subsection (4) after "credit" insert "institution";

(h) in subsection (5) after "credit" insert "institution";

(i) after subsection (5) insert-

"(5A) A credit institution or financial business that has branches or majority-owned subsidiaries located in third countries, where the minimum anti-money laundering and terrorist financing requirements are less strict that those applied in Gibraltar, shall ensure that the level of requirements expected in Gibraltar is applied, to the extent that the third country's law so allows.";

(j) in subsection (6), in the definition of "politically exposed person" for "20(2)" substitute "20A".

(46) After section 26 insert-

"**Approval of policies, controls and procedures.**

26A. The policies, controls and procedures referred to in section 26 must not be implemented without the prior approval of senior management.".

(47) For section 27 substitute-

"**Training.**

27.(1) A relevant financial business must take appropriate measures, having regard to the risks, the nature of the business and its size, so that its employees are–

(a) made aware of-

(i) the law relating to money laundering and terrorist financing; and

(ii) relevant data protection requirements; 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.

(2) Where a natural person falling within section 9(1)(g) or (i) performs his professional activities as an employee of a legal person, the obligations in this section shall apply to that legal person rather than to the natural person.".

(48) For section 28 substitute-

"**Internal reporting procedures.**

28.(1) A group must have in place internal reporting procedures for the purposes of receiving disclosures about knowledge or suspicions of money laundering or terrorist financing that may be taking place in regards to activities related to the group.

(2) 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.

(3) Information about money laundering and terrorist financing received under this section may be shared between the group unless instructed otherwise by the GFIU.".

(49) After section 30(2) insert-

"(3) With respect to relevant financial businesses referred to in section 9(1)(g) to (i) (with the exception of insolvency practitioners), measures taken under this section shall include those necessary to prevent persons convicted of a relevant offence or their associates from holding a management function in, or being a beneficial owner of, those businesses.

(4) Where an obliged entity as defined under article 2(1) of the Money Laundering Directive operates an establishment in Gibraltar, the supervisory authority shall supervise the relevant establishment.

(5) In the case of an establishment referred to in article 49(9) of the Money Laundering Directive, the supervision referred to in subsection (4) may include the taking of appropriate and

proportionate measures to address serious failings that require immediate remedies, and such measures shall be temporary and be terminated when the failings identified are addressed.

(6) Measures taken under subsection (5) may be taken with the assistance of, or in cooperation with, competent authorities of the home EEA State of the obliged entity.".

(50) After section 30 insert-

"**Supervisory authorities: duty to inform GFIU.**

30A. Where a supervisory authority, in the course of checks carried out on persons for whom it is the supervisory authority or in any other way, discovers facts that could be related to money laundering or to terrorist financing, it shall promptly inform the GFIU.

Secure communication systems.

30B.(1) A relevant financial business must have systems in place which allow for full and speedy responses to a request from the GFIU, a law enforcement authority or a supervisory authority in relation to whether the relevant financial business maintains or has maintained a business relationship with a specified person in the 5 years prior to the request.

(2) The systems referred to in subsection (1) must be secure channels of communication that ensure full confidentiality of the enquiries.

Criminal checks.

30C.(1) A supervisory authority must, when carrying out checks to ensure that a person is fit and proper, make enquiries of the Commissioner of Police under the Exchange of Criminal Records Regulations 2014, to evaluate whether-

(a) a person who is or intends to be-

(i) a controller of a relevant financial business;

(ii) a beneficial owner of a relevant financial business; or

(iii) a shareholder of a relevant financial business;

(b) a person who holds or intends to hold a senior management position in a relevant financial business; or

(c) an associate of a person under either paragraphs (a) or (b),

has a relevant criminal conviction.

(2) Where the person referred to in subsection (1) is a national of a Member State, the Commissioner of Police must make such enquiries as necessary under regulation 7 of the Exchange of Criminal Records Regulations 2014.

(3) For the purposes of subsection (2), regulations 7(2) and 7(3) of the Exchange of Criminal Records Regulations 2014 shall be substituted for the following-

"(2) The Commissioner may, subject to any provision made in any other enactment, make a request for information on a person's criminal record under subregulation (1) if he receives a request for information from a supervisory authority in relation to a national of a Member State suspected or accused of money laundering or terrorist financing.".

(4) Where the person referred to in subsection (1) is a Gibraltarian, the Commissioner of Police must inspect the conviction register held by the Royal Gibraltar Police and provide the supervisory authority with such information.

(5) Requests under this section may be made using the form set out in Schedule 1 to the Exchange of Criminal Records Regulations 2014 as a guide.

(6) Subject to subsection (7), the Commissioner of Police must reply to a request for information from a supervisory authority under this section within 14 working days of receipt of such request.

(7) Where the Commissioner of Police requires further information in order to carry out a request successfully, he shall contact the supervisory authority for the further information required, before the expiry of the 14 working days referred to in subsection (6), and must reply to the supervisory authority within 10 working days from the date the further information was received.

(8) In this section-

"conviction register" means the record of criminal convictions maintained by the Royal Gibraltar Police;

"Gibraltarian" means a person registered as such under the Gibraltarian Status Act; and

"supervisory authority" means each of the bodies listed in Part I of Schedule 2.".

