Economic Crime and Corporate Transparency Act 2023

CHAPTER 56

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately

£53.28

ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023

tso
a Williams Lea company

Published by TSO (The Stationery Office), a Williams Lea company, and available from:

Online
www.tsoshop.co.uk

Mail, Telephone & E-mail
TSO
PO Box 29, Norwich, NR3 1GN
Telephone orders/General enquiries: 0333 202 5070
E-mail: customer.services@tso.co.uk
Textphone: 0333 202 5077

ISBN 978-0-10-570235-1

9 780105 702351



Economic Crime and Corporate Transparency Act 2023

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Economic Crime and Corporate Transparency Act 2023

2023 CHAPTER 56

An Act to make provision about economic crime and corporate transparency; to make further provision about companies, limited partnerships and other kinds of corporate entity; and to make provision about the registration of overseas entities. [26th October 2023]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

COMPANIES ETC

The registrar of companies

1 The registrar's objectives

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (2), at the appropriate place insert—

"section 1081A (registrar's objectives to promote integrity of registers etc),".

(3) After section 1081 insert—

"1081A Registrar's objectives to promote integrity of registers etc

(1) The registrar must, in performing the registrar's functions, seek to promote the following objectives.

Objective 1

Objective 1 is to ensure that any person who is required to deliver a document to the registrar does so (and that the requirements for proper delivery are complied with).

Objective 2

Objective 2 is to ensure that information contained in the register is accurate and that the register contains everything it ought to contain.

Objective 3

Objective 3 is to ensure that records kept by the registrar do not create a false or misleading impression to members of the public.

Objective 4

Objective 4 is to prevent companies and others from—

(a) carrying out unlawful activities, or

(b) facilitating the carrying out by others of unlawful activities.

(2) In Objective 2 the reference to "the register" includes any records kept by the registrar under any enactment."

Company formation

2 Statement as to lawful purposes

In section 9 of the Companies Act 2006 (registration documents), in subsection (2)—

(a) omit the "and" at the end of paragraph (c);

(b) at the end of paragraph (d) insert ", and

(e) that the subscribers wish to form the company for lawful purposes."

3 Information about subscribers

(1) The Companies Act 2006 is amended as follows.

(2) In section 9 (registration documents)—

(a) after subsection (3) insert—

"(3A) The application must contain—

(a) a statement of the required information about each of the subscribers to the memorandum of association (see section 9A),

(b) a statement that none of the subscribers to the memorandum of association is disqualified under the directors disqualification legislation (see section 159A(2)),

(c) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying—

(i) the subscriber's name,
(ii) the court by which permission was given, and
(iii) the date on which permission was given, and

(d) if any of them would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying—
(i) the subscriber's name, and
(ii) the date on which it was issued and by whom it was issued.";

(b) after subsection (6) insert—

"(7) In subsection (3A)(c) "permission of a court to act" means permission of a court under a provision mentioned in column 2 of the table in section 159A(2)."

(3) After section 9 insert—

"9A Required information about the subscribers

(1) The required information about a subscriber who is an individual is—
(a) name;
(b) a service address.

(2) The required information about a subscriber that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—
(a) corporate or firm name;
(b) a service address.

(3) In subsection (1) "name" means the individual's forename and surname.

(4) Where a subscriber is a peer or an individual usually known by a title, that title may be stated in the application for the registration of the company instead of the subscriber's forename and surname.

(5) The Secretary of State may by regulations—
(a) amend this section so as to change the required information about a subscriber;
(b) repeal subsection (4).

(6) Regulations under this section are subject to affirmative resolution procedure."

(4) In section 10 (statement of capital and initial shareholdings), omit subsection (3).

(5) In section 11 (statement of guarantee), omit subsection (2).

4 Proposed officers: identity verification

(1) Section 12 of the Companies Act 2006 (statement of proposed officers) is amended as follows.

(2) After subsection (2) insert—

"(2A) The statement must, in the case of each individual named as a director, confirm that the individual's identity is verified (see section 1110A)."

(3) The provision that may be made under section 220(1) in connection with the coming into force of this section includes—

(a) provision requiring a company incorporated in pursuance of an application delivered before the coming into force of this section to deliver to the registrar, at the same time as a confirmation statement, a statement, in respect of any individual who became a director of the company on its incorporation, confirming that the individual's identity is verified (within the meaning of section 1110A of the Companies Act 2006), and

(b) provision for section 853A(1)(b)(i) of the Companies Act 2006 (as substituted by section 59 of this Act) to have effect as if it included a reference to any duty imposed by virtue of paragraph (a).

(4) In subsection (3)—

"confirmation statement" has the meaning given by section 853A of the Companies Act 2006;

"the registrar" has the same meaning as in the Companies Acts (see section 1060 of the Companies Act 2006).

5 Proposed officers: disqualification

(1) The Companies Act 2006 is amended as follows

(2) In section 12 (statement of proposed officers), at the end insert—

"(4) The statement must also include a statement by the subscribers to the memorandum of association that no one named as a director is—

(a) disqualified under the directors disqualification legislation (see section 159A(2)), or

(b) otherwise ineligible by virtue of any enactment for appointment as a director.

(5) Where any of the persons named as directors would be disqualified under the directors disqualification legislation but for the permission of a court to act, the statement must also include a statement to that effect, in respect of each of them, specifying—

(a) the person's name,

(b) the court by which permission was given, and

(c) the date on which permission was given.

(6) In subsection (5) "permission of a court to act" means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).

(7) Where any of the persons named as directors would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of

the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, the statement must also include a statement to that effect, in respect of each of them, specifying—

(a) the person's name, and

(b) the date on which the licence was issued and by whom it was issued."

(3) In section 16 (effect of registration), in subsection (6), at the end insert "unless ineligible for appointment to that office by virtue of any enactment".

6 Persons with initial significant control: disqualification

(1) Section 12A of the Companies Act 2006 (statement of initial significant control) is amended as follows.

(2) After subsection (1) insert—

"(1A) If there is anyone who will be a registrable person, or a registrable relevant legal entity, in relation to the company on incorporation, the statement must also include—

(a) a statement that none of them is disqualified under the directors disqualification legislation (see section 159A(2)),

(b) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying—

(i) the person's name,

(ii) the court by which permission was given,

(iii) the date on which permission was given, and

(c) if any of them would be so disqualified by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying—

(i) the person's name, and

(ii) the date on which the licence was issued and by whom it was issued."

(3) For subsection (4) substitute—

"(4) In this section—

"permission of a court to act" means permission of a court under a provision mentioned in column 2 of the table in section 159A(2);

"registrable person" has the meaning given by section 790C (see also section 790J);

"registrable relevant legal entity" has the meaning given by section 790C (see also section 790J);

"required particulars" has the meaning given by section 790K."

7 Persons with initial significant control: identity verification

After section 12A of the Companies Act 2006 insert—

"12B Option to provide ID verification information about PSCs

(1) This section applies if an application for the registration of a company contains a statement of initial significant control that identifies a person who will be a registrable person, or a registrable relevant legal entity, in relation to the company on its incorporation.

(2) In relation to any person who will be a registrable person, the statement may include a statement that the person's identity is verified (see section 1110A).

(3) In relation to any person who will be a registrable relevant legal entity, the statement may include a statement that—

(a) specifies the name of one of its relevant officers (within the meaning given by section 790LO(6)) who is an individual and whose identity is verified, and

(b) confirms that the individual's identity is verified.

(4) If a statement under subsection (3) is included in relation to a person who will be a registrable relevant legal entity, the application for registration of the company must be accompanied by a statement by the individual confirming that the individual is a relevant officer of that entity.

(5) To find out what happens if the option in subsection (2) or (3) is not exercised, see sections 790LM and 790LO.

(6) In this section—

"registrable person" has the meaning given by section 790C, except that it does not include a person mentioned in section 790C(12)(a) to (d) (see also section 790J);

"registrable relevant legal entity" has the meaning given by section 790C (see also section 790J)."

Company names

8 Names for criminal purposes

(1) The Companies Act 2006 is amended as follows.

(2) After section 53 insert—

"53A Names for criminal purposes

A company must not be registered under this Act by a name if, in the opinion of the Secretary of State, the registration of the company by that name is intended to facilitate—

(a) the commission of an offence involving dishonesty or deception, or

(b) the carrying out of conduct that, if carried out in any part of the United Kingdom, would amount to such an offence."

(3) In section 1047 (registered name of overseas company), in subsection (4), after

paragraph (a) insert—

"(aa) section 53A (names for criminal purposes);".

9 Names suggesting connection with foreign governments etc

(1) The Companies Act 2006 is amended as follows.

(2) After section 56 insert—

"56A Names suggesting connection with foreign governments etc

A company must not be registered under this Act by a name that, in the opinion of the Secretary of State, would be likely to give the false impression that the company is connected with—

(a) a foreign government or an agency or authority of a foreign government, or

(b) an international organisation whose members include two or more countries or territories (or their governments)."

(3) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (b) insert—

"(bza) section 56A (names suggesting connection with foreign governments etc);".

10 Names containing computer code

(1) The Companies Act 2006 is amended as follows.

(2) After section 57 insert—

"Computer code

57A Names containing computer code

A company must not be registered under this Act by a name that, in the opinion of the Secretary of State, consists of or includes computer code."

(3) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (ba) insert—

"(bb) section 57A (names containing computer code);".

11 Prohibition on re-registering name following direction

(1) The Companies Act 2006 is amended as follows.

(2) After section 57A (inserted by section 10 of this Act) insert—

"Prohibitions where a company has been required to change a name

57B Prohibition on re-registering name following direction

(1) Where a company's name has at any time been changed following a direction under section 67, 75, 76, 76A or 76B, or an order under section 73, the company must not subsequently be registered under this Act by the original name or a name that is similar to it.

(2) But subsection (1) does not prevent the registration of the company by any name approved by the Secretary of State.

(3) In subsection (1)—

(a) the reference to the name of a company being changed following a direction under a particular section includes a case where a new name is determined for the company under section 76D because of its failure to comply with the direction;

(b) the reference to the name of a company being changed following an order under section 73 includes a case where a new name is determined for the company under section 73(4) because of its failure to comply with an order."

(3) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (bb) (inserted by section 10 of this Act) insert—

"(bc) section 57B (restriction on re-registering name following direction)."

12 Prohibition on using name that another company has been directed to change

(1) The Companies Act 2006 is amended as follows.

(2) After section 57B (inserted by section 11 of this Act) insert—

"57C Name that another company has been directed to change

(1) Where a company has at any time been directed under section 67, 75, 76, 76A or 76B, or ordered under section 73, to change its name, no other company may be registered under this Act by that name or a name that is similar if—

(a) that company is an existing company and there is a person who has, or has had, a relevant relationship with both companies, or

(b) an application has been made for the registration of that company and, if it is registered, there will on its incorporation be a person who has, or has had, a relevant relationship with both companies.

(2) But subsection (1) does not prevent the registration of the company by any name approved by the Secretary of State.

(3) For the purposes of subsection (1) it is irrelevant whether the person has, or has had, a relevant relationship with both companies at the same time.

(4) For the purposes of this section a person has a "relevant relationship" with a company if the person is—

(a) an officer, or

(b) a member or former member.

(5) In subsection (1)—

(a) the reference to the name of a company being changed following a direction under a particular section includes a case where a new name is determined for the company under section 76D because of its failure to comply with the direction;

(b) the reference to the name of a company being changed following an order under section 73 includes a case where a new

name is determined for the company under section 73(4) because of its failure to comply with an order."

(3) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (bc) (inserted by section 11 of this Act) insert—

"(bd) section 57C (names that another company has been directed to change);".

13 Directions to change name: period for compliance

(1) The Companies Act 2006 is amended as follows

(2) In section 64 (power to direct change of name in case of company ceasing to be entitled to exemption), after subsection (2) insert—

"(2A) The period must be a period of at least 28 days beginning with the date of the direction.

(2B) The Secretary of State may by further direction in writing extend the period.

Any such direction must be given before the end of the period for the time being specified."

(3) In section 68 (direction to change name in case of similarity to existing name: supplementary provisions), after subsection (2) insert—

"(2A) The period must be a period of at least 28 days beginning with the date of the direction."

(4) In section 75 (provision of misleading information etc), after subsection (2) insert—

"(2A) The period must be at least 28 days beginning with the date of the direction."

(5) In section 76 (misleading indication of activities)—

(a) for subsections (2) and (3) substitute—

"(2) The direction must be in writing and must specify the period within which the company is to change its name.

(3) The period must be a period of at least 28 days beginning with the date of the direction.

(3A) The Secretary of State may by further direction in writing extend the period.

Any such direction must be given before the end of the period for the time being specified.";

(b) for subsection (4) substitute—

"(4) A company may apply to the court to set aside a direction under subsection (1).

(4A) Any application under subsection (4) must be made within the period of three weeks beginning with the date of the direction."

(c) after subsection (5) insert—

"(5A) If a company applies to the court under subsection (4) to set aside a direction, it is not required to comply with the direction while the proceedings are ongoing.";

(d) in subsection (6), for "this section" substitute "subsection (1)".

14 Requirements to change name: removal of old name from public inspection

(1) The Companies Act 2006 is amended as follows.

(2) In section 64 (company ceasing to be entitled to exemption in relation to use of "limited" etc), after subsection (6) insert—

"(6A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates."

(3) In section 67 (power to direct change of name in case of similarity to existing name), after subsection (1) insert—

"(1A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates (so far as it relates to the company to which the direction is given)."

(4) In section 73 (order requiring name to be changed), after subsection (6) insert—

"(7) Where an order is made under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the order relates."

(5) In section 75 (provision of misleading information), after subsection (4) insert—

"(4A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates."

(6) In section 76 (misleading indication of activities), after subsection (5A) (inserted by section 13 of this Act) insert—

"(5B) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates."

15 Objections to company's registered name

(1) Section 69 of the Companies Act 2006 (objection to company's registered name) is amended as follows.

(2) In subsection (1)(b)—

(a) after "in the United Kingdom" insert "or elsewhere";

(b) after "mislead" insert "members of the public in the United Kingdom or elsewhere".

(3) In subsection (3), for the second sentence substitute "Any of the following may be joined as respondents—

(a) any member or person who was a member at the time at which the name was registered;

(b) any director or person who was a director at the time at which the name was registered."

(4) In subsection (4), omit paragraph (b) (and the "or" at the end of that paragraph).

(5) In subsection (5), omit ", (b)".

16 Misleading indication of activities

In section 76 of the Companies Act 2006 (misleading indication of activities), in subsection (1), for "be likely to cause harm to the public" substitute "pose a risk of harm to the public in the United Kingdom or elsewhere".

17 Direction to change name used for criminal purposes

(1) The Companies Act 2006 is amended as follows.

(2) Before section 75 insert—

"Provision of misleading information".

(3) Before section 76 insert—

"Misleading indication of activities and names used for criminal purposes".

(4) After section 76 insert—

"76A Power to direct change of name used for criminal purposes

(1) The Secretary of State may direct a company to change its name if it appears to the Secretary of State that the name has been used, or is intended to be used, by the company to facilitate—

(a) the commission of an offence involving dishonesty or deception, or

(b) the carrying out of conduct that, if carried out in any part of the United Kingdom, would amount to such an offence.

(2) The direction must be in writing and must specify the period within which the company is to change its name.

(3) The period must be a period of at least 28 days beginning with the date of the direction.

(4) The Secretary of State may by further direction in writing extend the period.

Any such direction must be given before the end of the period for the time being specified.

(5) A company may apply to the court to set aside a direction under subsection (1).

(6) Any application under subsection (5) must be made within the period of three weeks beginning with the date of the direction.

(7) On an application under subsection (5) the court may set the direction aside or confirm it.

(8) If on an application under subsection (5) the direction is confirmed, the court must specify the period within which the direction is to be complied with.

(9) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates.

(10) If a company applies to the court under subsection (5) to set aside a direction, the company is not required to comply with the direction while the proceedings are ongoing.

(11) If a company fails to comply with a direction under subsection (1), an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

For this purpose a shadow director is treated as an officer of the company.

(12) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale."

(5) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (f) insert—

"(g) section 76A (power to direct change of name used for criminal purposes);".

18 Direction to change name wrongly registered

(1) The Companies Act 2006 is amended as follows.

(2) After section 76A (inserted by section 17 of this Act) insert—

"Direction to change name wrongly registered

76B Direction to change name wrongly registered

(1) The Secretary of State may direct a company to change its name if—

(a) it appears to the Secretary of State that the company's registration by that name was in contravention of any requirement imposed by this Part, or

(b) the Secretary of State did not, at the time at which the name was registered, form the opinion mentioned in section 53, 56A or 57A, but had proper grounds for doing so.

(2) The direction must be in writing and must specify the period within which the company is to change its name.

(3) The period must be a period of at least 28 days beginning with the date of the direction.

(4) The Secretary of State may by further direction in writing extend the period.
Any such direction must be given before the end of the period for the time being specified.

(5) A company may apply to the court to set aside a direction under subsection (1).

(6) Any application under subsection (5) must be made within the period of three weeks beginning with the date of the direction.

(7) On an application under subsection (5) the court may set the direction aside or confirm it.

(8) If on an application under subsection (5) the direction is confirmed, the court must specify the period within which the direction is to be complied with.

(9) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates.

(10) If a company applies to the court under subsection (5) to set aside a direction, the company is not required to comply with the direction while the proceedings are ongoing.

(11) If a company fails to comply with a direction under subsection (1), an offence is committed by—
(a) the company, and
(b) every officer of the company who is in default.
For this purpose a shadow director is treated as an officer of the company.

(12) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale."

(3) In section 1047 (registered name of overseas company), in subsection (4), after paragraph (g) (inserted by section 17 of this Act) insert—
"(h) section 76B (direction to change name wrongly registered);".

19 Registrar's power to change names containing computer code

(1) The Companies Act 2006 is amended as follows

(2) In the heading of Chapter 4 of Part 5, after "Secretary of State" insert "and the registrar".

(3) After section 76B (inserted by section 18 of this Act) insert—

"Registrar's powers to change names

76C Registrar's power to change name containing computer code

(1) Where, in the opinion of the registrar, a company's registered name consists of or includes computer code, the registrar may—
(a) determine a new name for the company, and

(b) remove from the register any reference to the company's old name.

(2) If the registrar determines a new name for a company under this section, the registrar must—

(a) give the company notice of the determination, and

(b) place a note of the determination in the register.

(3) Where a company is given a direction under section 76B to change its name—

(a) that does not affect the registrar's power to act under subsection (1), but

(b) if the registrar does so, the direction lapses."

(4) In section 1081 (annotation of the register), in subsection (6), after "subsection (2)" insert "or of any other enactment".

20 Registrar's power to change company's name for breach of direction

After section 76C of the Companies Act 2006 (inserted by section 19 of this Act) insert—

"76D Registrar's power to change name for failure to comply with direction

(1) Where a company fails to comply with a direction to change its name, the registrar may determine a new name for the company.

(2) The reference in subsection (1) to a direction to change a company's name is to a direction under section 64, 67, 75, 76, 76A or 76B.

(3) If the registrar determines a new name for a company under this section, the registrar must—

(a) give the company notice of the determination, and

(b) place a note of the determination in the register."

21 Sections 19 and 20: consequential amendments

(1) In section 80 (change of name: registration and issue of new certificate of incorporation), for subsections (1) and (2) substitute—

"(1) This section applies where—

(a) the registrar receives notice of a change of a company's name and is satisfied—

(i) that the new name complies with the requirements of this Part, and

(ii) that the requirements of the Companies Acts, and any relevant requirements of the company's articles, with respect to a change of name are complied with, or

(b) the registrar determines a new name for a company under section 76C or 76D.

(2) The registrar must enter the new name on the register in place of the former name."

(2) In section 1047 (registered name of overseas company), in subsection (4), after

paragraph (h) (inserted by section 18 of this Act) insert—

"(i) section 76C (registrar's power to change name containing computer code);

(j) section 76D (registrar's power to change name for failure to comply with direction)."

22 Company names: exceptions based on national security etc

After section 76D of the Companies Act 2006 (inserted by section 20 of this Act) insert—

"CHAPTER 4A

EXCEPTIONS

76E Exceptions based on national security etc

(1) Nothing in this Part prevents the registration of a company under this Act by a name if the Secretary of State is satisfied that the registration of the company by that name is necessary—

(a) in the interests of national security, or

(b) for the purposes of preventing or detecting serious crime.

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

(a) "crime" means conduct which—

(i) constitutes a criminal offence, or

(ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and

(b) crime is "serious" if—

(i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or

(ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose."

Business names

23 Use of name suggesting connection with foreign governments etc

In the Companies Act 2006, after section 1196 insert—

"1196A Names suggesting connection with foreign governments etc

(1) A person must not carry on business in the United Kingdom under a name that would be likely to give the false impression that the business is connected with—

(a) a foreign government or an agency or authority of a foreign government, or

(b) an international organisation whose members include two or more countries or territories (or their governments).

(2) A person who contravenes this section commits an offence.

(3) Where an offence under this section is committed by a body corporate, an offence is also committed by every officer of the body who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale."

24 Use of name giving misleading indication of activities

In section 1198 of the Companies Act 2006 (misleading indication of activities), in subsection (1), for "be likely to cause harm to the public" substitute "pose a risk of harm to the public in the United Kingdom or elsewhere".

25 Use of name that a company has been required to change

(1) The Companies Act 2006 is amended as follows.

(2) In section 1192 (application of this Chapter), at the beginning of subsection (1) insert "Subject to any express provision to the contrary,".

(3) After section 1198 insert—

"Restrictions where a company has been required to change a name

1198A Name that a company has been required to change

(1) Where a relevant direction has been given to a company to change its name, or it has been ordered under section 73 to change its name, the company must not carry on business in the United Kingdom under the name that it was directed or ordered to change, except as mentioned in subsection (2).

(2) Subsection (1) does not prevent the use by a company of a name if—
(a) the period for complying with the direction or order has not yet expired,
(b) the company complied with the direction or order and has since become registered with the name again following approval given under section 57B, or
(c) the direction was given, or the order was made, before section 25 of the Economic Crime and Corporate Transparency Act 2023 came fully into force.

(3) If a company uses a name in contravention of this section an offence is committed by—
(a) the company, and
(b) every officer of the company who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(5) In this section—

"company" includes an overseas company;

"relevant direction" means a direction under section 67, 75, 76, 76A or 76B, other than a direction under section 76B(1)(b) given on the basis that, at the time at which a company's name was registered, the Secretary of State had proper grounds for forming the opinion mentioned in section 57A."

26 Use of name that another company has been required to change

After section 1198A of the Companies Act 2006 (inserted by section 25 of this Act) insert—

"1198B Name that another company has been required to change

(1) Where a relevant direction has been given to a company to change its name, or it has been ordered under section 73 to change its name, another company must not carry on business in the United Kingdom under the name that the first company was directed or ordered to change if there is a person who has, or has had, a relevant relationship with both companies.

(2) Subsection (1) does not prevent the use by a company of a name if—

(a) it is registered under this Act by that name,

(b) the period for complying with the direction or order has not yet expired, or

(c) the direction was given, or the order was made, before section 26 of the Economic Crime and Corporate Transparency Act 2023 came fully into force.

(3) For the purposes of subsection (1) it is irrelevant whether the person has, or has had, a relevant relationship with both companies at the same time.

(4) For the purposes of this section a person has a "relevant relationship" with a company if the person is—

(a) an officer, or

(b) a member or former member.

(5) If a company uses a name in contravention of this section an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(7) In this section—

"company" includes an overseas company;

"relevant direction" means a direction under section 67, 75, 76A or 76B, other than a direction under section 76B(1)(b) given on the basis that, at the time at which a company's name was registered, the Secretary of State had proper grounds for forming the opinion mentioned in section 57A."

27 Use of names: exceptions based on national security etc

After section 1199 of the Companies Act 2006 insert—

"1199A Exceptions based on national security etc

(1) The Secretary of State may, by written notice given to a person, provide that a prohibition imposed by this Chapter does not apply in relation to the carrying on of a business by that person under a name specified in the notice, if satisfied that to do so is necessary—
  (a) in the interests of national security, or
  (b) for the purposes of preventing or detecting serious crime.