(51) After section 34 insert-

"**Data protection.**

34A.(1) A data subjects rights under the Data Protection Act 2004, subject to any limitations therein provided for, are not affected by anything in this Act unless there is a provision in this Act specifying otherwise.

(2) Personal data shall be processed by relevant financial business on the basis of Part II and this Part only for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 of the Money Laundering Directive and shall not be further processed in a way that is incompatible with those purposes.

(3) The processing of personal data on the basis of Part IA, Part I, Part II, this Part or the Money Laundering Directive for any other purposes, such as commercial purposes, is prohibited.

(4) Relevant financial businesses must provide new clients with the information required pursuant to section 10 of the Data Protection Act 2004 before establishing a business relationship or carrying out an occasional transaction and must, in particular, include a general notice concerning the legal obligations to process personal data for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 of the Money Laundering Directive.

(5) Notwithstanding subsection (1) the prohibition on tipping off as regards the customer set out in section 5, a data subject's right of access to personal data relating to him shall be lawfully partially or fully restricted where such partial or complete restriction is necessary and proportionate to-

(a) enable the relevant financial business or supervisory body to fulfil its tasks properly for the purposes of this Act or the Money Laundering Directive; or

(b) avoid obstructing official or legal inquiries, analyses, investigations or procedures for the purposes of this Act or the Money Laundering Directive and to ensure that the prevention, investigation and detection of money laundering and terrorist financing is not jeopardised.".

(52) In section 179(4)(b) for "134" substitute "146".

(53) In section 182(1) for "Criminal conduct" substitute "In this Act "criminal conduct".

(54) Section 183 is amended as follows-

(a) for subsection (1) substitute-

"(1) In this Act "Property" means assets of any kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal

documents or instruments in any form including electronic or digital, evidencing title to or an interest in such assets.";

(b) after subsection (5) insert-

"(5A) In this Act "third country" means a country or territory outside the EEA.";

(c) in subsection (7) for "117" substitute "70".

(55) Schedule 1 is repealed.

(56) After Schedule 5 insert-

"**SCHEDULE 6**

Section 16(3)

THIS SCHEDULE REPRODUCES
ANNEX II OF THE MONEY LAUNDERING DIRECTIVE

The following is a non-exhaustive list of factors and types of evidence of potentially lower risk referred to in Article 16:

(1) Customer risk factors-

(a) public companies listed on a stock exchange and subject to disclosure requirements (either by stock exchange rules or through law or enforceable means), which impose requirements to ensure adequate transparency of beneficial ownership;

(b) public administrations or enterprises;

(c) customers that are resident in geographical areas of lower risk as set out in point (3).

(2) Product, service, transaction or delivery channel risk factors-

(a) life insurance policies for which the premium is low;

(b) insurance policies for pension schemes if there is no early surrender option and the policy cannot be used as collateral;

(c) a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages, and the scheme rules do not permit the assignment of a member's interest under the scheme;

(d) financial products or services that provide appropriately defined and limited services to certain types of customers, so as to increase access for financial inclusion purposes;

(e) products where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership (e.g. certain types of electronic money).

(3) Geographical risk factors-

(a) Member States;

(b) third countries having effective AML/CFT systems;

(c) third countries identified by credible sources as having a low level of corruption or other criminal activity;

(d) third countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat money laundering and terrorist financing consistent with the revised FATF Recommendations and effectively implement those requirements.

SCHEDULE 7

Section 17(4)

THIS SCHEDULE REPRODUCES ANNEX III OF THE MONEY LAUNDERING DIRECTIVE

The following is a non-exhaustive list of factors and types of evidence of potentially higher risk referred to in Article 18(3):

(1) Customer risk factors-

(a) the business relationship is conducted in unusual circumstances;

(b) customers that are resident in geographical areas of higher risk as set out in point (3);

(c) legal persons or arrangements that are personal asset-holding vehicles;

(d) companies that have nominee shareholders or shares in bearer form;

(e) businesses that are cash-intensive;

(f) the ownership structure of the company appears unusual or excessively complex given the nature of the company's business;

(2) Product, service, transaction or delivery channel risk factors-

(a) private banking;

(b) products or transactions that might favour anonymity;

(c) non-face-to-face business relationships or transactions, without certain safeguards, such as electronic signatures;

(d) payment received from unknown or unassociated third parties;

(e) new products and new business practices, including new delivery mechanism, and the use of new or developing technologies for both new and pre-existing products;

(3) Geographical risk factors-

(a) without prejudice to Article 9, countries identified by credible sources, such as mutual evaluations, detailed assessment reports or published follow-up reports, as not having effective AML/CFT systems;

(b) countries identified by credible sources as having significant levels of corruption or other criminal activity;

(c) countries subject to sanctions, embargos or similar measures issued by, for example, the Union or the United Nations;

(d) countries providing funding or support for terrorist activities, or that have designated terrorist organisations operating within their country.".

Dated 26th June, 2017.

A J ISOLA,
Minister with responsibility for financial services,
for the Government.

EXPLANATORY MEMORANDUM

These Regulations transpose, in part, Directive (EU) 2015/849 (the 4th Anti-Money Laundering Directive).