(2) For the purposes of subsection (1)(b)—
  (a) "crime" means conduct which—
    (i) constitutes a criminal offence, or
    (ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and
  (b) crime is "serious" if—
    (i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or
    (ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose."

Registered offices

28 Registered office: appropriate address

(1) The Companies Act 2006 is amended as follows.

(2) In section 9 (registration documents), in subsection (5)(a), at the end insert ", which must be an appropriate address within the meaning given by section 86(2)".

(3) For section 86 substitute—

"86 Duty to ensure registered office at appropriate address

(1) A company must ensure that its registered office is at all times at an appropriate address.

(2) An address is an "appropriate address" if, in the ordinary course of events—
  (a) a document addressed to the company, and delivered there by hand or by post, would be expected to come to the attention of a person acting on behalf of the company, and
  (b) the delivery of documents there is capable of being recorded by the obtaining of an acknowledgement of delivery.

(3) If a company fails, without reasonable excuse, to comply with this section an offence is committed by—
  (a) the company, and

(b) every officer of the company who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(5) Subsection (1) does not apply in relation to a company during any period for which the address of its registered office is a default address nominated by virtue of section 1097A(3)(h)."

(4) In section 87 (change of address of registered office), after subsection (1) insert—

"(1A) The notice must include a statement that the new address is an appropriate address within the meaning given by section 86(2)."

(5) In section 853B (duties to notify a relevant event), omit paragraph (a).

(6) After section 853C insert—

"853CA Duty to notify a change in registered office

(1) This section applies where—

(a) a company makes a confirmation statement,

(b) the company's registered office is not at an appropriate address within the meaning given by section 86(2), and

(c) the company has not given a notice under section 87 (change of registered office) that is awaiting registration by the registrar.

(2) The company must deliver a notice under section 87 at the same time as it delivers the confirmation statement."

Registered email addresses

29 Registered email addresses etc

(1) The Companies Act 2006 is amended as follows.

(2) In section 9 (registration documents), in subsection (5), after paragraph (a) insert—

"(aa) a statement of the intended registered email address of the company, which must be an appropriate email address within the meaning given by section 88A(2);".

(3) In section 16 (effect of registration), in subsection (4), after "status" insert ", registered email address".

(4) In the heading to Part 6 (a company's registered office), after "registered office" insert "and email address".

(5) After section 88 insert—

"Registered email address

88A Duty to maintain a registered email address

(1) A company must ensure that its registered email address is at all times an appropriate email address.

(2) An email address is an "appropriate email address" if, in the ordinary course of events, emails sent to it by the registrar would be expected to come to the attention of a person acting on behalf of the company.

(3) If a company fails, without reasonable excuse, to comply with this section an offence is committed by—
(a) the company, and
(b) every officer of the company who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—
(a) in England and Wales, to a fine;
(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

88B Change of registered email address

(1) A company may change its registered email address by giving notice to the registrar.

(2) The notice must include a statement that the new address is an appropriate email address within the meaning given by section 88A(2).

(3) The change takes effect upon the notice being registered by the registrar."

(6) After section 853CA (inserted by section 28 of this Act) insert—

"853CB Duty to notify a change in registered email address

(1) This section applies where—
(a) a company makes a confirmation statement,
(b) the company's registered email address is not an appropriate email address within the meaning given by section 88A(2), and
(c) the company has not given a notice under section 88B (change of registered email address) that is awaiting registration by the registrar.

(2) The company must deliver a notice under section 88B at the same time as it delivers the confirmation statement."

(7) In section 1087 (material not available for public inspection), in subsection (1), before paragraph (a) insert—
"(za) an email address delivered to the registrar under—
(i) section 9(5)(aa) or 88B (initial registered email address and change of address);

(ii) section 30 of the Economic Crime and Corporate Transparency Act 2023 (company's registered email address: transitional provision);".

(8) In section 1115 (supplementary provisions relating to electronic communications), omit subsection (1).

(9) In Schedule 4 (documents and information sent or supplied to a company)—

(a) after Part 2 insert—

"PART 2A

COMMUNICATIONS IN ELECTRONIC FORM FROM THE REGISTRAR OR THE SECRETARY OF STATE

4A (1) A document or information is validly sent or supplied to a company by the registrar or the Secretary of State if it is sent or supplied in electronic form in accordance with sub-paragraph (2) or (3).

(2) Where the document or information is sent or supplied by electronic means it may only be sent—

(a) in the case of a company registered under this Act, to the company's registered email address;

(b) in the case of any company, to an address specified by the company for that purpose (generally or specifically).

(3) Where the document or information is sent or supplied in electronic form by hand or by post, it must be sent or supplied to an address to which it could be validly sent if it were in hard copy form.";

(b) in the heading of Part 3, at the end insert "in other cases";

(c) in paragraph 5, after "company" insert "by a person other than the registrar or the Secretary of State".

30 Registered email addresses: transitional provision

(1) This section applies in relation to a company registered under the Companies Act 2006 in pursuance of an application for registration delivered to the registrar before section 29(2) comes fully into force.

(2) On the first occasion on which the company delivers a confirmation statement with a confirmation date that is after the day on which section 29(2) comes fully into force—

(a) it must, at the same time, deliver to the registrar a statement specifying its registered email address for the purposes of section 88A of that Act (inserted by section 29 of this Act);

(b) section 853CB of that Act (inserted by section 29 of this Act) does not apply.

(3) Section 853A(1)(b)(ii) of the Companies Act 2006 (as substituted by section 59 of this Act) has effect as if it included a reference to the duty imposed by subsection (2) (and section 853L of that Act applies accordingly).

(4) Section 88A of the Companies Act 2006 (inserted by section 29 of this Act) does not apply in relation to the company until it has delivered the confirmation statement mentioned in subsection (2) or, if it does not deliver the statement on time, the latest time by which it was required to do so.

(5) In this section—

"confirmation statement" has the meaning given by section 853A of the Companies Act 2006;

"the registrar" has the meaning given by section 1060(3) of the Companies Act 2006.

Disqualification in relation to companies

31 Disqualification for persistent breaches of companies legislation: GB

(1) Section 3 of the Company Directors Disqualification Act 1986 (disqualification for persistent breaches of companies legislation) is amended as follows.

(2) In subsection (1), for the words from "provisions of the companies legislation" to the end substitute "relevant provisions of the companies legislation (see subsection (3B))".

(3) In subsection (2), for "such provisions as are mentioned above" substitute "relevant provisions of the companies legislation".

(4) In subsection (3)—

(a) for "provision of that legislation" substitute "such provision";

(b) after paragraph (a) (but before the "or" at the end of that paragraph) insert—

"(aa) a financial penalty is imposed on the person in respect of such an offence by virtue of regulations under—

(i) section 1132A of the Companies Act 2006, or

(ii) section 39 of the Economic Crime (Transparency and Enforcement) Act 2022,".

(5) After subsection (3A) insert—

"(3B) In this section "relevant provisions of the companies legislation" means—

(a) any provision of the companies legislation requiring any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the registrar of companies,

(b) sections 167M and 167N of the Companies Act 2006 (prohibitions on acting as director where identity not verified or where there has been a failure to notify a directorship), and

(c) sections 790LQ and 790LR of the Companies Act 2006 (persons with significant control: ongoing duties in relation to identity verification)."

(6) For subsection (4A) substitute—

"(4A) In this section "the companies legislation" means—

(a) the Companies Acts,

(b) Parts A1 to 7 of the Insolvency Act 1986 (company insolvency and winding up), and

(c) Part 1 of the Economic Crime (Transparency and Enforcement) Act 2022 (registration of overseas entities)."

32 Disqualification for persistent breaches of companies legislation: NI

(1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.

(2) In Article 6 (disqualification for persistent breaches of companies legislation)—

(a) in paragraph (1), for the words from "provisions of the companies legislation" to the end substitute "relevant provisions of the companies legislation (see paragraph (3ZA))";

(b) in paragraph (2), for "such provisions as are mentioned in paragraph (1)" substitute "relevant provisions of the companies legislation";

(c) in paragraph (3), after sub-paragraph (a) (but before the "or" at the end of that sub-paragraph) insert—

"(aa) a financial penalty is imposed on the person by the registrar in respect of such an offence by virtue of regulations under—

(i) section 1132A of the Companies Act 2006, or

(ii) section 39 of the Economic Crime (Transparency and Enforcement) Act 2022,";

(d) after paragraph (3) insert—

"(3ZA) In this Article "relevant provisions of the companies legislation" means—

(a) any provision of the companies legislation requiring any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the registrar,

(b) sections 167M and 167N of the Companies Act 2006 (prohibitions on acting as director where identity not verified or where there has been a failure to notify a directorship), and

(c) sections 790LQ and 790LR of the Companies Act 2006 (persons with significant control: ongoing duties in relation to identity verification).";

(e) for paragraph (3A) substitute—

"(3A) In this Article "the companies legislation" means—

(a) the Companies Acts,

(b) Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 (company insolvency and winding up), and

(c) Part 1 of the Economic Crime (Transparency and Enforcement) Act 2022 (registration of overseas entities)."

(3) In Article 25A (application of Order to registered societies), in paragraph (2)(c), for "Articles 6(1) and 8(1)" substitute "Article 6(3ZA)(a)".

(4) In Article 25B (application of Order to credit unions), in paragraph (3)(b), for "Articles 6(1) and 8(1) references" substitute "Article 6(3ZA)(a) the reference".

33 Disqualification on summary conviction: GB

(1) Section 5 of the Company Directors Disqualification Act 1986 (disqualification on summary conviction) is amended as follows.

(2) In subsection (1), for the words from "provision of the companies legislation" to "the registrar of companies" substitute "of the relevant provisions of the companies legislation".

(3) For subsection (3) substitute—

"(3) Those circumstances are that, during the 5 years ending with the date of the conviction, there have been no fewer than 3 relevant findings of guilt in relation to the person.

(3A) For these purposes, there is a relevant finding of guilt in relation to the person if —

(a) the person is convicted of an offence counting for the purposes of this section (including the offence of which the person is convicted as mentioned in subsection (2) and any other offence of which the person is convicted on the same occasion),

(b) a financial penalty of the kind mentioned in section 3(3)(aa) is imposed on the person, or

(c) a default order within the meaning of section 3(3)(b) is made against the person."

(4) In subsection (4), omit paragraph (b) and the "and" before it.

(5) For subsection (4A) substitute—

"(4A) In this section "relevant provisions of the companies legislation" has the meaning given by section 3(3B)."

34 Disqualification on summary conviction: NI

(1) Article 8 of the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) (disqualification on summary conviction) is amended as follows.

(2) In paragraph (1), for the words from "provision of the companies legislation" to "the registrar" substitute "of the relevant provisions of the companies legislation".

(3) For paragraph (3) substitute—

"(3) Those circumstances are that, during the 5 years ending with the date of the conviction, there have been no fewer than 3 relevant findings of guilt in relation to the person.

(3A) For these purposes, there is a relevant finding of guilt in relation to the person if —

(a) the person is convicted of an offence counting for the purposes of this Article (including the offence of which the person is convicted as mentioned in paragraph (2) and any other offence of which the person is convicted on the same occasion),

(b) a financial penalty of the kind mentioned in Article 6(3)(aa) is imposed on the person, or

(c) a default order within the meaning of Article 6(3)(b) is made against the person."

(4) Omit paragraph (4).

(5) For paragraph (4A) substitute—

"(4A) In this Article "relevant provisions of the companies legislation" has the meaning given by Article 6(3ZA)."

35 Power to impose director disqualification sanctions

(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.

(2) In section 1 (power to make sanctions regulations), in subsection (5), after paragraph (a) insert—

"(aa) impose director disqualification sanctions (see section 3A);".

(3) After section 3 insert—

"3A Director disqualification sanctions

(1) For the purposes of section 1(5)(aa) regulations "impose director disqualification sanctions" if they provide for designated persons (see section 9) to be persons subject to director disqualification sanctions for the purposes of—

(a) section 11A of the Company Directors Disqualification Act 1986, and

(b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.

(2) As to the effect of such provision, see—

(a) section 11A of the Company Directors Disqualification Act 1986, and

(b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002."

(4) In section 9 ("designated persons")—

(a) in subsection (1), for "3 and 4" substitute "3 to 4";

(b) in subsection (3), after "3," insert "3A,".

(5) In section 15 (exceptions and licences), after subsection (3) insert—

"(3A) Where regulations provide for designated persons to be persons subject to director disqualification sanctions for the purposes of section 11A of the Company Directors Disqualification Act 1986 and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002, the regulations may—

(a) create exceptions from subsection (1) of that section or paragraph (1) of that Article;

(b) confer power on an appropriate Minister to issue a licence to authorise a designated person to do anything that would otherwise be prohibited by subsection (1) of that section or paragraph (1) of that Article.

(3B) Regulations may, as respects any licences provided for under subsection (3A), make any provision mentioned (in relation to licences) in subsection (3)."

36 Disqualification of persons designated under sanctions legislation: GB

(1) The Company Directors Disqualification Act 1986 is amended as follows.

(2) After section 11 insert—

"11A Designated persons under sanctions legislation

(1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see subsection (2)).

(2) Subsection (1) does not apply—

(a) to the extent that an exception from subsection (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or

(b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.

(3) It is a defence for a person charged with an offence under this section to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.

(4) In this section "person who is subject to director disqualification sanctions" means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this section and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018)."

(3) In section 13 (criminal penalties), after "section 11" insert "or 11A".

(4) In section 14 (offences by body corporate), for subsection (1) substitute—

"(1) Where—

(a) a body corporate is—

(i) guilty of an offence of acting in contravention of a disqualification order or disqualification undertaking or in contravention of section 12A or 12B, or

(ii) guilty of an offence under section 11A, and

(b) it is proved that the offence occurred with the consent or connivance of, or was attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity,

the person, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly."

(5) In section 15 (personal liability for company's debts where person acts while disqualified)—

(a) in subsection (1)(a), after "section 11" insert ", 11A";
(b) omit the "or" at the end of subsection (1)(a);
(c) after subsection (1)(b) insert ", or

(c) as a person who is involved in the management of the company, they act or are willing to act on instructions where—

(i) the instructions are given by a person whom they know at that time to be subject to director disqualification sanctions (within the meaning of section 11A),

(ii) the giving of the instructions does not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and

(iii) the instructions are not authorised,

(but see subsection (3A)).";

(d) in subsection (3)(b), after "(b)" insert "or (c)";
(e) after subsection (3) insert—

"(3A) But—

(a) a person who is subject to director disqualification sanctions (within the meaning of section 11A) is not personally responsible under subsection (1)(a) for any relevant debts of the company incurred at a time when the person did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions;

(b) a person is not personally responsible under subsection (1)(c) for any relevant debts of the company incurred at a time when the person reasonably believed that the instructions were authorised.";

(f) after subsection (5) insert—

"(6) Subsection (7) applies where a person ("P") at any time—

(a) was involved in the management of a company, and

(b) acted on instructions where—

(i) the instructions were given by a person ("D") whom P knew at that time to be subject to director disqualification sanctions (within the meaning of section 11A),

(ii) the giving of the instructions did not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and

(iii) the instructions were not authorised,

unless P reasonably believed at that time that the instructions were authorised.

(7) For the purposes of this section P is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by D.

(8) For the purposes of this section instructions are "authorised" if they are given under the authority of a licence issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018."

(6) In section 18 (register of disqualification orders and undertakings), in subsection (2A), after paragraph (c) insert—

"(d) persons who are subject to director disqualification sanctions within the meaning of section 11A;

(e) any licences issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018."

(7) In section 21 (interaction with Insolvency Act), in subsection (4), after "section 11" insert ", 11A".

37 Section 36: application to other bodies

(1) The Company Directors Disqualification Act 1986 is amended as follows.

(2) In section 22A (application of Act to building societies), in subsection (3A)(a), for "and 7(2)(b)" substitute ", 7(2)(b) and 11A".

(3) In section 22B (application of Act to incorporated friendly societies), in subsection (3A)(a), for "and 8ZA to 8ZE" substitute ", 8ZA to 8ZE and 11A".

(4) In section 22C (application of Act to NHS foundation trusts), in subsection (2A)(a), for "and 7(2)(b)" substitute ", 7(2)(b) and 11A".

(5) In section 22E (application of Act to registered societies), in subsection (4)(f), for "and 8ZA to 8ZE" substitute ", 8ZA to 8ZE and 11A".

(6) In section 22F (application of Act to charitable incorporated organisations), in subsection (3), after paragraph (d) insert—

"(da) section 11A is to be disregarded;".

(7) In section 22G (application of Act to further education bodies), in subsection (3), after paragraph (c) insert—

"(d) section 11A is to be disregarded."

(8) In section 22H (application of Act to protected cell companies), in subsection (4)(za), in subsection (4)(za), for "and 7(2)(b)" substitute ", 7(2)(b) and 11A".

(9) The Secretary of State may by regulations repeal any of the previous subsections of this section before the subsection is brought into force.

38 Disqualification of persons designated under sanctions legislation: NI

(1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.

(2) After Article 15 insert—

"15A Designated persons under sanctions legislation

(1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see paragraph (2)).

(2) Paragraph (1) does not apply—

(a) to the extent that an exception from paragraph (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or

(b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.

(3) It is a defence for a person charged with an offence under this Article to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.

(4) In this Article "person who is subject to director disqualification sanctions" means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this Article and section 11A of the Company Directors Disqualification Act 1986 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018)."

(3) In Article 18 (criminal penalties)—

(a) omit "15,";

(b) for "and" substitute "; and any person guilty of an offence under this Article or Article 15 or 15A".

(4) In Article 19 (personal liability for company's debts where person acts while disqualified)—

(a) in paragraph (1)(a), after "Article 15" insert ", 15A";

(b) omit the "or" at the end of paragraph (1)(a);

(c) after paragraph (1)(b) insert ", or

(c) as a person who is involved in the management of the company, they act or are willing to act on instructions where—

(i) the instructions are given by a person whom they know at that time to be subject to director disqualification sanctions (within the meaning of Article 15A),

(ii) the giving of the instructions does not fall within any exception from Article 15A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and

(iii) the instructions are not authorised,

(but see paragraph (3A)).";

(d) in paragraph (3)(b), after "(1)(b)" insert "or (c)";

(e) after paragraph (3) insert—

"(3A) But—

(a) a person who is subject to director disqualification sanctions (within the meaning of Article 15A) is not personally responsible under paragraph (1)(a) for any relevant debts of the company incurred at a time when the person did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions;

(b) a person is not personally responsible under paragraph (1)(c) for any relevant debts of the company incurred at a time when the person reasonably believed that the instructions were authorised.";

(f) in paragraph (5), in the closing words, after "given" insert "by";

(g) after paragraph (5) insert—

"(6) Paragraph (7) applies where a person ("P") at any time—

(a) was involved in the management of a company, and

(b) acted on instructions where—

(i) the instructions were given by a person ("D") whom P knew at that time to be subject to director disqualification sanctions (within the meaning of Article 15A),

(ii) the giving of the instructions did not fall within any exception from Article 15A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and

(iii) the instructions were not authorised,

unless P reasonably believed at that time that the instructions were authorised.

(7) For the purposes of this Article P is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by D.

(8) For the purposes of this Article instructions are "authorised" if they are given under the authority of a licence issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018."

(5) In Article 22 (register of disqualification orders and undertakings), in paragraph (3), after sub-paragraph (c) insert—

"(d) persons who are subject to director disqualification sanctions within the meaning of Article 15A;

(e) any licences issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 that authorise such a person to do anything that would otherwise be prohibited by Article 15A(1)."

39 Section 38: application to other bodies

(1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.

(2) In Article 24D (application of Order to building societies), in paragraph (3A)(a), for "and 10(2)(b) and (5A)" substitute ", 10(2)(b) and (5A) and 15A".

(3) In Article 25 (application of Order to incorporated friendly societies), in paragraph (3A)(a), for "and 11A to 11E" substitute ", 11A to 11E and 15A".

(4) In Article 25A (application of Order to registered societies), in paragraph (2)(g), for "and 11A to 11E" substitute ", 11A to 11E and 15A".

(5) In Article 25B (application of Order to credit unions), in paragraph (3)(c), for "and 11A to 11E" substitute ", 11A to 11E and 15A".

(6) In Article 25C (application of Order to protected cell companies), in paragraph (4)(za), for "and 10(2)(b) and (5A)" substitute ", 10(2)(b) and (5A) and 15A".

(7) The Secretary of State may by regulations repeal any of the previous subsections of this section before the subsection is brought into force.

Directors

40 Disqualified directors

(1) The Companies Act 2006 is amended as follows.

(2) After section 159 insert—

"159A Disqualified person not to be appointed as director

(1) A person may not be appointed a director of a company if the person is disqualified under the directors disqualification legislation (see subsection (2)).

(2) In the table—

(a) Part 1 defines "disqualified under the directors disqualification legislation" for the purposes of provisions of this Act so far as relating to—

(i) a company registered in England and Wales or Scotland, or

(ii) the delivery of a document to the registrar of companies for England and Wales or Scotland or a statement contained in such a document;

(b) Part 2 defines "disqualified under the directors disqualification legislation" for the purposes of provisions of this Act so far as relating to—

(i) a company registered in Northern Ireland, or

(ii) the delivery of a document to the registrar of companies for Northern Ireland or a statement contained in such a document.

For those purposes a person (P) is disqualified under the directors disqualification legislation if:	*Except in the application of the provision in relation to P acting in a capacity, or doing anything, for which P has the permission of a court or the authority of a licence, or in respect of which an exception applies, by virtue of:*
Part 1: England and Wales and Scotland	
P is subject to a disqualification order or undertaking under the Company Directors Disqualification Act 1986.	Section 1(1), 1A(1) or 9B(4) of the 1986 Act.

For those purposes a person (P) is disqualified under the directors disqualification legislation if:	*Except in the application of the provision in relation to P acting in a capacity, or doing anything, for which P has the permission of a court or the authority of a licence, or in respect of which an exception applies, by virtue of:*
Any of the circumstances mentioned in section 11 of the Company Directors Disqualification Act 1986 (bankruptcy etc) apply to P.	Section 11 of the 1986 Act.
P is subject to director disqualification sanctions within the meaning of section 11A of the Company Directors Disqualification Act 1986.	Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).
Section 12 of the Company Directors Disqualification Act 1986 (disabilities on revocation of administration order against an individual) applies to P.	Section 12 of the 1986 Act.
P is subject to a disqualification order or undertaking mentioned in section 12A or 12B of the Company Directors Disqualification Act 1986 (recognition of Northern Ireland disqualification orders and undertakings).	Section 12A or 12B of the 1986 Act.
P is disqualified as mentioned in section 1184(2)(a) or (b) or is subject to a disqualification undertaking under section 1184(3).	Section 1184(5).

Part 2: Northern Ireland

P is subject to a disqualification order or undertaking under the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)).	Article 3(1), 4(1) or 13B(4) of the 2002 Order.
Any of the circumstances mentioned in Article 15 of the Company Directors Disqualification (Northern Ireland) Order 2002 (bankruptcy etc) apply to P.	Article 15 of the 2002 Order.

For those purposes a person (P) is disqualified under the directors disqualification legislation if:	*Except in the application of the provision in relation to P acting in a capacity, or doing anything, for which P has the permission of a court or the authority of a licence, or in respect of which an exception applies, by virtue of:*
P is subject to director disqualification sanctions within the meaning of Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.	Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).
Article 16 of the Company Directors Disqualification (Northern Ireland) Order 2002 (disabilities on revocation of administration order against an individual) applies to P.	Article 16 of the 2002 Order.
P is subject to a disqualification order or undertaking mentioned in Article 17 of the Company Directors Disqualification (Northern Ireland) Order 2002 (recognition of GB disqualification orders and undertakings).	Article 17 of the 2002 Order.
P is disqualified as mentioned in section 1184(2)(a) or (b) or is subject to a disqualification undertaking under section 1184(3).	Section 1184(5).

(3) An appointment made in contravention of this section is void.

(4) Nothing in this section affects any liability of a person under any provision of the Companies Acts or any other enactment if the person—

(a) purports to act as director, or

(b) acts as shadow director,

although the person could not, by virtue of this section, be validly appointed as a director."

(3) After section 169 insert—

"169A Removal from office of disqualified directors

(1) A person who has been appointed as a director of a company ceases to hold office by virtue of that appointment if the person becomes disqualified under the directors disqualification legislation (see section 159A(2)).

(2) Nothing in this section affects any liability of a person under any provision of the Companies Acts or any other enactment, if, having ceased to hold office by virtue of subsection (1), the person—

(a) purports to act as director, or

(b) acts as shadow director.

(3) In relation to a person appointed as a director of a company before the time when this section comes into force, the reference in subsection (1) to a person who becomes disqualified includes a reference to a person who, at that time, is already disqualified."

(4) In Schedule 8 (index of defined expressions), at the appropriate place insert—

"disqualified under the directors disqualification legislation	section 159A(2)".

41 Section 40: amendments to clarify existing corresponding provisions

(1) The Companies Act 2006 is amended as follows.

(2) In section 156C (existing director who is not a natural person)—
(a) in subsection (2), for "be a director" substitute "hold office by virtue of that appointment";
(b) after subsection (2) insert—

"(2A) Nothing in this section affects any liability of a person under any provision of the Companies Acts or any other enactment, if, having ceased to hold office by virtue of subsection (2), the person—
(a) purports to act as director, or
(b) acts as shadow director."

(3) In section 158 (power to provide for exceptions from minimum age requirement)—
(a) in subsection (3), after "office" insert "by virtue of that appointment";
(b) after subsection (3) insert—

"(3A) Nothing in subsection (3) affects any liability of a person under any provision of the Companies Acts or any other enactment, if, having ceased to hold office by virtue of that subsection, the person—
(a) purports to act as director, or
(b) acts as shadow director."

(4) Omit section 159 (which is spent).

42 Repeal of power to require additional statements

In the Companies Act 2006—
(a) omit section 1189 (power to require additional statements in connection with disqualified person becoming director or secretary);
(b) in sections 1190(1) and 1191(1) (further provision and offences), omit "or 1189".

43 Prohibition on director acting unless ID verified

After section 167L of the Companies Act 2006 (inserted by Schedule 2 to this

Act) insert—

"Directors: duties relating to ID verification and notification

167M Prohibition on director acting unless ID verified

(1) An individual must not act as a director of a company unless the individual's identity is verified (see section 1110A).

(2) A company must ensure that an individual does not act as a director unless the individual's identity is verified (see section 1110A).

(3) A person who contravenes subsection (1) commits an offence.

(4) If a company contravenes subsection (2) an offence is committed by—
(a) the company, and
(b) every officer of the company who is in default.
For this purpose a shadow director is treated as an officer of the company.

(5) A person guilty of an offence under this section is liable on summary conviction—
(a) in England and Wales, to a fine;
(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(6) The only consequences of contravening subsections (1) and (2) are the offences provided for by this section (so that, for example, a contravention does not in any way affect the validity of an individual's acts as a director)."

44 Prohibition on acting unless directorship notified

After section 167M of the Companies Act 2006 (inserted by section 43 of this Act) insert—

"167N Prohibition on acting unless directorship notified

(1) This section applies where—
(a) a person has become a director of a company otherwise than on its incorporation, and
(b) notice under section 167G of the person having done so has not been given within the period mentioned in subsection (6) of that section.

(2) The person may not act as a director of the company until notice is given under section 167G.

(3) A person who contravenes subsection (2) commits an offence.

(4) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

(5) It is a defence for a person charged with an offence under this section to prove that they reasonably believed that notice had been given under section 167G.

(6) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(7) The only consequence of a contravention of subsection (2) is the offence provided for by this section (so that, for example, a contravention does not in any way affect the validity of a person's acts as a director)."

45 Registrar's power to change a director's service address

For section 246 of the Companies Act 2006 substitute—

"246 Putting the address on the public record

(1) If the registrar decides in accordance with section 245 that a director's usual residential address is to be put on the public record, the registrar must proceed as if each relevant company had given notice under section 167H—

(a) stating a change in the director's service address, and

(b) stating the director's usual residential address as their new service address.

(2) The registrar must give notice of having done so—

(a) to the director, and

(b) to every relevant company.

(3) The notice must state the date of the registrar's decision to put the director's usual residential address on the public record.

(4) Where a director's usual residential address has been put on the public record by the registrar under this section, for the period of five years beginning with the date of the registrar's decision no service address may be registered for the director other than their usual residential address (but see subsection (5)).

(5) Subsection (4)—

(a) does not limit the service address that may be registered for the director under regulations under section 1097B (rectification of register), and

(b) ceases to apply in relation to the director if a new service address is registered for the director under those regulations.

(6) In this section "relevant company" means each company given notice under section 245(2)(b)."

Register of members

46 Register of members: information to be included and powers to obtain it

(1) The Companies Act 2006 is amended as follows.

(2) In section 112 (the members of a company), at the end insert—

"(4) Where an individual's name is entered in a company's register of members but is not in the form required by section 113A, that does not affect the person becoming a member of the company by virtue of subsection (2)."

(3) For the italic heading "General" at the beginning of Chapter 2 of Part 8 substitute "Duty to keep register".

(4) In section 113 (register of members)—

(a) for subsection (2) substitute—

"(2) There must be entered in the register, in respect of each person who is a member—

(a) the required information (see sections 113A and 113B), and

(b) the date on which the person was registered as a member.

(2A) Where a person ceases to be a member there must be entered in the register the date at which the person's membership ceased.";

(b) in subsection (3), omit ", with the names and addresses of the members,";

(c) in subsection (5), after "show a single" insert "service";

(d) in subsection (6), omit ", with the names and addresses of the members,";

(e) after subsection (6) insert—

"(6A) Where any of the information required to be entered in a company's register of members changes and, at the time of the change, it is a non-traded company—

(a) the fact that the information has changed does not relieve the company from the obligation to include the old information in the register if it has not already done so,

(b) the old information must be retained in the register until its removal is authorised by section 121 or by court order under section 125, and

(c) a note must be included in the register recording the date on which the information changed and the date on which the change was entered in the register.

(6B) Where any of the information required to be entered in a company's register of members changes and, at the time of the change, it is a traded company, the company is not required to include or retain the old information in the register.

(6C) The Secretary of State may by regulations—

(a) amend subsection (6A) so as to provide for it to apply in relation to traded companies, and

(b) repeal subsection (6B) in consequence.

(6D) Regulations under subsection (6C) are subject to affirmative resolution procedure.";

(f) in subsection (7), after "If" insert ", without reasonable excuse,";

(g) after subsection (8) insert—

"(9) In this section—

"non-traded company" means a company that is not a traded company;

"relevant market" has the meaning given by section 853E(6);

"traded company" means a company any of whose shares are admitted to trading on a relevant market or on any other market which is outside the United Kingdom."

(5) After section 113 insert—

"113A Required information about members: individuals

(1) The required information about a member who is an individual is—

(a) name;

(b) a service address.

(2) In this section "name" means forename and surname.

(3) Where a member is a peer or an individual usually known by a title—

(a) any requirement imposed by section 113D or 113E, or by a notice under section 113F, to provide their name may be satisfied by providing their title instead;

(b) the title may be entered in the register of members instead of their forename and surname (and references in any enactment to the name of a person entered in a company's register of members are to be construed accordingly).

113B Required information about members: corporate members and firms

The required information about a member that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—

(a) corporate or firm name;

(b) a service address.

113C Power to amend the required information

(1) The Secretary of State may by regulations—

(a) make provision changing the required information about a member for the purposes of this Chapter;

(b) repeal section 113A(3).

(2) The provision that may be made in regulations under subsection (1)(a) includes provision amending this Chapter.

(3) The consequential provision that may be made in regulations under subsection (1)(a) by virtue of section 1292(1) also includes provision amending section 50 of the Economic Crime and Corporate Transparency Act 2023.

(4) Regulations under subsection (1) are subject to affirmative resolution procedure.

113D Duty on new members to notify required information

(1) A person who becomes a member of a company must provide the company with the required information about the member (see sections 113A and 113B).

(2) Subsection (1) does not apply if or to the extent that—

(a) the person has already provided the information to the company, or

(b) the person becomes a member of the company on its incorporation and the information is contained in the application for the registration of the company.

(3) A person must comply with this section within the period of two months beginning with the date on which the person became a member.

113E Duty on member to notify changes to required information

(1) A person who is a member of a company must give notice to the company of any change in the required information about the member (see sections 113A and 113B).

(2) The notice must specify the date on which the change occurred.

(3) A person must comply with this section within the period of two months beginning with the date on which the change occurred.

113F Power for company to require information from members

(1) A company may, for the purposes of ensuring that its register of members includes the information that it is required to include, require a member or former member of the company to provide any of the required information about the member or former member (see sections 113A and 113B).

(2) The notice must require the recipient to comply with it within the period of one month beginning with the date on which the notice is given.

113G Failure to comply with section 113D, 113E or 113F

(1) A person who, without reasonable excuse, fails to comply with section 113D or 113E commits an offence.

(2) A person who, without reasonable excuse, fails to comply with a notice under section 113F commits an offence.

(3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

113H Basic false statement offences in connection with sections 113D to 113F

(1) A person commits an offence if, in purported compliance with section 113D or 113E and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.

(2) A person commits an offence if, in purported compliance with a notice under section 113F and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.

(3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.

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

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

113I Aggravated false statement offences in connection with sections 113D to 113F

(1) A person commits an offence if, in purported compliance with section 113D or 113E, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.

(2) A person commits an offence if, in purported compliance with a notice under section 113F, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.

(3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily

default fine not exceeding one-fifth of the statutory maximum;

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

Duty to keep index of members".

(6) Section 115 (index of members)—

(a) is moved to after the italic heading "Duty to keep index of members" inserted by subsection (5) of this section, and

(b) is renumbered section 113J.

(7) In that section as renumbered—

(a) in subsection (1), for "names of the members of the company" substitute "names or titles of the members of the company (to be known as "the index of members' names")";

(b) for subsection (3) substitute—

"(3) The index must include the same details of a person's name or title as are entered in the register of members."

(8) Before section 114 insert—

"Inspection etc of register and index of members".

(9) Before section 121 insert—

"Removal of entries from register of members".

(10) In section 123 (single member companies)—

(a) in subsection (1), omit ", with the name and address of the sole member,";

(b) in subsection (2), omit ", with the name and address of the sole member";

(c) in subsection (3), omit ", with the name and address of the person who was formerly the sole member".

(11) In section 771 (procedure on transfer being lodged), after subsection (1) insert—

"(1A) The company may not register the transfer under subsection (1)(a) unless satisfied that it has the information that it is required to enter in its register of members in relation to the transferee."

47 Additional ground for rectifying the register of members

In section 125 of the Companies Act 2006 (power of court to rectify the register), for subsection (1) substitute—

"(1) If a company's register of members—

(a) does not include information that it is required to include, or

(b) includes information that it is not required to include,

the person aggrieved, or any member of the company, or the company, may apply to the court for rectification of the register."

48 Register of members: protecting information

(1) The Companies Act 2006 is amended as follows.

(2) In section 114 (register to be kept available for inspection), in subsection (1), after paragraph (b) insert—

"This is subject to any restriction imposed by regulations under section 120A (protected material)."

(3) In section 115 (index of members), after subsection (4) insert—

"(4A) Subsection (4) is subject to any restriction imposed by regulations under section 120A (protected material)."

(4) In section 116 (rights to inspect and require copies), after subsection (2) insert—

"(2A) Subsections (1) and (2) are subject to any restriction imposed by regulations under section 120A (protected material)."

(5) In section 120 (information as to state of register and index), after subsection (2) insert—

"(2A) Subsections (1) and (2) do not apply to an alteration that relates to information that the company is required to refrain from disclosing by virtue of regulations under section 120A (protected material)."

(6) After section 120 of the Companies Act 2006 insert—

"120A Power to make regulations protecting material

(1) The Secretary of State may by regulations—

(a) require a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations;

(b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations.

(2) "Individual membership information" means information that—

(a) relates to an individual who is a member or former member of the company, and

(b) is required to be entered in the company's register of members or index of members' names.

(3) Regulations under subsection (1)(b) may make provision as to—

(a) who may make an application;

(b) the grounds on which an application may be made;

(c) the information to be included in and documents to accompany an application;

(d) how an application is to be determined;

(e) the notice to be given of an application and its outcome;

(f) the duration of and procedures for revoking the restrictions on use and disclosure.

(4) Provision under subsection (3) may in particular—

(a) confer a discretion on the registrar;

(b) provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.

(5) Regulations under this section are subject to affirmative resolution procedure.

(6) Nothing in this section or in regulations made under it affects the use or disclosure of information about a person in any other capacity (for example, the use or disclosure of information about a person in that person's capacity as an officer of the company).

120B Offence of failing to comply with regulations under section 120A

(1) If a company contravenes a restriction on the use or disclosure of information imposed by virtue of regulations under section 120A, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(2) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

(7) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (a) insert—

"(aa) any application or other document delivered to the registrar under regulations under section 120A (protection of individual membership information);".

49 Register of members: removal of option to use central register

(1) The Companies Act 2006 is amended as follows.

(2) Omit the following (which allow companies to keep information on the central register instead of entering it in their local register of members)—

(a) section 112A;

(b) Chapter 2A of Part 8.

(3) After section 128 insert—

"128ZA Transitional provision where information kept on central register

(1) Where an election is made under section 128B (option to keep information on central register) at any time before the repeal of that section by the Economic Crime and Corporate Transparency Act 2023—

(a) the company must enter in its register of members all of the information that it would have had to enter in that register if the election had never been made (but see subsection (2)), and

(b) the duty imposed by paragraph (a) is to be treated as having been imposed by the provision which would have required the information to be entered on the register if the election had never been made.

(2) Where, by virtue of section 128E(3)(a), (b) or (c), information delivered to the registrar while the election was in force did not include a date that, but for the election, the company would have had to enter in its register of members (a "relevant date"), the relevant date is to be treated as being the date recorded by the registrar under section 1081(1A)."

(4) Schedule 1 contains consequential amendments.

50 Membership information: one-off statement

(1) This section applies in relation to a traded company, or a non-traded company, registered under the Companies Act 2006 before the appointed day.

(2) On the first occasion on which the company delivers a confirmation statement with a confirmation date that is after the appointed day it must, at the same time, deliver to the registrar the relevant membership information.

(3) For this purpose "the relevant membership information" means—

(a) in relation to a traded company—

(i) the name and address (as they appear in the company's register of members) of each person who, at the end of the confirmation date, held at least 5% of the issued shares of any class of the company, and

(ii) the number of shares of each class held by each such person at that time;

(b) in relation to a non-traded company—

(i) the name (as it appears in the company's register of members) of every person who was a member of the company at the end of the confirmation date, and

(ii) the number of shares of each class held at the end of the confirmation date by each person who was a member of the company at that time.

(4) Section 853A(1)(b)(ii) of the Companies Act 2006 (as substituted by section 59 of this Act) has effect as if it included a reference to the duty imposed by subsection (2) (and section 853L of that Act applies accordingly).

(5) In this section—

"confirmation statement" has the meaning given by section 853A(1)(b) of the Companies Act 2006;

"non-traded company" has the meaning given by section 853F(2) of that Act;

"the appointed day" means such day as the Secretary of State may by regulations appoint for the purposes of this section;

"traded company" has the meaning given by section 853G(2) and (3) of that Act.

(6) Other expressions used in this section have the same meaning as in Part 24 of the Companies Act 2006.

Registration of directors, secretaries and persons with significant control

51 Abolition of local registers etc

(1) Schedule 2 contains amendments to abolish requirements imposed on a company to keep its own—

(a) register of directors;

(b) register of directors' residential addresses;

(c) register of secretaries;

(d) register of people with significant control (sometimes referred to as a PSC register).

(2) It also contains related amendments requiring information to be provided to the registrar of companies.

52 Protection of date of birth information

(1) The Companies Act 2006 is amended as follows.

(2) In section 1087 (material not available for public inspection), for paragraph (da) substitute—

"(da) relevant date of birth information that section 1087A provides is not to be made available for public inspection;".

(3) For sections 1087A and 1087B substitute—

"1087A Protection of date of birth information

(1) The registrar must not make available for public inspection—

(a) so much of any document delivered to the registrar as is required to contain relevant date of birth information;

(b) any record of the information contained in part of a document that is unavailable because of paragraph (a).

(2) This section has limited application in relation to documents delivered before it comes fully into force: see section 1087B.

(3) "Relevant date of birth information" means—

(a) information as to the day of the month (but not the month or year) on which a director (or proposed director) was born;

(b) information as to the day of the month (but not the month or year) on which a registrable person in relation to the company was born.

(4) Information about a director (or proposed director) or registrable person does not cease to be relevant date of birth information when they cease to be a director (or proposed director) or registrable person.

(5) Subsection (1)(b) does not affect the availability for public inspection of the same information contained in material derived from a part of a document that was not required to contain the information.

(6) In this section "registrable person", in relation to a company, has the meaning given by section 790C(4).

1087B Protection of date of birth information in old documents

(1) This section limits the extent to which section 1087A applies in relation to documents delivered to the registrar before that section comes fully into force ("old documents").

(2) Section 1087A does not apply in relation to any old documents registered before 10 October 2015.

(3) Section 1087A does not apply in relation to any old document that is—

(a) a statement of a company's proposed officers delivered under section 9 in circumstances where the subscribers gave notice of election under section 167A (election to keep information on central register) in respect of the company's register of directors when the statement was delivered;

(b) a document delivered by the company under section 167D (duty to notify registrar of changes while election in force);

(c) a statement of initial significant control delivered under section 9 in circumstances where the subscribers gave notice of election under section 790X in respect of the company when the statement was delivered;

(d) a document containing a statement or updated statement delivered by the company under section 790X(6)(b) or (7) (statement accompanying notice of election made after incorporation);

(e) a document delivered by the company under section 790ZA (duty to notify registrar of changes while election in force).

(4) Section 1087A does not apply in relation to any old document if—

(a) the document is—

(i) a statement of proposed officers delivered under section 9, or

(ii) notice given under section 167 of a person having become a director of the company,

(b) after the delivery of the document an election was made under section 167A in respect of the company's register of directors, and

(c) the relevant date of birth information relates to a person who was a director of the company when that election took effect.

(5) References in subsections (3)(a) to (e) and (4)(a) to (c) to a provision of this Act are to the provision as it had effect at the time at which the document was delivered (the provisions in question were repealed by the Economic Crime and Corporate Transparency Act 2023).

1087C Disclosure of date of birth information

(1) The registrar must not disclose relevant date of birth information except—

(a) in accordance with subsection (2) or (3), or

(b) as permitted by section 1110F (general powers of disclosure by the registrar).

(2) The registrar may disclose relevant date of birth information if the information is made available for public inspection.

(3) The registrar may disclose relevant date of birth information to a credit reference agency (as defined by section 243(7)).

(4) Subsections (3) to (8) of section 243 (permitted disclosure of address information by the registrar) apply for the purposes of subsection (3) as for the purposes of that section (reading references there to protected information as references to relevant date of birth information).

(5) In this section "relevant date of birth information" has the meaning given by section 1087A(3)."

Accounts and reports

53 Filing obligations of micro-entities

Before section 444 of the Companies Act 2006 (but after the italic heading before that section) insert—

"443A Filing obligations of micro-entities

(1) The directors of a company that qualifies as a micro-entity in relation to a financial year, or that would do so but for being or having been a member of an ineligible group—

(a) must deliver to the registrar a copy of the company's annual accounts, and

(b) may also deliver to the registrar a copy of the directors' report.

(2) The directors must also deliver to the registrar a copy of the auditor's report on those accounts (and any directors' report).

This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.

(3) The copies of the balance sheet and any directors' report delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.

(4) The copy of the auditor's report delivered to the registrar under this section must—

(a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or

(b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

(5) If more than one person is appointed as auditor, the reference in subsection (4)(a) to the name of the auditor is to be read as a reference to the names of all the auditors."

54 Filing obligations of small companies other than micro-entities

For section 444 of the Companies Act 2006 substitute—

"444 Filing obligations of small companies other than micro-entities

(1) The directors of a company that is subject to the small companies regime in relation to a financial year, or that would be so subject but for being or having been a member of an ineligible group, must deliver to the registrar a copy of—

(a) the company's annual accounts, and

(b) the directors' report.

(2) The directors must also deliver to the registrar a copy of the auditor's report on those accounts (and on the directors' report).

This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.

(3) The copies of the balance sheet and directors' report delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.

(4) The copy of the auditor's report delivered to the registrar under this section must—

(a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or

(b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

(5) If more than one person is appointed as auditor, the reference in subsection (4)(a) to the name of the auditor is to be read as a reference to the names of all the auditors.

(6) This section does not apply to companies within section 443A (filing obligations of companies that qualify as micro-entities)."

55 Sections 53 and 54: consequential amendments

(1) The Companies Act 2006 is amended as follows.

(2) In section 415A (directors' report: small companies exemption), for subsection (2) substitute—

"(2) The exemption is relevant to section 416(3) (contents of report: statement of amount recommended by way of dividend)."

(3) In section 441 (duty to file accounts and reports with the registrar), in subsection (1)—

(a) at the appropriate place insert—

"section 443A (filing obligations of micro-entities),";

(b) for "companies subject to small companies regime" substitute "small companies other than micro-entities";

(c) omit the entry for section 444A.

(4) Omit section 444A (filing obligations of companies entitled to small companies exemption in relation to directors' report).

(5) In section 445 (filing obligations of medium-sized companies), for subsection (7) substitute—

"(7) This section does not apply to companies within—

(a) section 443A (filing obligations of micro-entities), or

(b) section 444 (filing obligations of small companies other than micro-entities)."

(6) In section 446 (filing obligations of unquoted companies), for subsection (5), substitute—

"(5) This section does not apply to companies within—

(a) section 443A (filing obligations of micro-entities),

(b) section 444 (filing obligations of small companies other than micro-entities), or

(c) section 445 (filing obligations of medium-sized companies)."

(7) In section 473 (parliamentary procedure for certain regulations under this Part), in subsection (1), omit the entry in the list for section 444.

56 Use or disclosure of profit and loss accounts for certain companies

(1) The Companies Act 2006 is amended as follows.

(2) After section 468 insert—

"468A Use or disclosure of profit and loss accounts for certain companies

(1) The Secretary of State may by regulations make provision requiring the registrar, on application or otherwise—

(a) not to make available for public inspection profit and loss accounts, or parts of them, delivered to the registrar under—

section 443A (micro-entities), or

section 444 (other small companies);

(b) to refrain from disclosing such accounts, or parts of them, except in specified circumstances.

(2) Regulations under subsection (1) which provide for the making of an application may make provision as to—

(a) who may make an application;

(b) the grounds on which an application may be made;

(c) the information to be included in and documents to accompany an application;

(d) the notice to be given of an application and of its outcome;

(e) how an application is to be determined;

(f) the duration of, and procedures for revoking, any restrictions on the making of information available for public inspection or its disclosure.

(3) Provision under subsection (2)(e) or (f) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.

(4) The circumstances that may be specified under subsection (1)(b) by way of an exception to a restriction on disclosure include circumstances where the court has made an order, in accordance with the regulations, authorising disclosure.

(5) Regulations under subsection (1)(b) may not require the registrar to refrain from disclosing information under section 1110F (general powers of disclosure by the registrar).

(6) Regulations under this section may in particular confer a discretion on the registrar.

(7) Regulations under this section are subject to affirmative resolution procedure."

(3) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (bb) insert—

"(bba) the following—

(i) any application or other document delivered to the registrar under regulations under section 468A (regulations protecting profit and loss accounts for certain companies);

(ii) any information which regulations under section 468A require not to be made available for public inspection;".

57 Statements about exemption from audit requirements

In section 475 of the Companies Act 2006 (requirement for audited accounts), for subsection (2) substitute—

"(2) A company is not entitled to any such exemption unless its balance sheet contains a statement by the directors—

(a) identifying the exemption in question, and

(b) confirming that the company qualifies for the exemption."

58 Removal of option to abridge Companies Act accounts

(1) Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (S.I. 2008/409) (Companies Act individual accounts) is amended as follows.

(2) In paragraph 1(3), omit "Subject to paragraph 1A".

(3) Omit paragraph 1A (abridged accounts).

(4) In paragraph 1B(2), omit ", otherwise than pursuant to paragraph 1A(2),".

(5) In paragraph 1C, omit—

(a) "abridgment or";

(b) "1A or".

Confirmation statements

59 Confirmation statements

(1) The Companies Act 2006 is amended as follows.

(2) In section 853A (duty to deliver confirmation statements)—

(a) in subsection (1), for paragraph (b) substitute—

"(b) a statement (a "confirmation statement") confirming—

(i) that the company has delivered to the registrar, or is delivering to the registrar at the same time as the confirmation statement, all of the information that it is required to deliver in relation to the confirmation period concerned under any duty to notify a relevant event (see section 853B),

(ii) that the company is delivering to the registrar at the same time as the confirmation statement any information that it is required to deliver by virtue of a duty imposed by any of sections 853BA to 853H, and

(iii) in the case of a company's first statement under this paragraph, that the company has delivered to the registrar, or is delivering to the registrar at the same time as the confirmation statement, any information that it is required to deliver under section 167I, 279I or 790LG (pre-incorporation changes).";

(b) omit subsection (2);

(c) for subsections (7) and (8), substitute—

"(7) For the purpose of making a confirmation statement a company is entitled to assume that information that has been delivered to the registrar has been properly delivered unless the registrar has notified the company otherwise."

(3) In section 853K (confirmation statements: power to make further provision by regulations), in subsection (3), for "section 853A(2)" substitute "section 853A(1)(b)".

60 Duty to confirm lawful purposes

After section 853B of the Companies Act 2006 insert—

"853BA Duty to confirm lawful purpose

Where a company makes a confirmation statement it must at the same time deliver to the registrar a statement that the intended future activities of the company are lawful."

61 Duty to notify a change in company's principal business activities

In section 853C of the Companies Act 2006 (duty to notify a change in company's principal business activities), after subsection (1) insert—

"(1A) This section also applies where—

(a) a company makes its first confirmation statement, and

(b) by the time of its incorporation, the company's principal business activities had changed from those specified in the statement under section 9(5)(c)."

62 Duty to deliver information about exemption from Part 21A

In section 853H of the Companies Act 2006 (duty to deliver information about exemption from Part 21A), after subsection (2) insert—

"(2A) The statement under subsection (2) must specify—

(a) whether the company falls within the description specified in section 790B(1)(a) or a description specified in regulations under section 790B(1)(b), and

(b) if it falls within a description specified in regulations under section 790B(1)(b), what that description is."

63 Confirmation statements: offences

(1) The Companies Act 2006 is amended as follows.

(2) In section 853J (power to amend duties to deliver certain information), in subsection (4)(a)—

(a) at the end of sub-paragraph (i) insert "and";

(b) for sub-paragraphs (ii) to (iv) substitute—

"(ii) every officer of the company who is in default;".

(3) In section 853L (failure to deliver confirmation statement)—

(a) in subsection (1)—

(i) at the end of paragraph (a) insert "and";

(ii) for paragraphs (b) to (d) substitute—

"(b) every officer of the company who is in default.";

(b) omit subsection (4).

Identity verification

64 Identity verification of persons with significant control

(1) The Companies Act 2006 is amended as follows.

(2) In section 790J (power to make exemptions), in subsection (2)(e), after "790LH" (inserted by Schedule 2 to this Act) insert "and 790LM to 790LS".

(3) After section 790LL (inserted by Schedule 2 to this Act) insert—

"Identity verification obligations for persons with significant control

790LM Initial identity verification: registrable persons

(1) This section applies in the following cases.

Case 1 is where—

(a) a company is incorporated in pursuance of an application for registration containing a statement under section 12A(1)(a) naming a person as someone who will, on the company's incorporation, become a registrable person ("the registrable person"),

(b) the application does not include a statement under section 12B(2) in respect of the registrable person or it appears to the registrar that the statement is false, and

(c) the company has not given a notice under section 790LG(1) in respect of the person.

Case 2 is where—

(a) the registrar is notified under section 790LF that a person has become a registrable person in relation to a company ("the registrable person"), and

(b) the notice does not include a statement under section 790LB(1) or it appears to the registrar that the statement is false.

(2) The registrar must direct the registrable person to deliver to the registrar, within the period of 14 days beginning with the date of the direction, a statement confirming that the person's identity is verified (see section 1110A).

(3) The registrar may by further direction extend that period by up to 14 days at a time.

(4) A direction under this section must be in writing.

(5) A direction given to a person under this section lapses if notice is later given under section 790LG(1) in respect of that person.

(6) In this section "registrable person" does not include a person mentioned in section 790C(12)(a) to (d).

790LN Initial identity verification for registrable persons: transitional cases

(1) A person must deliver to the registrar the statement required by this section if the person—

(a) is a registrable person in relation to a company at any time during the appointed day, and

(b) either—

(i) became a registrable person on the incorporation of the company in pursuance of an application for registration delivered before section 12B(2) came fully into force, or

(ii) became a registrable person, otherwise than on the incorporation of the company, before the day on which section 790LB(1) came fully into force.

(2) The statement required by this section is a statement confirming that person's identity is verified (see section 1110A).

(3) A statement required by this section must be delivered within the period of 14 days beginning with the appointed day.

(4) But the registrar may by direction in writing extend that period by up to 14 days at a time.

(5) In this section—

"the appointed day" means such day as the Secretary of State may by regulations appoint for the purposes of this section;

"registrable person" does not include a person mentioned in section 790C(12)(a) to (d).

(6) The appointed day must not be before sections 12B(2) and 790LB(1) have been brought fully into force.

790LO Initial identity verification: registrable relevant legal entities

(1) This section applies in the following cases.

Case 1 is where—

(a) a company is incorporated in pursuance of an application for registration containing a statement under section 12A(1)(a) naming a person as a person who will, on the company's incorporation become a registrable relevant legal entity ("the entity"),

(b) the application does not include a statement under section 12B(3) in respect of the entity, or is not accompanied by a statement under section 12B(4) by the person whose name is specified in the statement under section 12B(3), or it appears to the registrar that either statement is false, and

(c) the company has not given a notice under section 790LG(1) in respect of the entity.

Case 2 is where—

(a) the registrar is notified under section 790LA that a person has become a registrable relevant legal entity in relation to a company ("the entity"), and

(b) the notice does not include a statement under section 790LB(2), or it is not accompanied by a statement under section 790LB(3), or it appears to the registrar that either statement is false.

(2) The registrar must direct the entity to deliver to the registrar, within the period of 28 days beginning with the date of the direction—

(a) a statement by the entity that—

(i) specifies the name of one of its relevant officers who is an individual and whose identity is verified, and

(ii) confirms that the individual's identity is verified, and

(b) a statement by the individual confirming that the individual is a relevant officer of the entity.

(3) The registrar may by further direction extend that period by up to 28 days at a time.

(4) A direction under this section must be in writing.

(5) A direction given to an entity under this section lapses if notice is later given under section 790LG(1) in respect of that entity.

(6) In subsection (2) "relevant officer"—

(a) in relation to a company, means a director;

(b) in relation to a legal entity the affairs of which are managed by its members, means one of those members;

(c) in relation to any other legal entity, means an officer of the entity whose functions correspond to that of a director of a company.

790LP Initial identity verification in respect of registrable relevant legal entities: transitional cases

(1) A person must deliver to the registrar the statements required by this section if the person—

(a) is a registrable relevant legal entity in relation to a company at any time during the appointed day, and

(b) either—

(i) became a registrable relevant legal entity on the incorporation of the company in pursuance of an application for registration delivered before section 12B(3) and (4) came fully into force, or

(ii) became a registrable relevant legal entity, otherwise than on the incorporation of the company, before section 790LB(2) and (3) came fully into force.

(2) The statements are—

(a) a statement by the entity that—

(i) specifies the name of one of its relevant officers who is an individual and whose identity is verified, and

(ii) confirms that the individual's identity is verified, and

(b) a statement by the individual confirming that the individual is a relevant officer of the entity.

(3) The statements required by this section must be delivered within the period of 28 days beginning with the appointed day.

(4) But the registrar may by direction in writing extend that period by up to 28 days at a time.

(5) In this section—

"the appointed day" means such day as the Secretary of State may by regulations appoint for the purposes of this section;

"relevant officer" has the meaning given by section 790LO(6).

(6) The appointed day must not be before sections 12B(3) and (4) and 790LB(2) and (3) have been brought fully into force.

790LQ Registrable persons: duty to maintain verified identity status

(1) A registrable person in relation to a company must ensure that, throughout the relevant period, they maintain the status of a person whose identity is verified (see section 1110A).

(2) In this section "the relevant period" means the period—

(a) beginning with—

(i) the incorporation of the company, in a case where the person became a registrable person on its incorporation and the application for registration of the company included a statement under section 12B(2) in respect of the person,

(ii) the delivery to the registrar of a statement in respect of the person under section 790LB(1), in a case where the person became a registrable person after the incorporation of the company and such a statement was delivered to the registrar,

(iii) the expiry of the period for complying with the direction under section 790LM, in a case where a direction under that section is given to the person, and

(iv) the expiry of the period for complying with section 790LN, in a case where that section applies to the person, and

(b) ending on the giving of a notice to the registrar under section 790LF that the person has ceased to be a registrable person in relation to the company.

(3) In this section "registrable person" does not include a person mentioned in section 790C(12)(a) to (d).

790LR Registrable relevant legal entities: duty to maintain registered officer whose identity is verified

(1) A registrable relevant legal entity in relation to a company must ensure that, throughout the relevant period, its registered officer—

(a) is a relevant officer of the entity, and

(b) is an individual whose identity is verified (see section 1110A).

(2) In this section "registered officer", in relation to a registrable relevant legal entity, means—

(a) the person whose name is specified in—

(i) a statement delivered to the registrar in respect of the entity under section 12B(3) or 790LB(2),

(ii) a statement delivered to the registrar by the entity in pursuance of a direction under section 790LO(2), or

(iii) a statement delivered to the registrar under section 790LP(2),

unless the entity has changed its registered officer under section 790LS, or

(b) if the entity has changed its registered officer under section 790LS, the person specified in the latest notice under that section.

(3) In this section "the relevant period" means the period—

(a) beginning with—

(i) the incorporation of the company, in a case where the entity became a relevant registrable legal entity on the incorporation of the company and the application for registration of the company included a statement under section 12B(3) in respect of the entity,

(ii) the delivery to the registrar of a statement in respect of the registrable relevant legal entity under section 790LB(2), in a case where the entity became a relevant registrable legal entity after the incorporation of the company and such a statement was delivered to the registrar,

(iii) the expiry of the period for complying with the direction 790LO, in a case where the entity is given a direction under that section, and

(iv) the expiry of the period for complying with section 790LP, where that section applies to the entity, and

(b) ending with the giving of a notice to the registrar under section 790LF that the entity has ceased to be a relevant registrable legal entity in relation to the company,

but see subsection (4).

(4) If the registered officer of a registrable relevant legal entity ceases to be a relevant officer of that entity, "the relevant period" does not include the period of 28 days beginning with the day on which the person so ceases.

(5) In this section "relevant officer" has the meaning given by section 790LO(6).

790LS Registrable relevant legal entities: change of registered relevant officer

(1) A registrable relevant legal entity may change its registered officer for the purposes of section 790LR by giving notice to the registrar.

(2) The notice must include a statement by the entity that the new registered officer—

(a) is a relevant officer of the entity, and

(b) is an individual whose identity is verified (see section 1110A).

(3) The notice must be accompanied by a statement by the individual who is the new registered officer confirming that the individual is a relevant officer of the registrable relevant legal entity.

(4) In this section "relevant officer" has the meaning given by section 790LO(6).

790LT Offence of failing to comply with sections 790LM to 790LR

(1) It is an offence for a person to fail, without reasonable excuse, to comply with—

(a) any of the following sections—

section 790LN;

section 790LP;

section 790LQ;

section 790LR;

(b) a direction under section 790LM or 790LO.

(2) Where an offence under this section is committed by a registrable relevant legal entity, every officer of the entity who is in default also commits the offence.

(3) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

65 Procedure etc for verifying identity

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (3), at the appropriate place insert—

"sections 1110A and 1110B (identity verification),".

(3) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (gb) (inserted by section 66 of this Act) insert—

"(gc) any document delivered to the registrar under regulations under section 1110B;".

(4) After section 1110 insert—

"Identity verification

1110A Meaning of "identity is verified"

(1) For the purposes of this Act an individual's "identity is verified" if—

(a) the individual's identity has been verified by the registrar in accordance with regulations under section 1110B, or

(b) a verification statement in respect of the individual has been delivered to the registrar,

and the individual has not, since then, ceased to be an individual whose identity is verified by virtue of regulations under subsection (6).

(2) A verification statement is a statement by an authorised corporate service provider confirming that it has verified an individual's identity in accordance with regulations under section 1110B.

(3) A verification statement must also specify the authorised corporate service provider's supervisory authority or authorities for the purposes of the Money Laundering Regulations.

(4) The Secretary of State may by regulations make further provision about the contents of verification statements (including provision amending this section).

(5) Where a person is required or authorised by any other provision to deliver a statement to the registrar that an individual's identity is verified, that statement may be delivered at the same time as the verification statement by virtue of which the individual becomes someone whose identity is verified under subsection (1)(b).

(6) The Secretary of State may by regulations provide for circumstances in which someone ceases to be an individual whose identity is verified.

(7) The provision that can be made under subsection (6) includes—

(a) provision to confer a discretion on the registrar;

(b) provision that someone ceases to be an individual whose identity is verified unless, within a specified period of time—

(i) their identity is reverified by the registrar in accordance with regulations under section 1110B, or

(ii) an authorised corporate service provider delivers to the registrar a statement: (A) confirming that it has reverified the individual's identity in accordance with regulations under section 1110B, (B) specifying the authorised corporate service provider's supervisory authority or authorities for the purposes of the Money

Laundering Regulations, and (C) containing anything else required by the regulations.

(8) Regulations under this section are subject to affirmative resolution procedure.

(9) In this section—

"Money Laundering Regulations" means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692);

"supervisory authority" means an authority that is a supervisory authority under the Money Laundering Regulations (see regulation 7 of those Regulations).

1110B Verification requirements

(1) The Secretary of State may by regulations make provision for and in connection with verification or reverification of an individual's identity for the purposes of this Act by the registrar or by an authorised corporate service provider.

(2) The regulations may, in particular, make provision about—

(a) the procedure for verifying or reverifying an individual's identity, including the evidence required;

(b) the records that a person who is or has been an authorised corporate service provider is required to keep in connection with the verification or reverification of an individual's identity.

(3) The regulations may create offences in relation to failures to comply with requirements imposed by virtue of subsection (2)(b).

(4) The regulations must provide for any such offence to be punishable—

(a) on conviction on indictment, by imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, by imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, by imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;

(iii) in Northern Ireland, by imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

(5) The provision that can be made in regulations under this section includes provision conferring a discretion on the registrar, including provision conferring power to impose requirements by registrar's rules.

(6) Regulations under this section are subject to affirmative resolution procedure."

(5) In Schedule 8 (index of defined expressions), at the appropriate place insert—

"identity is verified	section 1110A".

66 Authorisation of corporate service providers

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (3), at the appropriate place insert—

"sections 1098A to 1098H (authorised corporate service providers),".

(3) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (ga) insert—

"(gb) any application or other document delivered to the registrar under section 1098B, 1098D or 1098E or regulations under section 1098G (authorised corporate service providers);".

(4) After section 1098 insert—

"Authorised corporate service providers

1098A Meaning of "authorised corporate service provider"

In this Act "authorised corporate service provider" means a person—

(a) whose application to the registrar to become an authorised corporate service provider for the purposes of this Act has been granted (see section 1098B),

(b) who has not since ceased to be an authorised corporate service provider by virtue of section 1098F, and

(c) whose status as an authorised corporate service provider is not for the time being suspended by virtue of section 1098F.

1098B Application to become authorised corporate service provider

(1) A person may apply to the registrar to become an authorised corporate service provider for the purposes of this Act if—

(a) the person is a relevant person as defined by regulation 8(1) of the Money Laundering Regulations,

(b) in the case of an individual, their identity is verified (see section 1110A), and

(c) the person meets any other requirements imposed by regulations made by the Secretary of State for the purposes of this paragraph.

(2) An application under this section must contain—

(a) the name of the applicant's supervisory authority or authorities for the purposes of the Money Laundering Regulations,

(b) the required information about the applicant (see section 1098C), and

(c) in the case of an application by an individual, a statement that the individual's identity is verified (see section 1110A).

(See also section 1098D, which imposes restrictions on who may deliver an application under this section on behalf of a firm.)

(3) Where an application is made under this section, the registrar must check with the supervisory authority, or at least one of the supervisory authorities, specified in the application, to find out whether the applicant is known to and supervised by that authority.

(4) Having carried out that check, the registrar must grant the application if—

(a) the supervisory authority, or at least one of the supervisory authorities, specified in the application has confirmed that the applicant is known to and supervised by that authority,

(b) where the applicant is an individual, the registrar is satisfied that their identity is verified (see section 1110A),

(c) any other conditions that may be specified by regulations made by the Secretary of State for the purposes of this paragraph are met, and

(d) the registrar is not required by subsection (5) to refuse the application.

(5) The registrar must refuse the application if it appears to the registrar that the applicant is not a fit and proper person to carry out the functions of an authorised corporate service provider.

(6) The provision that can be made in regulations under subsection (4)(c) includes provision conferring a discretion on the registrar.

(7) Regulations under subsection (1)(c) or (4)(c) are subject to affirmative resolution procedure.

(8) For the purposes of this section—

"Money Laundering Regulations" means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692);

"supervised": a person is supervised by a supervisory authority if regulation 7(1) of the Money Laundering Regulations provides that it is a supervisory authority for that person;

"supervisory authority" means an authority that is a supervisory authority under the Money Laundering Regulations (see regulation 7 of those Regulations).

1098C The required information about an applicant

(1) The "required information" about the applicant, in the case of a firm that is applying to become an authorised corporate service provider, means—

(a) firm name,

(b) principal office,

(c) a service address,

(d) an email address,

(e) the legal form of the firm and the law by which it is governed, and

(f) if applicable, the register in which it is entered (including details of the state) and its registration number in that register.

(2) The "required information" about the applicant, in the case of an individual who is applying to become an authorised corporate service provider, means—

(a) name, nationality and date of birth,

(b) a service address,

(c) an email address, and

(d) the part of the United Kingdom in which the person is usually resident or, if the person is usually resident in a country or state outside the United Kingdom, that country or state.

(3) In subsection (2)(a) "name" means forename and surname.

(4) Where the applicant is a peer or an individual usually known by a title, the requirement for the application to contain their name may be satisfied by providing that title instead of the individual's forename and surname.

(5) The Secretary of State may by regulations—

(a) amend this section so as to change the required information about the applicant in the case of a firm or individual applying to become an authorised corporate service provider;

(b) repeal subsection (4).

(6) Regulations under this section are subject to affirmative resolution procedure.

1098D Delivery of applications under section 1098B on behalf of a firm

An application under section 1098B by a firm mentioned in the first column of the table—

(a) must be delivered to the registrar on its behalf by a relevant officer mentioned in the second column who is an individual (see also section 1067A(2)), and

(b) must be accompanied by a statement by the individual confirming their status as a relevant officer of the firm.

Firm	*Relevant officer*
company	director
body corporate other than a company	(a) where the body's affairs are managed by its members, a member of the body; (b) in any other case, any officer of the body whose functions correspond to that of a director of a company.

Firm	*Relevant officer*
partnership	(a) in relation to a limited partnership, a general partner as defined by section 3 of the Limited Partnerships Act 1907; (b) in relation to any other partnership, a member of the partnership
unincorporated body other than a partnership	(a) where the body's affairs are managed by its members, a member of the body; (b) in any other case, a member of the governing body.

1098E Updating duties of authorised corporate service providers

(1) A person who is an authorised corporate service provider must notify the registrar of any change in its supervisory authority or authorities for the purposes of the Money Laundering Regulations within the period of 14 days beginning with the date on which the change occurs.

(2) Where the change is the result of an agreement under regulation 7(2) of the Money Laundering Regulations, for the purposes of this section the change is not to be treated as having occurred until the authority that has agreed to act notifies the person or publishes the agreement under regulation 7(3).

(3) A person who, without reasonable excuse, fails to comply with this section commits an offence.

(4) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

(5) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(6) In this section "Money Laundering Regulations" and "supervisory authority" have the meanings given by section 1098B(8).

1098F Ceasing to be an authorised corporate service provider

(1) A person ceases to be an authorised corporate service provider if the person ceases to be a relevant person as defined by regulation 8(1) of the Money Laundering Regulations.

(2) The Secretary of State may by regulations—

(a) provide for other circumstances in which a person ceases to be an authorised corporate service provider, whether automatically or as a result of a decision taken by the registrar;
(b) provide for circumstances in which the registrar may suspend a person's status as an authorised corporate service provider pending a decision by the registrar under regulations made by virtue of paragraph (a).

(3) The provision that can be made under subsection (2) includes provision as to—
(a) procedure;
(b) the period of a suspension;
(c) the revocation of a suspension.

(4) The provision that can be made in regulations under subsection (2) includes provision conferring a discretion on the registrar.

(5) Regulations under subsection (2) are subject to affirmative resolution procedure.

(6) In this section "Money Laundering Regulations" has the meaning given by section 1098B(8).

1098G Power to impose duties to provide information

(1) The Secretary of State may by regulations require a person who is or has been an authorised corporate service provider to provide information to the registrar in accordance with the regulations (including information for the purpose of monitoring compliance with the requirements of this Act).

(2) The provision that may be made by regulations under subsection (1) includes provision requiring information to be provided on request, on the occurrence of an event or at regular intervals.

(3) The circumstances that may be specified under section 1098F(2) include failure to comply with a requirement under subsection (1).

(4) Regulations under this section may create offences in relation to failures to comply with requirements imposed by the regulations.

(5) The regulations must provide for any such offence to be punishable on summary conviction—
(a) in England and Wales with a fine;
(b) in Scotland or Northern Ireland, with a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(6) The provision that can be made in regulations under this section includes provision conferring a discretion on the registrar.

(7) Regulations under this section are subject to affirmative resolution procedure.

1098H Power to enable authorisation of foreign corporate service providers

(1) The Secretary of State may by regulations make provision for the purposes of enabling a person who is subject to a relevant regulatory

regime under the law of a territory outside the United Kingdom to become an authorised corporate service provider, even if the person is not a relevant person as defined by regulation 8(1) of the Money Laundering Regulations.

(2) In subsection (1) "relevant regulatory regime" means a regulatory regime that, in the opinion of the Secretary of State, has similar objectives to the regulatory regime under the Money Laundering Regulations for relevant persons and is likely to be no less effective in achieving those objectives.

(3) Regulations under this section—

(a) may amend any of sections 1098B to 1098G or insert new sections into this Act;

(b) may make consequential amendments or repeals in other provisions of this Act.

(4) Regulations under this section are subject to affirmative resolution procedure.

(5) In this section "Money Laundering Regulations" has the meaning given by section 1098B(8)."

(5) In Schedule 8 (index of defined expressions), at the appropriate place insert—

"authorised corporate service provider	section 1098A".

67 Exemption from identity verification: national security grounds

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (4), at the appropriate place insert—

"section 1110C (identity verification: exemption on national security grounds),".

(3) After section 1110B (inserted by section 65 of this Act) insert—

"1110C Identity verification: exemption on national security grounds etc

(1) The Secretary of State may, by written notice given to a person, provide for one or more of the effects listed in subsection (2) to apply in relation to the person, if satisfied that to do so is necessary—

(a) in the interests of national security, or

(b) for the purposes of preventing or detecting serious crime.

(2) The effects for which the notice may provide are that—

(a) where a statement of proposed officers names the person as a director, section 12(2A) does not require a statement under that subsection to be made in relation to the person;

(b) section 167G(3)(c) does not apply in relation to a notice of the person having become a director;

(c) section 167M(1) does not apply in relation to the person and section 167M(2) does not impose any obligation on a company in relation to the person;
(d) section 167N(1) does not apply in relation to the person;
(e) section 1067A does not apply in relation to the delivery of documents to the registrar by the person on their own behalf or on behalf of another;
(f) section 1098B(2)(c) does not apply in relation to the person.

(3) For the purposes of subsection (1)(b)—
(a) "crime" means conduct which—
(i) constitutes a criminal offence, or
(ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and
(b) crime is "serious" if—
(i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or
(ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose."

68 Allocation of unique identifiers

(1) The Companies Act 2006 is amended as follows.

(2) In section 1082 (allocation of unique identifiers)—
(a) in subsection (1)—
(i) after "may" insert "by regulations";
(ii) after "in connection with the register" insert "or dealings with the registrar";
(iii) after paragraph (b) (but before the "or" at the end of that paragraph) insert—
"(ba) is an authorised corporate service provider;
(bb) is an individual whose identity is verified,";
(b) subsection (2)(c), for "a statement of the person's name" substitute "any statement by or referring to the person";
(c) in subsection (2), for paragraph (d) substitute—
"(d) confer power on the registrar—
(i) to give a person a new unique identifier;
(ii) to discontinue the use of a unique identifier for a person who is allocated a new identifier or who has more than one."

(3) In section 1087 (material not available for public inspection), after paragraph (d) insert—
"(dza) any statement made in accordance with regulations made by virtue of section 1082(2)(c)."

69 Identity verification: material unavailable for public inspection

In section 1087 of the Companies Act 2006 (material unavailable for public inspection), in subsection (1)—

(a) in the words before paragraph (a), after "not" insert ", so far as it forms part of the register,";

(b) after paragraph (gc) (inserted by section 65 of this Act) insert—

"(gd) any statement or other document delivered to the registrar by virtue of any of the following provisions (which relate to identity verification)—

section 12(2A);
section 12B(2) to (4);
section 167G(3)(c);
section 790LB(1) to (3);
section 790LM(2);
section 790LO(2);
section 790LS(1) to (3);
section 1067A;".

Striking off and restoration to the register

70 Registrar's power to strike off company registered on false basis

(1) The Companies Act 2006 is amended as follows.

(2) After section 1002 insert—

"Registrar's power to strike off company registered on false basis

1002A Power to strike off company registered on false basis

(1) The registrar may strike a company's name off the register if the registrar has reasonable cause to believe that—

(a) any information contained in the application for the registration of the company, or in any application for restoration of the company to the register, is misleading, false or deceptive in a material particular, or

(b) any statement made to the registrar in connection with such an application is misleading, false or deceptive in a material particular.

(2) In subsection (1) the reference to an application includes any documents delivered to the registrar in connection with the application.

(3) The registrar may not exercise the power in subsection (1) unless—

(a) the registrar has published a notice in the Gazette that, at the end of the period of 28 days beginning with the date of the notice, the name of the company mentioned in the notice will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved, and

(b) the period mentioned in paragraph (a) has expired.

(4) If the registrar exercises the power in subsection (1), the registrar must publish a notice in the Gazette of the company's name having been struck off the register.

(5) On the publication of the notice in the Gazette the company is dissolved.

(6) However—

(a) the liability (if any) of every director, managing officer or member of the company continues and may be enforced as if the company had not been dissolved, and

(b) nothing in this section affects the power of the court to wind up a company the name of which has been struck off the register."

(3) In section 1024 (application for administrative restoration to the register), in subsection (1), for the words from "section" to the end substitute "—

(a) section 1000 or 1001 (power of registrar to strike off defunct company), or

(b) section 1002A (power of registrar to strike off company registered on false basis)."

(4) In section 1025 (requirements for administrative restoration), for subsection (2) substitute—

"(2) The first condition is that—

(a) in the case of a company struck off the register under section 1000 or 1001, the company was carrying on business or in operation at the time of its striking off;

(b) in the case of a company struck off the register under section 1002A, at the time of its striking off, the registrar did not have reasonable cause to believe the matter set out in section 1002A(1)(a) or (b)."

(5) In section 1028A (administrative restoration of company with share warrants), in subsection (1), for "or 1001" substitute ", 1001 or 1002A".

(6) In section 1029 (application to court for restoration to the register), in subsection (1)(c)—

(a) omit the "or" at the end of sub-paragraph (i);

(b) after that sub-paragraph insert—

"(ia) under section 1002A (power of registrar to strike off company registered on false basis), or".

(7) In section 1030 (timing for application to court for restoration to the register), in subsection (5)(a), after "company)" insert "or section 1002A (power of registrar to strike off company registered on false basis)".

(8) In section 1031 (decision on application for restoration by the court), in subsection (1)—

(a) after paragraph (a) insert—

"(aa) if the company was struck off the register under section 1002A (power of registrar to strike off company registered on false basis) and the court considers that, at the time of the striking off, the registrar did not have reasonable cause to believe the matter set out in section 1002A(1)(a) or (b);";

(b) in paragraph (c), for "other case" substitute "case (including a case falling within paragraph (a), (aa) or (b))".

71 Requirements for administrative restoration

In section 1025 of the Companies Act 2006 (requirements for administrative restoration), for subsection (5) substitute—

"(5) The third condition is that the applicant has delivered to the registrar such documents relating to the company as are necessary to ensure that if the company is restored to the register the records kept by the registrar relating to the company will be up to date.

(5A) The fourth condition is—

(a) that any outstanding penalties under section 453 or corresponding earlier provisions (civil penalty for failure to deliver accounts) in relation to the company have been paid, and

(b) that each relevant person has paid any outstanding fines or financial penalties imposed on them in respect of an offence under the Companies Acts relating to the company.

(5B) In subsection (5A)(b) "relevant person" means—

(a) the applicant,

(b) any person who—

(i) was a director of the company immediately before it was dissolved or struck off, and

(ii) if the company is restored to the register, will be a director immediately after its restoration, or

(c) any person who is a relevant officer of a firm where the firm is—

(i) a person mentioned in paragraph (a) or (b), or

(ii) a person falling within this paragraph.

(5C) In subsection (5B)(c) "relevant officer"—

(a) in relation to a company, means a director;

(b) in relation to a firm the affairs of which are managed by its members, means one of those members;

(c) in relation to any other firm, means an officer of the firm whose functions correspond to that of a director of a company."

Who may deliver documents

72 Delivery of documents: identity verification etc

(1) The Companies Act 2006 is amended as follows.

(2) In section 9 (registration documents), omit subsection (3).

(3) In section 1059A (scheme of Part 35), in subsection (2), for "1068" substitute "1067A".

(4) After section 1067 insert—

"Who may deliver documents to the registrar

1067A Delivery of documents: identity verification requirements etc

(1) An individual may not deliver a document to the registrar on their own behalf unless—

(a) their identity is verified (see section 1110A), and

(b) the document is accompanied by a statement to that effect.

(2) An individual (A) may not deliver a document to the registrar on behalf of another person (B) who is of a description specified in column 1 of the following table unless—

(a) the individual is of a description specified in the corresponding entry in column 2, and

(b) the document is accompanied by the statement specified in the corresponding entry in column 3.

	1	*2*	*3*
	Description of person on whose behalf document delivered (B)	*Description of individual who may deliver document on B's behalf (A)*	*Accompanying statement*
1	Firm	Individual who is an officer or employee of the firm and whose identity is verified (see section 1110A).	Statement by A— (a) that A is an officer or employee of the firm, (b) that A is delivering the document on the firm's behalf, and (c) that A's identity is verified.
2	Firm	Individual who is an officer or employee of a corporate officer of the firm and whose identity is verified.	Statement by A— (a) that A is an officer or employee of a corporate officer of the firm, (b) that A is delivering the document on the firm's behalf, and (c) that A's identity is verified.
3	Firm	Individual who is an authorised corporate service provider (see section 1098A).	Statement by A— (a) that A is an authorised corporate service provider, and (b) that A is delivering the document on the firm's behalf.

	1	*2*	*3*
	Description of person on whose behalf document delivered (B)	*Description of individual who may deliver document on B's behalf (A)*	*Accompanying statement*
4	Firm	Individual who is an officer or employee of an authorised corporate service provider.	Statement by A— (a) that A is an officer or employee of an authorised corporate service provider, and (b) that A is delivering the document on the firm's behalf.
5	Individual	Individual whose identity is verified.	Statement by A— (a) that A is delivering the document on B's behalf, and (b) that A's identity is verified.
6	Individual	Individual who is an authorised corporate service provider.	Statement by A— (a) that A is an authorised corporate service provider, and (b) that A is delivering the document on B's behalf.
7	Individual	Individual who is an officer or employee of an authorised corporate service provider.	Statement by A— (a) that A is an officer or employee of an authorised corporate service provider, and (b) that A is delivering the document on B's behalf.

(3) In relation to a corporate officer that has only corporate officers, the reference in row 2 of the table to an individual who is one of its officers is to—

(a) an individual who is an officer of one of those corporate officers, or

(b) if the officers of those corporate officers are all corporate officers, an individual who is an officer of any of the corporate officers' corporate officers,

and so on until there is at least one individual who is an officer.

(4) The Secretary of State may by regulations—

(a) create exceptions to subsections (1) or (2) (which may be framed by reference to the person by whom or on whose behalf a document is delivered or by reference to descriptions of document or in any other way);

(b) amend this section for the purpose of changing the effect of the table in subsection (2).

(5) Regulations under subsection (4)(a)—

(a) may require any document delivered to the registrar in reliance on an exception to be accompanied by a statement;

(b) may amend this section.

(6) The Secretary of State may by regulations make provision requiring a statement delivered to the registrar under subsection (2) to be accompanied by additional statements or additional information in connection with the subject-matter of the statement.

(7) Regulations under this section are subject to affirmative resolution procedure.

(8) In this section "corporate officer" means an officer that is not an individual."

73 Disqualification from delivering documents

After section 1067A of the Companies Act 2006 (inserted by section 72 of this Act) insert—

"1067B Disqualification from delivering documents

(1) An individual who is a disqualified person may not deliver documents to the registrar on their own behalf or on behalf of another.

(2) An individual may not deliver a document to the registrar on behalf of a disqualified person unless—

(a) the individual is an authorised corporate service provider (see section 1098A), or

(b) the individual is an officer or employee of an authorised corporate service provider.

(3) A document delivered to the registrar must be accompanied by the following two statements made by the individual delivering it.

(4) The first is a statement that the individual is not a disqualified person.

(5) The second is—

(a) a statement that the individual is delivering the document on their own behalf,

(b) a statement that the individual is delivering the document on behalf of another person who is not a disqualified person, or

(c) a statement that the individual is delivering the document on behalf of a disqualified person.

(6) For the purpose of this section "disqualified person" means a person who is disqualified under the directors disqualification legislation (see section 159A(2)).

(7) The Secretary of State may by regulations amend this section for the purposes of changing who may deliver a document to the registrar on behalf of a disqualified person.

(8) Regulations under subsection (7) are subject to the affirmative procedure."

74 Proper delivery: requirements about who may deliver documents

In section 1072 of the Companies Act 2006 (requirements for proper delivery), in subsection (1), after paragraph (a) insert—

"(aa) any applicable requirements as regards who may deliver a document to the registrar;".

Facilitating electronic delivery

75 Delivery of documents by electronic means

(1) The Companies Act 2006 is amended as follows.

(2) In section 1068 (registrar's requirements as to form, authentication and manner of delivery)—

(a) after subsection (4) insert—

"(4A) Any requirements under subsection (4)(b) to (d) must be imposed by means of registrar's rules.";

(b) omit subsections (5) to (6A).

(3) Omit section 1069 (power to require delivery by electronic means).

(4) In section 1072 (requirements for proper delivery), in subsection (1)(b), omit "section 1069 (power to require delivery by electronic means),".

76 Delivery of order confirming reduction of share capital

In section 649 of the Companies Act 2006 (registration of court order confirming reduction of share capital and statement of capital), in subsection (1), for the words from "production of an order" to "copy of the order" substitute "the delivery of a copy of a court order confirming the reduction of a company's share capital".

77 Delivery of statutory declaration of solvency

(1) In section 89 of the Insolvency Act 1986 (statutory declaration of solvency)—

(a) in subsection (3), for "The declaration" substitute "A copy of the declaration";

(b) in subsection (6), after "If" insert "a copy of".

(2) In Article 75 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (statutory declaration of solvency)—

(a) in paragraph (3), for "The declaration" substitute "A copy of the declaration";

(b) in paragraph (6), after "If" insert "a copy of".

78 Registrar's rules requiring documents to be delivered together

(1) The Companies Act 2006 is amended as follows.

(2) After section 1068 insert—

"1068A Registrar's rules requiring documents to be delivered together

(1) Registrar's rules may provide for circumstances where—

(a) a person who is required to deliver two or more documents to the registrar must deliver them together;

(b) a person who wishes to deliver two or more documents authorised to be delivered to the registrar is required to deliver them together (so that, for example, if one document is delivered on its own, the others cannot be delivered on a later occasion);

(c) a person who wishes to deliver one or more documents authorised to be delivered to the registrar is required to deliver them together with one or more documents that the person is required to deliver to the registrar (so that, for example, if a document that is required to be delivered has been delivered on its own, the documents that are authorised to be delivered cannot be delivered on a later occasion).

(2) Provision may not be made under subsection (1)(a) that would have the effect of requiring any document to be delivered earlier than it would otherwise be required to be delivered."

(3) In section 1072 (requirements for proper delivery), in subsection (1)(b), after the entry in the list for section 1068 insert—

"section 1068A (rules requiring documents to be delivered together),".

Promoting the integrity of the register

79 Power to reject documents for inconsistencies

After section 1073 of the Companies Act 2006 insert—

"1073A Power to reject documents for discrepancies

(1) The registrar may refuse to accept (and register) a document if—

(a) it appears to the registrar to be inconsistent with other information that is held by or available to the registrar, and

(b) in light of the inconsistency, the registrar has reasonable grounds to doubt whether it complies with any requirement as to its contents.

(2) A document is refused by giving notice of the refusal to the person by whom the document was delivered to the registrar.

(3) A document that is refused by the registrar is treated for the purposes of any provision authorising or requiring its delivery as not having been delivered."

80 Informal correction of document

(1) The Companies Act 2006 is amended as follows.

(2) Omit section 1075 (informal correction of document).

(3) In section 1081 (annotation of the register), in subsection (1), omit paragraph (b).

(4) In section 1087 (material not available for public inspection), in subsection (1)(d), at the end insert "before the repeal of that section by the Economic Crime and Corporate Transparency Act 2023".

81 Preservation of original documents

In section 1083 of the Companies Act 2006 (preservation of original documents), in subsection (1), for "three years" substitute "two years".

82 Records relating to dissolved companies etc

(1) The Companies Act 2006 is amended as follows.

(2) Section 1084 (records relating to companies that have been dissolved etc) is to extend also to Scotland and is amended as follows—

(a) in subsection (1), after paragraph (c) insert—

"and a reference in this section to "the relevant date" is to the date on which the company was dissolved, the overseas company ceased to have that connection with the United Kingdom or the institution ceased to be within section 1050.";

(b) after subsection (1) insert—

"(1A) The registrar need not make any information contained in records relating to the company or institution available for public inspection at any time after the end of the period of 20 years beginning with the relevant date.";

(c) for subsections (2) and (3) substitute—

"(2) The registrar of companies for England and Wales may, at any time after the period of two years beginning with the relevant date, direct that any records relating to the company or institution that are held by the registrar are to be removed to the Public Record Office.

(2A) The registrar of companies for Northern Ireland may, at any time after the period of two years beginning with the relevant date, direct that any records relating to the company or institution that are held by the registrar are to be removed to the Public Record Office of Northern Ireland.

(3) Records in respect of which a direction is given under subsection (2) or (2A) are to be disposed of under the enactments relating to the Public Record Office or, as the case may be, the Public Record Office of Northern Ireland.";

(d) omit subsections (4A) and (5).

(3) Omit section 1087ZA (required particulars available for public inspection for limited period).

83 Power to require additional information

(1) The Companies Act 2006 is amended in accordance with subsections (2) to (4).

(2) After section 1092 insert—

"Additional information

1092A Power to require information

(1) The registrar may by notice in writing require a person to provide information to the registrar for the purposes of enabling the registrar to determine—

(a) whether a person has complied with any obligation imposed by an enactment to deliver a document to the registrar,

(b) whether any information contained in a document received by the registrar falls within section 1080(1)(a).

(2) A requirement under this section may specify—

(a) the form and manner in which the information is to be provided;

(b) the period within which it is to be provided.

(3) The registrar may by notice in writing extend a period specified in a requirement under this section.

1092B Offence relating to provision of information

(1) A person who, without reasonable excuse, fails to comply with a requirement under section 1092A commits an offence.

(2) Where an offence under this section is committed by a firm, an offence is also committed by every officer of the firm who is in default.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both), and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

1092C Privilege against self-incrimination

(1) A statement made by a person in response to a requirement under section 1092A may not be used against the person in criminal proceedings in which the person is charged with an offence to which this subsection applies.

(2) Subsection (1) applies to any offence other than—

(a) an offence under one of the following provisions (which concern false statements etc)—

(i) section 1112 or 1112A;

(ii) section 5 of the Perjury Act 1911;

(iii) section 44(2) of the Criminal Law (Consolidation) (Scotland) Act 1995;

(iv) Article 10 of the Perjury (Northern Ireland) Order 1979 (S.I. 1979/1714 (N.I. 19));

(v) section 32 or 32A of the Economic Crime (Transparency and Enforcement) Act 2022;

(vi) section 34 or 35 of the Limited Partnerships Act 1907;

(b) any offence, not within paragraph (a), an element of which is the delivery to the registrar of a document, or the making of a statement to the registrar, that is misleading, false or deceptive."

(3) In section 1059A (scheme of Part 35), in subsection (2), at the appropriate place insert—

"sections 1092A to 1092C (powers to require further information),".

(4) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (e) insert—

"(ea) any information provided to the registrar under section 1092A (power to require further information);".

84 Registrar's notice to resolve inconsistencies

(1) Section 1093 of the Companies Act 2006 (registrar's notice to resolve inconsistency on the register) is amended as follows.

(2) For subsections (1) and (2) substitute—

"(1) Where it appears to the registrar that the information contained in a document delivered to the registrar in relation to a company is inconsistent with other information contained in records kept by the registrar under section 1080, the registrar may give notice to the company to which the document relates—

(a) stating in what respects the information contained in it appears to be inconsistent with other information in records kept by the registrar under section 1080, and

(b) requiring the company, within the period of 14 days beginning with the date on which the notice is issued, to take all such steps as are reasonably open to it to resolve the inconsistency by delivering replacement or additional documents or in any other way.

(2) The notice must state the date on which it is issued."

(3) In the heading, omit "on the register".

85 Administrative removal of material from the register

(1) The Companies Act 2006 is amended as follows.

(2) For section 1094 substitute—

"1094 Removal of material from the register

(1) The registrar may remove from the register anything that appears to the registrar to be—

(a) a document, or material derived from a document, accepted under section 1073 (power to accept documents not meeting requirements for proper delivery), or

(b) unnecessary material as defined by section 1074.

(2) The power to remove material from the register under this section may be exercised—

(a) on the registrar's own motion, or

(b) on an application made in accordance with regulations under section 1094A(2).

(3) The registrar may exercise the power to remove from the register anything the registration of which had legal consequences only if satisfied that the interest of the company, or (if different) the applicant, in removing the material outweighs any interest of other persons in the material continuing to appear on the register.

(4) The Secretary of State may by regulations provide that the registrar's power to remove material from the register under this section following an application is limited to material of a description specified in the regulations.

(5) Regulations under this section are subject to the negative resolution procedure.

1094A Further provision about removal of material from the register

(1) The Secretary of State must by regulations make provision for notice to be given in accordance with the regulations where material is removed from the register under section 1094 otherwise than on an application.

(2) The Secretary of State must by regulations make provision in connection with the making and determination of applications for the removal of material from the register under section 1094.

(3) The provision that may be made under subsection (2) includes provision as to—

(a) who may make an application,

(b) the information to be included in and documents to accompany an application,

(c) the notice to be given of an application and of its outcome,

(d) a period in which objections to an application may be made, and

(e) how an application is to be determined, including provision as to evidence that may be relied upon by the registrar for the purposes of satisfying the test in section 1094(1).

(4) The provision that may be made by virtue of subsection (3)(e) includes provision as to circumstances in which—

(a) evidence is to be treated by the registrar as conclusive proof that the test in section 1094(1) is met, and

(b) the power of removal must be exercised.

(5) Regulations under this section may in particular confer a discretion on the registrar.

(6) Regulations under this section are subject to the negative resolution procedure.

1094B Power of court to make consequential orders following removal

(1) Where the registrar removes anything from the register otherwise than in pursuance of a court order, the court may, on an application by a person with sufficient interest, make such consequential orders as the court thinks fit as to the legal effects of the inclusion of the material on the register or its removal.

(2) In this section the reference to the registrar removing material from the register includes the registrar determining that anything purported to be delivered to the registrar under any enactment was not in fact delivered under an enactment and therefore does not form part of the register."

(3) In section 1073 (power to accept documents not meeting requirements for proper delivery), in subsection (6)(a), for "section 1094(4)" substitute "regulations under section 1094A(1)".

(4) In section 1087 (material not available for public inspection), in subsection (1), for paragraph (f) substitute—

"(f) any application or other document delivered to the registrar under section 1094 (removal of material from the register);".

(5) Omit section 1095 (rectification of register on application to registrar).

(6) Omit section 1095A (rectification of register to resolve a discrepancy).

86 Rectification of the register under court order

(1) Section 1096 of the Companies Act 2006 (rectification of the register under court order) is amended as follows.

(2) For subsection (3) substitute—

"(3) The court may make an order for the removal from the register of anything the registration of which had legal consequences only if satisfied that the interest of the company, or (if different) the applicant, in removing the material outweighs any interest of other persons in the material continuing to appear on the register."

(3) After subsection (5) insert—

"(5A) This section does not apply to any material delivered to the registrar under Part 15."

(4) In subsection (6), omit paragraph (a) and the "or" at the end of that paragraph.

87 Power to require businesses to report discrepancies

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (4), at the appropriate place

insert—

"section 1110D (power to require businesses to report discrepancies),".

(3) After section 1110C (inserted by section 67 of this Act) insert—

"Discrepancy reporting

1110D Power to require businesses to report discrepancies

(1) The Secretary of State may by regulations impose requirements on a person who is carrying on business in the United Kingdom (a "relevant person")—

(a) to obtain specified information about a customer (or prospective customer)—

(i) before entering into a business relationship with them, or

(ii) during a business relationship with them,

(b) to identify discrepancies between information so obtained and information made publicly available by the registrar, and

(c) to report any discrepancies to the registrar.

(2) The regulations may require the relevant person, when reporting discrepancies, to provide such other information as may be required by the regulations (including information about the relevant person).

(3) The regulations may provide for reports or other information delivered to the registrar under the regulations to be withheld from public inspection.

(4) The regulations may create offences in relation to failures to comply with requirements imposed by the regulations.

(5) The regulations may not provide for an offence created by the regulations to be punishable with imprisonment for a period exceeding—

(a) in the case of conviction on indictment, 2 years;

(b) in the case of summary conviction, 3 months.

(6) In this section "customer", in relation to a person carrying out estate agency work, includes a purchaser (as well as a seller).

(7) Regulations under this section are subject to affirmative resolution procedure."

Inspection etc of the register

88 Inspection of the register: general

In section 1085 of the Companies Act 2006 (inspection of the register), for subsection (3) substitute—

"(3) This section has effect subject to—

sections 64(6A), 67(1A), 73(7), 75(4A), 76(5B), 76A(9) and 76B(9) (which confer powers to suppress a company's name that it has been directed or ordered to change);

section 1084(1A) (records relating to dissolved companies etc);
section 1087 (material not available for public inspection)."

89 Copies of material on the register

(1) The Companies Act 2006 is amended as follows.

(2) In section 1086 (right to copy of material on the register)—
  (a) in subsection (1), at the end insert "that is available for public inspection";
  (b) omit subsection (3).

(3) In section 1089 (form of application for inspection or copy), omit subsection (2).

(4) For section 1090 substitute—

"1090 Form and manner in which copies to be provided

The registrar may determine the form and manner in which copies are to be provided under section 1086."

(5) In section 1091 (certification of copies as accurate)—
  (a) for subsections (1) and (2) substitute—

"(1) A copy provided under section 1086 must be certified by the registrar as a true copy if the applicant expressly requests such certification.";

  (b) in subsection (5), omit "Except in the case of an enhanced disclosure document (see section 1078),".

90 Material not available for public inspection

In section 1087 of the Companies Act 2006 (material not available for public inspection), in subsection (1), after paragraph (j) insert—

"(ja) any record of the information contained in a document (or part of a document) mentioned in any of the previous paragraphs of this subsection."

91 Protecting information on the register

(1) The Companies Act 2006 is amended as follows.

(2) In section 790ZF (protection of information as to usual residential address of PSCs), omit subsection (3).

(3) In section 1087 (material not available for public inspection)—
  (a) in subsection (1) for paragraph (e) substitute—

"(e) the following—

(i) any application or other document delivered to the registrar under regulations under section 1088 (regulations protecting material), other than information provided by virtue of section 1088(5);

(ii) any information which regulations under section 1088 require not to be made available for public inspection;";

(b) for subsection (2) substitute—

"(2) Where subsection (1), or a provision referred to in subsection (1), imposes a restriction by reference to material deriving from a particular description of document (or part of a document), that does not affect the availability for public inspection of the same information contained in material derived from another description of document (or part of a document) in relation to which no such restriction applies."

(4) For section 1088 substitute—

"1088 Power to make regulations protecting material

(1) The Secretary of State may by regulations make provision requiring the registrar, on application—
(a) not to make available for public inspection any information on the register relating to an individual;
(b) to refrain from disclosing information on the register relating to an individual except in specified circumstances;
(c) not to make available for public inspection any address on the register that is not information to which paragraph (a) applies;
(d) to refrain from disclosing any such address except in specified circumstances.

(2) The Secretary of State may by regulations make provision requiring the registrar—
(a) not to make available for public inspection any information on the register relating to an individual;
(b) to refrain from disclosing information on the register relating to an individual except in specified circumstances.

(3) Regulations under subsection (1) may make provision as to—
(a) who may make an application;
(b) the grounds on which an application may be made;
(c) the information to be included in and documents to accompany an application;
(d) the notice to be given of an application and of its outcome;
(e) how an application is to be determined;
(f) the duration of, and procedures for revoking, any restrictions on the making of information available for public inspection or its disclosure.

(4) Provision under subsection (3)(e) or (f) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.

(5) Regulations under subsection (1)(a) or (c) may provide that information is not to be made unavailable for public inspection unless the person to whom it relates provides such alternative information as may be specified.

(6) The circumstances that may be specified under subsection (1)(b) or (d) or (2)(b) by way of an exception to a restriction on disclosure include circumstances where the court has made an order, in accordance with the regulations, authorising disclosure.

(7) Regulations under subsection (1)(b) or (2)(b) may not require the registrar to refrain from disclosing information under—

(a) sections 243 or 244 (or those sections as applied by section 790ZF) (residential address information);

(b) section 1087C(1) (disclosure of date of birth information);

(c) any provision of regulations under section 1046 corresponding to provision mentioned in paragraph (a) or (b);

(d) section 1110F (general powers of disclosure by the registrar).

(8) Regulations under subsection (1)(d) may not require the registrar to refrain from disclosing information under section 1110F (general powers of disclosure by the registrar).

(9) Regulations under this section may in particular confer a discretion on the registrar.

(10) Regulations under this section are subject to affirmative resolution procedure."

Registrar's functions and fees

92 Analysis of information for the purposes of crime prevention or detection

After section 1062 of the Companies Act 2006 insert—

"1062A Analysis of information for the purposes of crime prevention or detection

(1) The registrar must carry out such analysis of information within the registrar's possession as the registrar considers appropriate for the purposes of preventing or detecting crime.

(2) See also section 1110F (which, among other things, allows the registrar to disclose information to other public authorities)."

93 Fees: costs that may be taken into account

(1) Section 1063 of the Companies Act 2006 (fees) is amended as follows.

(2) After subsection (3) insert—

"(3A) In deciding what provision to make under subsection (3)(a), the Secretary of State may take into account any costs incurred or likely to be incurred by any person for the purposes of the carrying out of—

(a) any function of the Secretary of State under or in connection with—

the Limited Partnerships Act 1907;

Part 14 of the Companies Act 1985;

the Company Directors Disqualification Act 1986;

the Limited Liability Partnerships Act 2000;

Part 1 of the Economic Crime (Transparency and Enforcement) Act 2022;

this Act;

(b) any function of a Northern Ireland department under or in connection with the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4));

(c) any function of the Secretary of State under or in connection with regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 that make provision in connection with licences of the kind mentioned in section 15(3A) of that Act;

(d) any function of the Secretary of State under or in connection with the Insolvency Act 1986, so far as relating to bodies corporate or other firms;

(e) any function of a Northern Ireland department under or in connection with the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)), so far as relating to bodies corporate or other firms;

(f) any function carried out by the Insolvency Service on behalf of the Secretary of State in connection with the detection, investigation or prosecution of offences, or the recovery of the proceeds of crime, so far as relating to bodies corporate or other firms;

(g) any function carried out by the Insolvency Service in Northern Ireland on behalf of a Northern Ireland department in connection with the detection, investigation or prosecution of offences, or the recovery of the proceeds of crime, so far as relating to bodies corporate or other firms."

(3) In subsection (4), for "this section" substitute "subsection (1)".

(4) After subsection (6) insert—

"(6A) The Secretary of State may by regulations amend—

(a) the reference in subsection (3A)(f) to functions carried out by the Insolvency Service on behalf of the Secretary of State, so long as the functions referred to are functions of the Secretary of State that are of a similar nature;

(b) the reference in subsection (3A)(g) to functions carried out by the Insolvency Service in Northern Ireland on behalf of a Northern Ireland department, so long as the functions referred to are functions of a Northern Ireland department that are of a similar nature.

(6B) Regulations under subsection (6A) are subject to affirmative resolution procedure."

Information sharing and use

94 Disclosure of information

(1) The Companies Act 2006 is amended as follows.

(2) In section 243 (permitted disclosure by registrar), for subsection (6) substitute—

"(6) Regulations under subsection (4) may in particular confer a discretion on the registrar.

(6A) Provision under subsection (5)(d) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application."

(3) In section 1059A (scheme of Part 35), in subsection (2), at the appropriate place insert—

"sections 1110E to 1110G (disclosure of information),".

(4) After section 1110D (inserted by section 87 of this Act) insert—

"Disclosure of information

1110E Disclosure to the registrar

Any person may disclose information to the registrar for the purposes of the exercise of any of the registrar's functions.

1110F Disclosure by the registrar

(1) The registrar may disclose information—

(a) to any person for purposes connected with the exercise of any of the registrar's functions;

(b) to a public authority for purposes connected with the exercise of any of that public authority's functions;

(c) to a person of a description, and for a purpose, specified in regulations made by the Secretary of State for the purposes of this paragraph.

(2) Regulations under subsection (1)(c) are subject to affirmative resolution procedure.

(3) In this section "public authority" includes any person or body having functions of a public nature.

1110G Disclosure: supplementary

(1) Except as provided by subsection (2), the disclosure of information under section 1110E or 1110F does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed).

(2) Sections 1110E and 1110F do not authorise a disclosure of information if the disclosure would contravene the data protection legislation (but in determining whether a disclosure would do so, take into account the powers conferred by those sections).

(3) HMRC information may not be disclosed by the registrar under section 1110F without authorisation from HMRC.

(4) If the registrar discloses HMRC information under section 1110F, the information must not be disclosed by the recipient, or by any person obtaining the information directly or indirectly from them, without authorisation from HMRC.

(5) It is an offence for a person to disclose, in contravention of subsection (3) or (4), any revenue and customs information relating to a person whose identity—

(a) is specified in the disclosure, or

(b) can be deduced from it.

(6) It is a defence for a person charged with an offence under subsection (5) to prove that the person reasonably believed—

(a) that the disclosure was lawful, or

(b) that the information had already lawfully been made available to the public.

(7) Subsections (4) to (7) of section 19 of the Commissioners for Revenue and Customs Act 2005 apply to an offence under subsection (5) as they apply to an offence under that section.

(8) In this section—

"the data protection legislation" has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

"HMRC" means the Commissioners for His Majesty's Revenue and Customs;

"HMRC information" means information disclosed to the registrar under section 1110E by HMRC or a person acting on behalf of HMRC;

"revenue and customs information relating to a person" has the meaning given by section 19(2) of the Commissioners for Revenue and Customs Act 2005."

(5) In section 1114 (application of provisions about documents and delivery), in subsection (1)(b), at the end insert "(but do not include the provision of any information by virtue of section 1110E or any other enactment authorising the disclosure of information to the registrar)".

(6) Schedule 3 contains consequential amendments.

95 Use or disclosure of directors' address information by companies

In section 241 of the Companies Act 2006 (protected information: restriction on use or disclosure by company), after subsection (2) insert—

"(3) If a company uses or discloses information in contravention of subsection (1), an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

96 Use or disclosure of PSC information by companies

(1) The Companies Act 2006 is amended as follows.

(2) For section 790ZG substitute—

"790ZG Power to make regulations protecting material

(1) The Secretary of State may by regulations—

(a) require a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations;

(b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations.

(2) "Relevant PSC particulars" means such particulars of a person with significant control over the company as may be prescribed.

(3) The reference in subsection (2) to a person with significant control over the company—

(a) includes a person who used to be such a person, but

(b) does not include any person in relation to which this Part has effect by virtue of section 790C(12) as if the person were an individual.

(4) Regulations under subsection (1)(b) may make provision as to—

(a) who may make an application;

(b) the grounds on which an application may be made;

(c) the information to be included in and documents to accompany an application;

(d) how an application is to be determined;

(e) the notice to be given of an application and its outcome;

(f) the duration of and procedures for revoking the restrictions on use and disclosure.

(5) Provision under subsection (4) may in particular—

(a) confer a discretion on the registrar;

(b) provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.

(6) Regulations under this section are subject to affirmative resolution procedure.

(7) Nothing in this section or in regulations made under it affects the use or disclosure of particulars of a person in any other capacity (for example, the use or disclosure of particulars of a person in that person's capacity as a member or director of the company).

790ZH Offence of failing to comply with regulations under section 790ZG

(1) If a company contravenes a restriction on the use or disclosure of information imposed by virtue of regulations under subsection 790ZG, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(2) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

(3) In section 1087 (material not available for public inspection), in subsection (1), for paragraph (bc) substitute—

"(bc) any application or other document delivered to the registrar under regulations under section 790ZG (protection of PSC information);".

97 Use of directors' address information by registrar

(1) The Companies Act 2006 is amended as follows.

(2) In section 242 (protected information: restriction on use or disclosure by registrar)—

(a) in subsection (3), omit "use or" in each place it occurs;

(b) in the heading, omit "use or".

(3) In section 243 (permitted use or disclosure by registrar)—

(a) omit subsection (1);

(b) in the heading, omit "use or".

Overseas companies

98 Change of addresses of officers of overseas companies by registrar

In section 1046 of the Companies Act 2006 (overseas companies: registration of particulars), after subsection (6) insert—

"(6A) Where regulations under this section require an overseas company to deliver to the registrar for registration—

(a) a service address for an officer of the company, or

(b) the address of the principal office of an officer of the company,

the regulations may make provision corresponding or similar to any provision made by section 1097B or 1097C (rectification of register relating to service addresses or principal office addresses) or to provision that may be made by regulations made under that section."

99 Overseas companies: availability of material for public inspection etc

In section 1046 of the Companies Act 2006 (overseas companies: registration of particulars), after subsection (6A) (inserted by section 98 of this Act) insert—

"(6B) Regulations under this section may include provision for information delivered to the registrar under the regulations to be withheld from public inspection.

(6C) The provision that may be made by regulations under this section includes provision conferring a discretion on the registrar."

100 Registered addresses of an overseas company

(1) The Companies Act 2006 is amended as follows.

(2) After section 1048 insert—

"1048A Registered addresses of an overseas company

(1) The Secretary of State may by regulations make provision requiring an overseas company that is required to register particulars under section 1046 to deliver to the registrar for registration—

(a) a statement specifying an address in the United Kingdom that is an appropriate address for the company;

(b) a statement specifying an appropriate email address for the company.

(2) The regulations may include provision—

(a) allowing an overseas company to change the address or email address for the time being registered for it under the regulations;

(b) requiring an overseas company to ensure that the address or email address for the time being registered for it under the regulations is an appropriate address or appropriate email address.

(3) The regulations may include—

(a) provision for information contained in a statement specifying an appropriate email address to be withheld from public inspection;

(b) provision corresponding or similar to any provision made by section 1097A (rectification of register relating to a company's registered office) or to provision that may be made by regulations made under that section.

(4) In this section—

"appropriate address" has the meaning given by section 86(2);

"appropriate email address" has the meaning given by section 88A(2).

(5) Regulations under this section are subject to negative resolution procedure."

(3) In section 1139 (service of documents on company), for subsections (2) and (3) substitute—

"(2) A document may be served on an overseas company whose particulars are registered under section 1046—

(a) by leaving it at, or sending it by post to, the company's registered address, or

(b) by leaving it at, or sending it by post to, the registered address of any person resident in the United Kingdom who is authorised to accept service of documents on the company's behalf.

(3) In subsection (2) "registered address"—

(a) in relation to the overseas company, means the address for the time being registered for the company under regulations under section 1048A(1)(a);

(b) in relation to a person other than the overseas company, means any address for the time being shown as a current address in relation to that person in the part of the register available for public inspection."

101 Overseas companies: identity verification of directors

After section 1048A of the Companies Act 2006 (inserted by section 100 of this Act) insert—

"1048B Identity verification of directors

(1) This section applies in relation to an overseas company that is required to register particulars under section 1046.

(2) The Secretary of State may by regulations make provision for the purpose of ensuring that each individual who is a director of such a company is an individual whose identity is verified (see section 1110A).

(3) The regulations may include provision—

(a) requiring the delivery of statements or other information to the registrar;

(b) for statements or other information delivered to the registrar under the regulations to be withheld from public inspection;

(c) applying section 167M (prohibition on director acting unless ID verified), with or without modifications;

(d) applying section 1110C (exemption from identity verification: national security grounds), with or without modifications.

(4) Regulations under this section are subject to negative resolution procedure."

General offences and enforcement

102 General false statement offences

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (3), for the entry relating to sections 1112 and 1113 substitute—

"sections 1112, 1112A and 1113 (enforcement)."

(3) For section 1112 substitute—

"1112 False statements: basic offence

(1) It is an offence for a person, without reasonable excuse, to—

(a) deliver or cause to be delivered to the registrar, for any purpose of the Companies Acts, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for any purpose of the Companies Acts, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

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

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

1112A False statements: aggravated offence

(1) It is an offence for a person knowingly to—

(a) deliver or cause to be delivered to the registrar, for any purpose of the Companies Acts, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for any purpose of the Companies Acts, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both)."

(4) In section 1126 (consents required for certain prosecutions)—

(a) in subsection (1), for the entry relating to section 1112 substitute—

"section 1112 or 1112A of this Act (false statement offences);";

(b) in subsections (2)(a)(iv) and (3)(a)(iv), after "1112" insert "or 1112A".

103 False statement offences: national security etc defence

(1) The Companies Act 2006 is amended as follows.

(2) In section 1059A (scheme of Part 35), in subsection (2), at the appropriate place insert—

"section 1112B (false statement offences: national security etc defence)."

(3) After section 1112A (inserted by section 102 of this Act) insert—

"1112B False statements offences: national security etc defence

(1) A person to whom a certificate is issued by the Secretary of State for the purposes of this section is not liable for the commission of any offence relating to the delivery to the registrar, or the making of a statement, that is misleading, false or deceptive.

(2) The Secretary of State may issue a certificate to a person for the purposes of this section only if satisfied that it is necessary for the person to engage in conduct amounting to such an offence—
(a) in the interests of national security, or
(b) for the purposes of preventing or detecting serious crime.

(3) A certificate under this section may be revoked by the Secretary of State at any time.

(4) For the purposes of subsection (2)(b)—
(a) "crime" means conduct which—
(i) constitutes a criminal offence, or
(ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and
(b) crime is "serious" if—
(i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or
(ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose."

104 Financial penalties

(1) The Companies Act 2006 is amended as follows.

(2) In the heading to Part 36 (Offences under the Companies Acts), at the end insert "and financial penalties".

(3) After section 1132 insert—

"Financial penalties

1132A Power to make provision for financial penalties

(1) The Secretary of State may by regulations make provision conferring power on the registrar to impose a financial penalty on a person if satisfied, beyond reasonable doubt, that the person has engaged in conduct amounting to a relevant offence under this Act.

(2) "Relevant offence under this Act" means any offence under this Act other than an offence under a provision contained in—
(a) Part 12 (company secretaries);
(b) Part 13 (resolutions and meetings);
(c) Part 16 (audit).

(3) The regulations may include provision—
  (a) about the procedure to be followed in imposing penalties;
  (b) about the amount of penalties;
  (c) for the imposition of interest or additional penalties for late payment;
  (d) conferring rights of appeal against penalties;
  (e) about the enforcement of penalties.

(4) Provision made under subsection (3)(b) must ensure that the maximum financial penalty that may be imposed does not exceed £10,000.

(5) The regulations must provide that—
  (a) no financial penalty may be imposed under the regulations on a person in respect of conduct amounting to an offence if—
    (i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or
    (ii) the person has been convicted of that offence in respect of that conduct, and
  (b) no proceedings may be brought against a person in respect of conduct amounting to an offence if the person has been given a financial penalty under the regulations in respect of that conduct.

(6) Amounts recovered by the registrar under the regulations are to be paid into the Consolidated Fund.

(7) Regulations under this section are subject to affirmative resolution procedure.

(8) In this section "conduct" means an act or omission."

Rectification of addresses and service of documents

105 Registered office: rectification of register

(1) Section 1097A of the Companies Act 2006 (rectification of register relating to a company's registered office) is amended as follows.

(2) For subsection (1) substitute—

"(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change the address of a company's registered office if satisfied that it is not an appropriate address within the meaning given by section 86(2).

(1A) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person."

(3) Omit subsection (2).

(4) In subsection (3)—
  (a) after paragraph (b) insert—
    "(ba) the registrar requiring the company or an applicant to provide information for the purposes of determining anything under the regulations,";

(b) in paragraph (c), for "and of its outcome" substitute "or that the registrar is considering the exercise of powers under the regulations";

(c) after paragraph (c) insert—

"(ca) the notice to be given of any decision under the regulations,";

(d) for paragraph (e) substitute—

"(e) how the registrar is to determine whether a company's registered office is at an appropriate address within the meaning given by section 86(2), including in particular the evidence, or descriptions of evidence, which the registrar may without further enquiry rely on to be satisfied that an address is an appropriate address,";

(e) for paragraph (f) substitute—

"(f) the referral by the registrar of any question for determination by the court,";

(f) in paragraph (h), at the end insert "(which need not be an appropriate address within the meaning given by section 86(2))";

(g) after paragraph (h) insert—

"(ha) the period for which a company is permitted to have the default address as its registered office,";

(h) for paragraph (i) substitute—

"(i) when the change of address takes effect and the consequences of registration of the change (including provision similar or corresponding to section 87(2))."

(5) Omit subsection (4).

(6) Before subsection (5) insert—

"(4A) Provision made by virtue of subsection (3)(ha) may in particular include—

(a) provision creating summary offences punishable with a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale;

(b) provision—

(i) for the registrar to strike a company's name off the register if the company does not change the address of its registered office from the default address, and

(ii) for the restoration of a company to the register, in such circumstances as may be prescribed, on an application made to the registrar or in pursuance of a court order.

(4B) The provision that may be made by virtue of subsection (4A) includes provision applying or writing out, in either case with or without modifications, any provision made by section 1000 or Chapter 3 of Part 31.

(4C) Regulations under this section may in particular confer a discretion on the registrar."

(7) For subsection (6) substitute—

"(6) The regulations must confer a right on a company to appeal to the court against any decision to change the address of its registered office under the regulations.

(6A) If the regulations enable a person to apply for a company's registered office to be changed, they must also confer a right on the applicant to appeal to the court against a refusal of the application."

106 Rectification of register: service addresses

(1) The Companies Act 2006 is amended as follows.

(2) After section 1097A insert—

"1097B Rectification of register: service addresses

(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change a registered service address of a relevant person if satisfied that the address does not meet the requirements of section 1141(1) and (2).

(2) In this section—

"registered service address", in relation to a relevant person, means the address for the time being shown in the register as the person's current service address;

"relevant person" means—

(a) a director of a company that is not an overseas company,

(b) a secretary or one of the joint secretaries of a company that is not an overseas company, or

(c) a registrable person or registrable relevant legal entity in relation to a company (within the meanings given by section 790C).

(3) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.

(4) The regulations must provide for the change in the address to be effected by the registrar proceeding as if the company had given notice under section 167H, 279H or 790LD of the change.

(5) The regulations may make provision as to—

(a) who may make an application,

(b) the information to be included in and documents to accompany an application,

(c) the registrar requiring the company or an applicant to provide information for the purposes of determining anything under the regulations,

(d) the notice to be given of an application or that the registrar is considering the exercise of powers under the regulations,

(e) the notice to be given of any decision under the regulations,

(f) the period in which objections to an application may be made,

(g) how the registrar is to determine whether a registered service address meets the requirements of section 1141(1) and (2), including in particular the evidence, or descriptions of

evidence, which the registrar may without further enquiry rely on to be satisfied that the address meets those requirements,

(h) the referral by the registrar of any question for determination by the court,

(i) the registrar requiring the company to provide an address to be registered as the relevant person's service address,

(j) the nomination by the registrar of an address (a "default address") to be registered as the relevant person's service address (which need not meet the requirements of section 1141(1) and (2)),

(k) the period for which the default address is permitted to be the relevant person's registered service address, and

(l) when the change of address takes effect and the consequences of registration of the change (including provision similar or corresponding to section 1140(5)).

(6) The provision made by virtue of subsection (5)(k) may in particular include provision creating summary offences punishable with a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(7) The regulations must confer a right on the company to appeal to the court against any decision to change the relevant person's registered service address under the regulations.

(8) If the regulations enable a person to apply for a registered service address to be changed, they must also confer a right on the applicant to appeal to the court against a refusal of the application.

(9) On an appeal, the court must direct the registrar to register such address as the relevant person's registered service address as the court considers appropriate in all the circumstances of the case.

(10) The regulations may make further provision about an appeal and in particular—

(a) provision about the time within which an appeal must be brought and the grounds on which an appeal may be brought;

(b) further provision about directions by virtue of subsection (9).

(11) The regulations may include such provision applying (including applying with modifications), amending or repealing an enactment contained in this Act as the Secretary of State considers necessary or expedient in consequence of any provision made by the regulations.

(12) Regulations under this section may in particular confer a discretion on the registrar.

(13) Regulations under this section are subject to affirmative resolution procedure."

(3) In section 1087 (material not available for public inspection), in subsection (1)(ga)—

(a) after "1097A" insert ", 1097B";

(b) for "company registered office" substitute "registered office, service address".

107 Rectification of register: principal office addresses

(1) The Companies Act 2006 is amended as follows.

(2) After section 1097B (inserted by section 106) insert—

"1097C Rectification of register: principal office addresses

(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change the address registered as the principal office of a relevant person if satisfied that the address is not in fact their principal office.

(2) In this section—

"address registered as the principal office", in relation to a relevant person, means the address for the time being shown in the register as the address of the person's current principal office;

"relevant person" means—

(a) a director of a company that is not an overseas company,

(b) a secretary or one of the joint secretaries of a company that is not an overseas company,

(c) a registrable relevant legal entity in relation to a company (within the meaning given by section 790C), or

(d) a registrable person in relation to a company (within the meaning given by section 790C) who falls within section 790C(12).

(3) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.

(4) The regulations must provide for the change in the address to be effected by the registrar proceeding as if the company had given notice under section 167H, 279H or 790LD of the change.

(5) The regulations may make provision as to—

(a) who may make an application,

(b) the information to be included in and documents to accompany an application,

(c) the registrar requiring the company or an applicant to provide information for the purposes of determining anything under the regulations,

(d) the notice to be given of an application or that the registrar is considering the exercise of powers under the regulations,

(e) the notice to be given of any decision under the regulations,

(f) the period in which objections to an application may be made,

(g) how the registrar is to determine whether an address registered as the principal office of a relevant person is in fact the person's principal office, including in particular the evidence, or descriptions of evidence, which the registrar may without further enquiry rely on to be satisfied that the address meets those requirements,

(h) the referral by the registrar of any question for determination by the court,

(i) the registrar requiring the company to provide an address to be registered as the principal office of the relevant person,

(j) the nomination by the registrar of an address (a "default address") to be registered as the principal office of the relevant person (which need not be the relevant person's actual principal office),

(k) the period for which the default address is permitted to be the address registered as the principal office of the relevant person, and

(l) when the change of address takes effect and the consequences of registration of the change.

(6) The provision made by virtue of subsection (5)(k) may in particular include provision creating summary offences punishable with a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(7) The regulations must confer a right on the company to appeal to the court against any decision to change the address registered as the principal office of the relevant person under the regulations.

(8) If the regulations enable a person to apply for the address registered as the principal office of a relevant person to be changed, the regulations must also confer a right on the applicant to appeal to the court against a refusal of the application.

(9) On an appeal, the court must direct the registrar to register such address as the principal office of the relevant person as the court considers appropriate in all the circumstances of the case.

(10) The regulations may make further provision about an appeal and in particular—

(a) provision about the time within which an appeal must be brought and the grounds on which an appeal may be brought;

(b) further provision about directions by virtue of subsection (9).

(11) The regulations may include such provision applying (including applying with modifications), amending or repealing an enactment contained in this Act as the Secretary of State considers necessary or expedient in consequence of any provision made by the regulations.

(12) Regulations under this section may in particular confer a discretion on the registrar.

(13) Regulations under this section are subject to affirmative resolution procedure."

(3) In section 1087 (material not available for public inspection), in subsection (1)(ga)—

(a) after "1097B" (inserted by section 106 of this Act) insert "or 1097C";

(b) after "service address" (inserted by section 106 of this Act) insert "or principal office address".

108 Service of documents on people with significant control

In section 1140 of the Companies Act 2006 (service of documents on directors,

secretaries and others), in subsection (2), after paragraph (a) insert—

"(aa) a person who is a registrable person or a registrable relevant legal entity in relation to a company (within the meanings given by section 790C);".

PART 2

PARTNERSHIPS

CHAPTER 1

LIMITED PARTNERSHIPS ETC.

Meaning of "limited partnership"

109 Meaning of "limited partnership"

(1) The Limited Partnerships Act 1907 is amended in accordance with subsections (2) and (3).

(2) In section 3 (interpretation of terms), in subsection (1) (created by section 110 of this Act), at the appropriate place insert—

""limited partnership" means a firm that is registered as a limited partnership under this Act (for the only circumstances in which a firm can cease to be registered as a limited partnership under this Act while remaining a firm see section 26 (voluntary deregistration));".

(3) Omit section 5 (registration of limited partnership required).

(4) In section 1099 of the Companies Act 2006 (the registrar's index of company names), in subsection (3)(a), for "registered in the United Kingdom" substitute "(within the meaning of section 3 of the Limited Partnerships Act 1907)".

Required information about limited partnerships

110 Required information about partners

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 3 (interpretation of terms)—

(a) the existing text becomes subsection (1);

(b) in that subsection, at the appropriate places insert—

""body corporate" has the same meaning as in the Companies Acts (see section 1173 of the Companies Act 2006);";

""managing officer"—

(a) in relation to a company, means a director or shadow director;

(b) in relation to a legal entity the affairs of which are managed by some or all of its members, means one of those members;

(c) in relation to any other legal entity, means an officer of the entity whose functions correspond to that of a director of a company;";

""legal entity" means a body corporate or other entity that (in each case) is a legal person under the law by which it is governed;";

""service address" has the same meaning as in the Companies Acts (see section 1141(1) and (2) of the Companies Act 2006).";

(c) after that subsection insert—

"(2) For the purposes of the definition of "managing officer" in subsection (1), "director" and "shadow director" have the same meanings as in the Companies Acts (see sections 250 and 251 of the Companies Act 2006).

(3) In this section "the Companies Acts" has the meaning given by section 2(1) of the Companies Act 2006."

(3) In section 4 (definition and constitution of limited partnership), in subsection (4), for "body corporate" substitute "legal entity".

(4) In section 8A (application for registration)—

(a) in subsection (1)(c), after "each" insert "proposed";

(b) in subsections (2)(b) and (c), for "name of each" substitute "required information about each proposed";

(c) in subsection (2)(d), after "each" insert "proposed";

(d) in subsections (3)(a) and (b), for "name of each" substitute "required information about each proposed";

(e) after subsection (3) insert—

"(3A) For the required information about a proposed general partner or a proposed limited partner see Part 2 of the Schedule."

(5) Schedule 4 inserts a Schedule into the Limited Partnerships Act 1907 setting out the required information about partners.

111 Required information about partners: transitional provision

(1) This section applies in relation to a limited partnership that was registered under the Limited Partnerships Act 1907 in pursuance of an application for registration delivered to the registrar before section 110(4) came fully into force.

(2) The general partners in the limited partnership must, within the transitional period, deliver a statement to the registrar specifying the required information (within the meaning of the Schedule to that Act (inserted by Schedule 4 to this Act)) about each person who—

(a) is a partner in the limited partnership, and

(b) became a partner on the registration of the limited partnership.

(3) If a change in the required information about such a partner occurs before whichever is earlier of—

(a) the end of the transitional period, and

(b) the delivery of the statement mentioned in subsection (2),

the general partners in the limited partnership are not required by the provisions mentioned in subsection (4) to give notice to the registrar of the change, unless it is a change to the partner's name.

(4) The provisions are—

(a) section 8S(1) of the Limited Partnerships Act 1907 (inserted by section 122 of this Act), and

(b) so far as it relates to section 8S(1) of the Limited Partnerships Act 1907, section 10D(2)(a) of that Act (inserted by section 126 of this Act).

(5) In this section—

"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);

"transitional period" means the period of 6 months beginning when section 110(4) came fully into force.

(6) Failure by the general partners in a limited partnership to comply with subsection (2) is, in the absence of any evidence to the contrary, to be treated by the registrar as reasonable cause to believe that the limited partnership has been dissolved for the purposes of section 19 of the Limited Partnerships Act 1907 (registrar's power to confirm dissolution of limited partnership) (inserted by section 141 of this Act).

(7) Where the registrar proposes to rely on a failure by the general partners in the limited partnership to comply with subsection (2) as grounds for exercising the power in section 19 of the Limited Partnerships Act 1907, subsections (2) to (4) of that section (publication of warning notice) do not apply.

112 Details about general nature of partnership business

In section 8A of the Limited Partnerships Act 1907 (application for registration)—

(a) after subsection (2) insert—

"(2A) The details referred to in subsection (2)(a) about the general nature of the partnership business may be given by reference to one or more categories of any system of classifying business activities prescribed by regulations made by the Secretary of State for the purposes of this section.";

(b) after subsection (8) insert—

"(9) Regulations under subsection (2A) are subject to the negative resolution procedure."

Registered offices

113 A limited partnership's registered office

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 3 (interpretation of terms)—

(a) in subsection (1) (created by section 110 of this Act), at the appropriate

place insert—

""authorised corporate service provider" has the same meaning as in the Companies Act 2006 (see section 1098A of that Act);";

(b) after subsection (3) (inserted by section 110 of this Act) insert—

"(4) Section 1125 of the Companies Act 2006 (meaning of "daily default fine") applies for the purpose of any provision made by this Act as it applies for the purposes of provisions of the Companies Acts."

(3) In section 8A (application for registration)—

(a) in subsection (1), after paragraph (a) insert—

"(aa) specify the intended address of the limited partnership's registered office, which must be an appropriate address within the meaning given by section 8E(2),

(ab) specify which of the addresses mentioned in section 8E(2)(c) the intended address is,";

(b) after subsection (1) insert—

"(1A) An application for registration of a limited partnership which specifies that the intended address of its registered office is an address mentioned in section 8E(2)(c)(iv) must be accompanied by a statement by the authorised corporate service provider confirming that the address is the authorised corporate service provider's address."

(4) After section 8D insert—

"A limited partnership's registered office

8E Duty to ensure registered office at appropriate address

(1) The general partners in a limited partnership must ensure that its registered office is at all times at an appropriate address.

(2) An address is an "appropriate address" if—

(a) in the ordinary course of events—

(i) a document addressed to the limited partnership, and delivered there by hand or by post, would be expected to come to the attention of a person acting on behalf of the limited partnership, and

(ii) the delivery of documents there is capable of being recorded by the obtaining of an acknowledgement of delivery,

(b) it is in the part of the United Kingdom in which the limited partnership is registered, and

(c) it is at least one of the following—

(i) the address of the principal place of business of the limited partnership;

(ii) the usual residential address of a general partner who is an individual;

(iii) the address of the registered or principal office of a general partner that is a legal entity;

(iv) an address of an authorised corporate service provider that is acting for the limited partnership.

(3) If the general partners fail to comply with this section an offence is committed by each general partner who is in default.

(4) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(5) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—

(a) the managing officer is an individual who is in default, or

(b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

(6) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(7) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(8) Subsection (1) does not apply in relation to a limited partnership during any period for which the address of its registered office is an address nominated by the registrar by virtue of regulations made under section 8G.

8F Change of address of registered office by general partners

(1) The address of a limited partnership's registered office can be changed by the general partners giving notice to the registrar.

(2) The notice must include a statement—

(a) that the new address is an appropriate address within the meaning given by section 8E(2), and

(b) specifying which of the addresses in section 8E(2)(c) the address is.

(3) If the statement under subsection (2)(b) specifies that the address is an address mentioned in section 8E(2)(c)(iv), the notice must be accompanied by a statement by the authorised corporate service provider confirming that the address is the authorised corporate service provider's address.

(4) The change takes effect upon the notice being registered by the registrar, but until the end of the period of 14 days beginning with the date on which it is registered a person may validly serve any document on the limited partnership at the address previously registered.

8G Regulations about change of address of registered office by registrar

(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change the address of a limited partnership's registered office if satisfied that it is not an appropriate address within the meaning given by section 8E(2).

(2) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.

(3) The regulations—

(a) may include provision corresponding or similar to any provision that may be included in regulations under section 1097A of the Companies Act 2006;

(b) must include—

(i) provision about appeals corresponding to the provision that must be included in regulations under section 1097A by virtue of subsections (6) and (6A) of that section;

(ii) provision corresponding to subsection (7) of that section.

(4) The provision that may be made by virtue of subsection (3)(a) that is corresponding or similar to provision that may be made by virtue of section 1097A(4A)(b) and (4B) of the Companies Act 2006 (strike off and restoration) includes provision applying or writing out, with or without modifications, any provision made by section 19 (power to confirm dissolution) or section 20 (administrative revival).

(5) Regulations under this section are subject to the affirmative resolution procedure."

114 A limited partnership's registered office: transitional provision

(1) This section applies in relation to a limited partnership registered under the Limited Partnerships Act 1907 in pursuance of an application for registration delivered to the registrar before section 113(3) came fully into force.

(2) The general partners must, within the transitional period, deliver to the registrar a statement specifying—

(a) the address of its registered office (which must be an appropriate address within the meaning given by section 8E(2) of that Act (inserted by section 113(4) of this Act)), and

(b) which of the addresses in section 8E(2)(c) of that Act the address is.

(3) If the statement under subsection (2)(b) specifies that the address is an address mentioned in section 8E(2)(c)(iv) of the Limited Partnerships Act 1907, the notice must be accompanied by a statement by the authorised corporate service provider confirming that the address is the authorised corporate service provider's address.

(4) The provisions mentioned in subsection (5) do not apply in respect of the limited partnership until—

(a) the end of the transitional period, or

(b) if earlier, the delivery of the statement mentioned in subsection (2).

(5) Those provisions are—

(a) section 8E of the Limited Partnerships Act 1907 (inserted by section 113(4) of this Act);

(b) section 10D(2)(b) of that Act (inserted by section 126 of this Act).

(6) In this section—

"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);

"transitional period" means the period of 6 months beginning when section 113(3) came fully into force.

(7) Failure by the general partners in the limited partnership to comply with subsection (2) is, in the absence of any evidence to the contrary, to be treated by the registrar as reasonable cause to believe that the limited partnership has been dissolved for the purposes of section 19 of the Limited Partnerships Act 1907 (registrar's power to confirm dissolution of limited partnership) (inserted by section 141 of this Act).

(8) Where the registrar proposes to rely on a failure by the general partners in the limited partnership to comply with subsection (2) as grounds for exercising the power in section 19 of the Limited Partnerships Act 1907, subsections (2) to (4) of that section (publication of warning notice) do not apply.

115 A limited partnership's registered office: consequential amendments

(1) Regulation 2 of the Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773) (interpretation) is amended as follows.

(2) In paragraph (1)—

(a) at the end of paragraph (a) of the definition of "EEA AIF" insert "(but see paragraph (1A) if the AIF is a limited partnership)";

(b) at the end of the definition of "Gibraltar AIF" insert "(but see paragraph (1A) if the AIF is a limited partnership)";

(c) at the end of paragraph (b) of the definition of "UK AIF" insert "(but see paragraph (1A) if the AIF is a limited partnership)";

(d) at the appropriate places insert—

""established": a reference to the place where an AIF is established (however expressed) is, in relation to an AIF that is a limited partnership, a reference to—

(a) the country in which the AIF is authorised or registered, or

(b) if the AIF is not authorised or registered, the country in which it has its principal place of business;";

""limited partnership" means a limited partnership registered under the Limited Partnerships Act 1907;".

(3) After paragraph (1) insert—

"(1A) In the application of the definition of "EEA AIF", "Gibraltar AIF" and "UK AIF" to an AIF that is a limited partnership, a reference to the AIF's registered office is to be read as a reference to its principal place of business."

Registered email addresses

116 A limited partnership's registered email address

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 8A (application for registration), in subsection (1), after paragraph (ab) (inserted by section 113 of this Act) insert—

"(ac) specify the intended registered email address of the limited partnership, which must be an appropriate email address within the meaning given by section 8H(2),".

(3) After section 8G (inserted by section 113 of this Act) insert—

"A limited partnership's registered email address

8H Duty to maintain a registered email address

(1) The general partners in a limited partnership must ensure that its registered email address is at all times an appropriate email address.

(2) An email address is an "appropriate email address" if, in the ordinary course of events, emails sent to it by the registrar would be expected to come to the attention of a person acting on behalf of the limited partnership.

(3) If the general partners fail to comply with this section an offence is committed by each general partner who is in default.

(4) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(5) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—

(a) the managing officer is an individual who is in default, or

(b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

(6) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(7) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

8I Change of registered email address

(1) A limited partnership's registered email address can be changed by the general partners giving notice to the registrar.

(2) The notice must include a statement that the new address is an appropriate email address within the meaning given by section 8H(2).

(3) The change takes effect upon the notice being registered by the registrar."

117 A limited partnership's registered email address: transitional provision

(1) This section applies in relation to a limited partnership registered under the Limited Partnerships Act 1907 in pursuance of an application for registration delivered to the registrar before section 116(2) came fully into force.

(2) The general partners must, within the transitional period, deliver to the registrar a statement specifying its registered email address (which must be an appropriate email address within the meaning given by section 8H(2) of that Act (inserted by section 116(3) of this Act)).

(3) The provisions mentioned in subsection (4) do not apply in respect of the limited partnership until—
(a) the end of the transitional period, or
(b) if earlier, the delivery of the statement mentioned in subsection (2).

(4) Those provisions are—
(a) section 8H of the Limited Partnerships Act 1907 (inserted by section 116(3) of this Act);
(b) section 10D(2)(c) of that Act (inserted by section 126 of this Act).

(5) In this section—
"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);
"transitional period" means the period of 6 months beginning when section 116(2) came fully into force.

(6) Failure by the general partners in a limited partnership to comply with subsection (2) is, in the absence of any evidence to the contrary, to be treated by the registrar as reasonable cause to believe that the limited partnership has been dissolved for the purposes of section 19 of the Limited Partnerships Act 1907 (registrar's power to confirm dissolution of limited partnership) (inserted by section 141 of this Act).

(7) Where the registrar proposes to rely on a failure by the general partners in the limited partnership to comply with subsection (2) as grounds for exercising the power in section 19 of the Limited Partnerships Act 1907, subsections (2) to (4) of that section (publication of warning notice) do not apply.

The general partners

118 Restrictions on general partners

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 8A (application for registration)—

(a) after subsection (1A) (inserted by section 113 of this Act) insert—

"(1B) The application must also contain a statement that none of the proposed general partners is disqualified under the directors disqualification legislation (see subsection (8)).";

(b) in subsection (8), at the appropriate place insert—

""disqualified under the directors disqualification legislation"—

(a) in relation to a statement about a person delivered to the registrar for England and Wales or Scotland, means that the person falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;

(b) in relation to a statement about a person delivered to the registrar for Northern Ireland, means that the person falls within any of the entries in the first column of Part 2 of that table;"

(3) After section 8I (inserted by section 116 of this Act) insert—

"Duty to remove disqualified general partners

8J Duty to remove disqualified general partners

(1) The general partners in a limited partnership must take any steps that are necessary to ensure that any general partner in the limited partnership who is disqualified under the directors disqualification legislation (see subsection (3)) ceases to be a general partner.

(2) Examples of the types of steps that the general partners might need to take include—

(a) enforcing any express or implied agreement between the partners;

(b) giving any notice, making any application or otherwise acting to dissolve the limited partnership.

(3) A general partner in a limited partnership is "disqualified under the directors disqualification legislation" if—

(a) where the limited partnership is registered in England and Wales or Scotland, the general partner falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;

(b) where the limited partnership is registered in Northern Ireland, the general partner falls within any of the entries in the first column of Part 2 of that table.

(4) Subsection (1) applies irrespective of whether the general partner concerned became disqualified under the directors disqualification legislation before or after this section comes into force.

(5) If the general partners fail to comply with this section an offence is committed by each general partner who is in default.

(6) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(7) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—

(a) the managing officer is an individual who is in default, or

(b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

(8) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(9) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention."

119 Officers of general partners

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 3 (interpretation of terms), in subsection (1) (created by section 110 of this Act), at the appropriate place insert—

""corporate managing officer" means a managing officer that is a legal entity;".

(3) In section 8A (application for registration), after subsection (1B) (inserted by section 118 of this Act) insert—

"(1C) The application must be accompanied by a statement by each proposed general partner that is a legal entity (if any) specifying the name of its proposed registered officer, who must be an individual—

(a) who is one of the general partner's managing officers,

(b) who is not disqualified under the directors disqualification legislation (see subsection (8)), and

(c) whose identity is verified (within the meaning of section 1110A of the Companies Act 2006).

(1D) The application must also be accompanied by one of the following statements by each proposed general partner that is a legal entity (if any)—

(a) a statement that the general partner does not have any corporate managing officers, or

(b) if the general partner has one or more corporate managing officers, a statement specifying, for each corporate managing officer, the name of the proposed named contact for the corporate managing officer.

(1E) The proposed named contact for a corporate managing officer must be an individual who is a managing officer of the corporate managing officer.

(1F) A statement under subsection (1C) must—

(a) contain the required information about the proposed registered officer (see Part 3 of the Schedule), and

(b) be accompanied by a statement by the individual who is the proposed registered officer confirming that the individual—

(i) is one of the general partner's managing officers,

(ii) is not disqualified under the directors disqualification legislation (see subsection (8)), and

(iii) is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006).

(1G) A statement under subsection (1D)(b) must—

(a) contain the required information about each proposed named contact specified in the statement (see Part 4 of the Schedule), and

(b) be accompanied by a statement by each proposed named contact confirming that the proposed named contact is a managing officer of the corporate managing officer concerned."

(4) After section 8J (inserted by section 118 of this Act) insert—

"Officers of general partners

8K Duty to maintain registered officer and named contacts

(1) A general partner that is a legal entity must at all times ensure that its registered officer is an individual—

(a) who is one of its managing officers,

(b) who is not disqualified under the directors disqualification legislation (see subsection (2)), and

(c) whose identity is verified (within the meaning of section 1110A of the Companies Act 2006).

(2) The registered officer of a general partner in a limited partnership is "disqualified under the directors disqualification legislation" if—

(a) where the limited partnership is registered in England and Wales or Scotland, the registered officer falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;

(b) where the limited partnership is registered in Northern Ireland, the registered officer falls within any of the entries in the first column of Part 2 of that table.

(3) A general partner that is a legal entity and that has one or more corporate managing officers must at all times ensure that the named contact for each corporate managing officer is an individual who is a managing officer of the corporate managing officer.

(4) In this section "registered officer", in relation to a general partner that is a legal entity, means—

(a) the individual whose name is specified by the general partner in—

(i) a statement delivered to the registrar under section 8A(1C) or 8R(4), or

(ii) a statement delivered to the registrar under section 120(2)(a) or 124(2)(a) of the Economic Crime and Corporate Transparency Act 2023 (transitional cases),

unless the general partner has changed its registered officer under section 8L(1), or

(b) if the general partner has changed its registered officer under section 8L(1), the individual specified in the latest notice under that provision.

(5) In this section "named contact", in relation to the corporate managing officer of a general partner, means—

(a) the individual whose name is specified by the general partner for that corporate managing officer in—

(i) a statement delivered to the registrar under section 8A(1D)(b), 8R(5)(b) or 8N(3), or

(ii) a statement delivered to the registrar under section 120(2)(b)(ii) or 124(2)(b)(ii) of the Economic Crime and Corporate Transparency Act 2023 (transitional cases),

unless the general partner has changed the named contact for that corporate managing officer under section 8L(2), or

(b) if the general partner has changed the named contact for that corporate managing officer under section 8L(2), the individual specified in the latest notice under that provision.

(6) If a general partner's registered officer ceases to fall within the description mentioned in subsection (1)(a) or (b), the general partner does not fail to comply with subsection (1) by reason of that fact during the period of 14 days beginning with the day on which the registered officer so ceases.

(7) If the named contact for a general partner's corporate managing officer ceases to be a managing officer of the corporate managing officer, the general partner does not fail to comply with subsection (3) by reason of that fact during the period of 14 days beginning with the day on which the named contact so ceases.

8L Change of registered officers and named contacts by general partner

(1) A general partner may change its registered officer for the purposes of section 8K(1) by giving notice to the registrar containing the required information about the new registered officer (see Part 3 of the Schedule).

(2) A general partner may change the named contact for a corporate managing officer of the general partner for the purposes of section 8K(3) by giving notice to the registrar containing the required information about the new named contact (see Part 4 of the Schedule).

(3) A notice under subsection (1) must—

(a) include a statement by the general partner confirming that the new registered officer is an individual who meets the requirements in section 8K(1)(a) to (c), and

(b) be accompanied by a statement by the individual who is the new registered officer confirming that the individual meets the requirements in section 8K(1)(a) to (c).

(4) A notice under subsection (2) must—

(a) include a statement by the general partner that the new named contact for the corporate managing officer is a managing officer of the corporate managing officer, and

(b) be accompanied by a statement by the individual who is the new named contact confirming that the individual is an managing officer of the corporate managing officer.

8M Duty to notify changes in general partner's registered officer

(1) A general partner that is a legal entity must give notice to the registrar of any change in the required information about its registered officer (see Part 3 of the Schedule).

(2) A general partner that is a legal entity must give notice to the registrar of any change in the required information about its proposed registered officer that occurred—

(a) after the application for registration of the limited partnership in which the entity is a general partner was delivered to the registrar under section 8A, but

(b) before the limited partnership was registered.

(3) A notice under this section must specify the date on which the change to which it relates occurred.

(4) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the change occurs.

(5) A notice under subsection (2) must be given within the period of 14 days beginning with the day on which the limited partnership was registered.

(6) In this section "registered officer" has the meaning given by section 8K(4).

8N Duty to notify named contact

(1) A general partner that is a legal entity must give notice to the registrar if a legal entity becomes a corporate managing officer of the general partner.

(2) A general partner that is a legal entity must give notice to the registrar if a legal entity became a corporate managing officer of the general partner—

(a) after the application for registration of the limited partnership in which the entity is a general partner was delivered to the registrar under section 8A, but

(b) before the limited partnership was registered.

(3) A notice under this section must include a statement specifying the name of the proposed named contact for the corporate managing officer.

(4) The proposed named contact for a corporate managing officer must be an individual who is a managing officer of the corporate managing officer.

(5) The statement must—

(a) contain the required information about the proposed named contact specified in the statement (see Part 4 of the Schedule), and

(b) be accompanied by a statement by the proposed named contact confirming that the proposed named contact is a managing officer of the corporate managing officer.

(6) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the legal entity becomes a corporate managing officer of the general partner.

(7) A notice under subsection (2) must be given within the period of 14 days beginning with the day on which the limited partnership was registered.

8O Duty to notify changes in named contacts

(1) This section applies where a general partner that is a legal entity has one or more corporate managing officers.

(2) The general partner must give notice to the registrar of any change in the required information about the named contact for any corporate managing officer (see Part 4 of the Schedule).

(3) The general partner must give notice to the registrar of any change in the required information about the proposed named contact for any corporate managing officer that occurred—

(a) after the application for registration of the limited partnership in which the entity is a general partner was delivered to the registrar under section 8A, but

(b) before the limited partnership was registered.

(4) A notice under this section must specify the date on which the change to which it relates occurred.

(5) A notice under subsection (2) must be given within the period of 14 days beginning with the day on which the change occurs.

(6) A notice under subsection (3) must be given within the period of 14 days beginning with the day on which the limited partnership was registered.

(7) In this section "named contact" has the meaning given by section 8K(5).

8P Failure to comply with obligations relating to officers

(1) If a general partner fails to comply with section 8K, 8M, 8N or 8O an offence is committed by—

(a) the general partner, and

(b) if the general partner is a legal entity, any of its managing officers who is in default.

(2) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;
(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(3) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(4) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(5) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (4)).

8Q Regulations about change of registered officer's address by registrar

(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change a registered service address of a registered officer of a general partner if satisfied that the address does not meet the requirements of section 1141(1) and (2) of the Companies Act 2006.

(2) In this section—
"registered officer" has the meaning given by section 8K(4);
"registered service address", in relation to a registered officer, means the address for the time being shown in the register as the registered officer's current service address.

(3) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.

(4) The regulations—
(a) may include provision corresponding or similar to any provision that may be included in regulations under section 1097B of the Companies Act 2006;
(b) must include—
(i) provision about appeals corresponding to the provision that must be included in regulations under section 1097B by virtue of subsections (7) and (8) of that section;
(ii) provision corresponding to subsection (9) of that section.

(5) Regulations under this section are subject to the affirmative resolution procedure."

120 Officers of general partners: transitional provision

(1) This section applies in relation to a limited partnership that was registered under the Limited Partnerships Act 1907 in pursuance of an application for registration delivered to the registrar before section 119(3) came fully into force.

(2) Each general partner that is a legal entity and became a general partner in the limited partnership on its registration must, within the transitional period, deliver to the registrar—

(a) a statement of the kind mentioned in section 8A(1C) of the Limited Partnerships Act 1907 containing the information, and accompanied by the statement, mentioned in section 8A(1F) of that Act (both inserted by section 119(3) of this Act), and

(b) either—

(i) a statement that the general partner does not have any corporate managing officers, or

(ii) if the general partner has one or more corporate managing officers, a statement of the kind mentioned in section 8A(1D)(b) of the Limited Partnerships Act 1907 containing the information, and accompanied by the statement, mentioned in section 8A(1G) of that Act (both inserted by section 119(3) of this Act).

(3) A general partner mentioned in subsection (2) is not required by the provisions mentioned in subsection (4) to give notice to the registrar if a legal entity becomes a corporate managing officer of the general partner before whichever is earlier of—

(a) the end of the transitional period, and

(b) the delivery of the statement mentioned in subsection (2)(b).

(4) The provisions are—

(a) section 8N(1) of the Limited Partnerships Act 1907 (inserted by section 119 of this Act), and

(b) so far as it relates to section 8N(1) of the Limited Partnerships Act 1907, section 10D(2)(a) of that Act (inserted by section 126 of this Act).

(5) In this section—

"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);

"transitional period" means the period of 6 months beginning when section 119(3) came fully into force.

Removal of option to authenticate application by signature

121 Removal of option to authenticate application by signature

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 8A (application for registration), in subsection (1), in paragraph (c), omit "signed or otherwise".

(3) In section 8D (application for designation as a private fund limited partnership), in subsection (2), in paragraph (e), omit "signed or otherwise".

Changes in partnerships

122 Notification of information about partners

After section 8Q of the Limited Partnerships Act 1907 (inserted by section 119

of this Act) insert—

"Notification of information about partners

8R Duty to notify registrar of change in partners

(1) The general partners in a limited partnership must give notice to the registrar if a person—

(a) becomes a general partner or limited partner in the limited partnership, or

(b) ceases to be a general partner or limited partner in the limited partnership.

(2) A notice under subsection (1)(a) must contain the required information about the general partner or limited partner (see Part 2 of the Schedule).

(3) A notice under subsection (1)(a) of a person becoming a general partner must contain a statement that the new general partner is not disqualified under the directors disqualification legislation (see section 8J(3)).

(4) A notice under subsection (1)(a) of a legal entity becoming a general partner must be accompanied by a statement by the general partner specifying the name of its proposed registered officer, who must be an individual who meets the requirements in section 8K(1)(a) to (c).

(5) A notice under subsection (1)(a) of a legal entity becoming a general partner must be accompanied by one of the following statements by the general partner—

(a) a statement that the general partner does not have any corporate managing officers, or

(b) if the general partner has one or more corporate managing officers, a statement specifying, for each corporate managing officer, the name of the proposed named contact for the corporate managing officer.

(6) The proposed named contact for a corporate managing officer must be an individual who is a managing officer of the corporate managing officer.

(7) A statement under subsection (4) must—

(a) contain the required information about the proposed registered officer (see Part 3 of the Schedule), and

(b) be accompanied by a statement by the individual who is the proposed registered officer confirming that the individual meets the requirements in section 8K(1)(a) to (1)(c).

(8) A statement under subsection (5)(b) must—

(a) contain the required information about each proposed named contact specified in the statement (see Part 4 of the Schedule), and

(b) be accompanied by a statement by each proposed named contact confirming that the proposed named contact is a managing officer of the corporate managing officer concerned.

(9) Subsection (1)(a) does not require the general partners, on registration of the limited partnership, to give notice in relation to a person named

as a proposed general partner or a proposed limited partner in the application for registration under section 8A.

(10) A notice under subsection (1) must specify the date on which the person became or ceased to be a general partner or limited partner in the limited partnership.

(11) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the person becomes or ceases to be a general partner or a limited partner.

8S Duty to notify registrar of changes of information about partners

(1) The general partners in a limited partnership must give notice to the registrar of any change in the required information about a partner (see Part 2 of the Schedule).

(2) The general partners in a limited partnership that is not a private fund limited partnership must give notice to the registrar of any change to the sum contributed by any limited partner.

(3) The general partners in a private fund limited partnership that was registered as a limited partnership before 6th April 2017 must give notice to the registrar of any withdrawal by a limited partner of the partner's contribution which has the effect that the amount of the partner's contribution is less than it was on the date on which the limited partnership was designated as a private fund limited partnership.

(4) A notice under this section must specify the date on which the change to which it relates occurred.

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the change occurs.

8T Notification of changes occurring before registration

(1) The general partners in a limited partnership must give notice to the registrar if a person named as a proposed general partner or a proposed limited partner in the application for registration under section 8A did not become a general partner or limited partner on registration of the limited partnership.

(2) The general partners in a limited partnership must give notice to the registrar of any change in the required information about a proposed general partner or a proposed limited partner (see Part 2 of the Schedule) that occurred—

(a) after the application for the limited partnership's registration under section 8A was delivered to the registrar, but

(b) before the limited partnership was registered.

(3) A notice under subsection (2) must specify the date on which the change occurred.

(4) But the general partners are not required to give notice under subsection (2) in respect of a person if they give notice under subsection (1) in respect of the person.

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the limited partnership was registered.

8U Failure to notify information about partners

(1) If the general partners fail to comply with section 8R, 8S or 8T an offence is committed by each general partner who is in default.

(2) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(3) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—

(a) the managing officer is an individual who is in default, or

(b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(5) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

8V Prohibition on acting unless general partner notified

(1) This section applies where—

(a) a person has become a general partner in a limited partnership otherwise than on its registration, and

(b) notice under section 8R of the person having done so has not been given within the period mentioned in subsection (11) of that section.

(2) The general partner may not take part in the management of the partnership business until notice is given under section 8R.

(3) If a general partner contravenes subsection (2) an offence is committed by—

(a) the general partner, and

(b) if the general partner is a legal entity, any of its managing officers who is in default.

(4) But it is a defence for a person charged with an offence under this section to prove that they reasonably believed that notice had been given under section 8R.

(5) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(6) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(7) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(8) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (7)).

(9) The only consequence of contravening subsection (2) is the offence provided for by this section (so that, for example, a contravention does not in any way affect the validity of the general partner's actions).

(10) Nothing in this section shall affect the liability of the general partner for all debts and obligations of the firm.

8W Regulations about change of general partner's address by registrar

(1) The Secretary of State may by regulations make provision authorising or requiring the registrar to—

(a) change a registered service address of a general partner in a limited partnership if satisfied that the address does not meet the requirements of section 1141(1) and (2) of the Companies Act 2006;

(b) change the address registered as the principal office of a general partner in a limited partnership if satisfied that the address is not in fact their principal office.

(2) In this section—

"address registered as the principal office", in relation to a general partner, means the address for the time being shown in the register as the address of the general partner's current principal office;

"registered service address", in relation to a general partner, means the address for the time being shown in the register as the general partner's current service address.

(3) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.

(4) The regulations—

(a) may include provision corresponding or similar to any provision that may be included in regulations under section 1097B of the Companies Act 2006;

(b) must include—

(i) provision about appeals corresponding to the provision that must be included in regulations under section 1097B by virtue of subsections (7) and (8) of that section;

(ii) provision corresponding to subsection (9) of that section.

(5) Regulations under this section are subject to the affirmative resolution procedure."

123 New partners: transitional provision about required information

(1) This section applies in relation to a person who—

(a) is a partner in a limited partnership, and

(b) became a partner in the limited partnership before section 122 came fully into force,

other than a person who became a partner in the limited partnership on its registration.

(2) The general partners in the limited partnership must, within the transitional period, deliver a statement to the registrar specifying the required information about the partner (within the meaning of the Schedule to the Limited Partnerships Act 1907 (inserted by Schedule 4 to this Act)).

(3) If a change in the required information about the partner occurs before whichever is earlier of—

(a) the end of the transitional period, and

(b) the delivery of the statement mentioned in subsection (2),

the general partners in the limited partnership are not required by the provisions mentioned in subsection (4) to give notice to the registrar of the change, unless it is a change to the partner's name.

(4) The provisions are—

(a) section 8S(1) of the Limited Partnerships Act 1907 (inserted by section 122 of this Act), and

(b) so far as it relates to section 8S(1) of the Limited Partnerships Act 1907, section 10D(2)(a) of that Act (inserted by section 126 of this Act).

(5) In this section—

"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);

"transitional period" means the period of 6 months beginning when section 122 came fully into force.

(6) Failure by the general partners in a limited partnership to comply with subsection (2) is, in the absence of any evidence to the contrary, to be treated by the registrar as reasonable cause to believe that the limited partnership has been dissolved for the purposes of section 19 of the Limited Partnerships Act 1907 (registrar's power to confirm dissolution of limited partnership) (inserted by section 141 of this Act).

(7) Where the registrar proposes to rely on a failure by the general partners in the limited partnership to comply with subsection (2) as grounds for exercising the power in section 19 of the Limited Partnerships Act 1907, subsections (2) to (4) of that section (publication of warning notice) do not apply.

124 New general partners: transitional provision about officers

(1) This section applies in relation to a general partner that—

(a) is a legal entity, and

(b) became a general partner before section 122 came fully into force,

other than a legal entity that became a general partner in a limited partnership on its registration.

(2) The general partner must, within the transitional period, deliver to the registrar—

(a) a statement of the kind mentioned in section 8R(4) of the Limited Partnerships Act 1907 containing the information, and accompanied by the statement, mentioned in section 8R(7) of that Act (both inserted by section 122 of this Act), and

(b) either a statement—

(i) that the general partner does not have any corporate managing officers, or

(ii) if the general partner has one or more corporate managing officers, a statement of the kind mentioned in section 8R(5)(b) of the Limited Partnerships Act 1907 containing the information, and accompanied by the statement, mentioned in section 8R(8) of that Act (both inserted by section 122 of this Act).

(3) The general partner is not required by the provisions mentioned in subsection (4) to give notice to the registrar if a legal entity becomes a corporate managing officer of the general partner before whichever is earlier of—

(a) the end of the transitional period, and

(b) the delivery of the statement mentioned in subsection (2)(b).

(4) The provisions are—

(a) section 8N(1) of the Limited Partnerships Act 1907 (inserted by section 119 of this Act), and

(b) so far as it relates to section 8N(1) of the Limited Partnerships Act 1907, section 10D(2)(a) of that Act (inserted by section 126 of this Act).

(5) In this section—

"the registrar" has the same meaning as in the Limited Partnerships Act 1907 (see section 15 of that Act);

"transitional period" means the period of 6 months beginning when section 122 came fully into force.

125 Notification of other changes

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 8A (application for registration), in subsection (2), for paragraph (a) substitute—

"(a) the intended general nature of the limited partnership's business,".

(3) Omit section 9 (registration of changes in partnerships).

(4) After section 10 insert—

"Notification of other changes in partnerships

10A Duty to notify registrar of other changes in partnerships

(1) The general partners in a limited partnership must give notice to the registrar of any change mentioned in subsection (2).

(2) The changes are—

(a) in the case of any limited partnership, changes to—

(i) the firm name, or

(ii) the address of the principal place of business of the limited partnership;

(b) in the case of a limited partnership that is not a private fund limited partnership, changes to—

(i) the general nature of the limited partnership's business, or

(ii) the term or character of the limited partnership.

(3) The notice must specify the date on which the change occurred.

(4) A notice under subsection (2)(b)(i) may specify the change to the general nature of the partnership business by reference to one or more categories of any system of classifying business activities prescribed by regulations made by the Secretary of State under section 8A(2A).

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the change occurs.

10B Notification of other changes occurring before registration

(1) The general partners in a limited partnership must give notice to the registrar if, on registration of the limited partnership, the address of the principal place of business of the limited partnership is different to that contained in the application for registration under section 8A.

(2) The general partners in a limited partnership that is not a private fund limited partnership must give notice to the registrar if, on registration of the limited partnership, any of the following details are different to those contained in the application for registration under section 8A—

(a) the general nature of the limited partnership's business,

(b) the term of the limited partnership,

(c) the amount of the capital contribution of a limited partner, or

(d) the form of the capital contribution of a limited partner.

(3) A notice under subsection (1) must specify the address of the principal place of business of the limited partnership.

(4) A notice under subsection (2)(a)—

(a) must specify the general nature of the limited partnership's business, and

(b) may do so by reference to one or more categories of any system of classifying business activities prescribed by regulations made by the Secretary of State under section 8A(2A).

(5) A notice under subsection (2)(b), (c) or (d) must specify the details mentioned in the paragraph under which the notice is given.

(6) A notice under this section must be given within the period of 14 days beginning with the day on which the limited partnership was registered.

10C Failure to notify other changes in partnerships

(1) If the general partners fail to comply with section 10A or 10B an offence is committed by each general partner who is in default.

(2) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(3) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity who is in default also commits the offence if—

(a) the managing officer is an individual, or

(b) the managing officer is a legal entity and one of its managing officers is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(5) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention."

126 Confirmation statements

After section 10C of the Limited Partnerships Act 1907 (inserted by section 125 of this Act) insert—

"Confirmation statements

10D Duty to deliver confirmation statements

(1) The general partners in a limited partnership must, within the period of 14 days after each review period, deliver to the registrar a statement (a "confirmation statement") confirming that any information required by subsection (2) is being delivered at the same time as the confirmation statement.

(2) The information that must be delivered at the same time as the confirmation statement is—

(a) a notice of any notifiable change in respect of which a notice under section 8N, 8R, 8S or 10A has not been delivered,

(b) a notice under section 8F if—

(i) the limited partnership's registered office is not at an appropriate address within the meaning given by section 8E(2) when the confirmation statement is made, and

(ii) the limited partnership has not given a notice under section 8F that is awaiting registration by the registrar,

(c) a notice under section 8I if—

(i) the limited partnership's registered email address is not at an appropriate email address within the meaning given by section 8H(2) when the confirmation statement is made, and

(ii) the limited partnership has not given a notice under section 8I that is awaiting registration by the registrar,

(d) a notice under section 8L(1) by each general partner that—

(i) is a legal entity,

(ii) has a registered officer who does not meet the requirements in section 8K(1)(a) to (c), and

(iii) has not given a notice under section 8L(1) that is awaiting registration by the registrar, and

(e) if any general partner that is a legal entity has one or more corporate managing officers—

(i) for which the named contact is not an individual who is a managing officer of the corporate managing officer, and

(ii) in respect of which the general partner has not given a notice under section 8L(2) that is awaiting registration by the registrar,

a notice under section 8L(2) by each such general partner in respect of each such corporate managing officer.

(3) For the purposes of this section, each of the following is a review period—

(a) where the limited partnership was registered before this section comes fully into force, the period—

(i) beginning with the date of the limited partnership's registration, and

(ii) ending with the period of 6 months beginning when this section comes fully into force;

(b) where the limited partnership was registered after this section comes fully into force, the period of 12 months beginning with the date of the limited partnership's registration;

(c) each period of 12 months beginning with the day after the end of the previous review period.

(4) But a review period may be shortened by the general partners—

(a) notifying the registrar of the shortened review period, and

(b) delivering the confirmation statement within the period of 14 days after that shortened review period.

(5) For the purpose of making a confirmation statement, the general partners in a limited partnership are entitled to assume that information that has been delivered to the registrar has been properly

delivered unless the registrar has notified the limited partnership otherwise.

(6) In this section a "notifiable change" means a change mentioned in section 8N(1), 8R(1), 8S(1) to (3) or 10A(2) that occurred during the review period.

10E Power to amend matters to be confirmed in confirmation statement

(1) The Secretary of State may by regulations make further provision about the matters that must be confirmed in a confirmation statement delivered under section 10D(1).

(2) The regulations may—
(a) amend or repeal the provisions of section 10D, and
(b) provide for exceptions from the requirements of that section as it has effect from time to time.

(3) Regulations under this section are subject to the affirmative resolution procedure.

10F Failure to deliver confirmation statement

(1) If the general partners fail to comply with section 10D(1) an offence is committed by each general partner who is in default.

(2) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(3) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—
(a) the managing officer is an individual who is in default, or
(b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

(4) A person guilty of an offence under this section is liable on summary conviction—
(a) in England and Wales, to a fine;
(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(5) The contravention continues until such time as the general partners have delivered the statement required by section 10D(1).

(6) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention."

127 Confirmation statements: Scottish partnerships

In regulation 37 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017 (S.I. 2017/694) (review period), for

paragraphs (4) and (5) substitute—

"(4) For the purpose of making a confirmation statement, an eligible Scottish partnership is entitled to assume that information that has been delivered to the registrar has been properly delivered unless the registrar has notified the eligible Scottish partnership otherwise."

Accounts

128 Power for HMRC to obtain accounts

After section 10F of the Limited Partnerships Act 1907 (inserted by section 126 of this Act) insert—

"Power for HMRC to obtain accounts

10G Power for HMRC to obtain accounts

(1) HMRC may by notice in writing require the general partners in a limited partnership to—
  (a) prepare accounts in accordance with regulations made by the Secretary of State for the purposes of this paragraph;
  (b) deliver those accounts to HMRC, together with—
    (i) an auditor's report prepared in accordance with regulations made by the Secretary of State for the purposes of this sub-paragraph;
    (ii) such supporting evidence as may be required by regulations made by the Secretary of the State for the purposes of this sub-paragraph.

(2) A requirement under this section may specify—
  (a) the period to which the accounts must relate;
  (b) the form and manner in which the documents are to be delivered;
  (c) the period within which they are to be delivered.

(3) HMRC may by notice in writing extend a period specified in a requirement under this section.

(4) If the general partners in a limited partnership fail to comply with a requirement under this section an offence is committed by each general partner who is in default.

(5) But where the general partner is a legal entity, it does not commit an offence as a general partner in default unless one of its managing officers is in default.

(6) Where any such offence is committed by a general partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity also commits the offence if—
  (a) the managing officer is an individual who is in default, or
  (b) the managing officer is a legal entity that is in default and one of its managing officers is in default.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

(8) A general partner or managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(9) In this section "HMRC" means the Commissioners for His Majesty's Revenue and Customs.

(10) Regulations under this section are subject to the affirmative resolution procedure."

Dissolution, winding up and sequestration

129 Dissolution and winding up: modifications of general law

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 4 (definition and constitution of limited partnership)—

(a) in subsection (2), after "firm" insert "(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)";

(b) in subsections (2A) and (2B)(b), after "firm" insert "(including debts or obligations incurred in accordance with section 38 of the Partnership Act 1890)";

(c) in subsection (3), after "firm" insert "(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)".

(3) In section 6 (modifications of general law in case of limited partnerships)—

(a) in subsection (1), after "firm", in the third place it occurs, insert "(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)";

(b) for subsection (1A) substitute—

"(1A) Section 6A (actions by limited partners) makes provision supplementing subsection (1).";

(c) in subsection (2) omit "or bankruptcy";

(d) after subsection (2) insert—

"(2A) A limited partnership shall not be dissolved under section 33(1) of the Partnership Act 1890 by the bankruptcy of a partner.

(2B) A limited partnership is dissolved if—

(a) it ceases to have any general partners,

(b) it ceases to have any limited partners, or

(c) each general partner is either insolvent or disqualified under the directors disqualification legislation (see section 8J(3)), irrespective of whether they became insolvent or disqualified before or after this subsection comes into force.";

(e) omit subsection (3);

(f) for subsections (3A) and (3B) substitute—

"(3A) If a limited partnership is dissolved at a time when the partnership has at least one general partner who is—

(a) solvent, and

(b) not disqualified under the directors disqualification legislation,

the general partners at that time who are solvent and are not so disqualified must either wind up the partnership's affairs or take all reasonable steps to ensure that its affairs are wound up by a person who is not a partner at that time.

(3B) If a limited partnership is dissolved at a time when the partnership does not have a general partner who is—

(a) solvent, and

(b) not disqualified under the directors disqualification legislation,

the limited partners at that time who are solvent must take all reasonable steps to ensure that the partnership's affairs are wound up by a person who is not a limited partner at that time.

(3BA) For enforcement of the duties under subsections (3A) and (3B) see section 29.";

(g) omit subsection (3C).

(4) In section 6A (private fund limited partnerships: actions by limited partners)—

(a) in the heading, omit "private fund limited partnerships:";

(b) before subsection (1) insert—

"(A1) A limited partner in a limited partnership is not to be regarded as taking part in the management of the partnership business for the purposes of section 6(1) merely because the limited partner appoints a person to wind up the limited partnership pursuant to section 6(3B).";

(c) omit subsection (2)(b);

(d) in subsection (4)—

(i) in paragraph (a), omit "private fund";

(ii) omit paragraph (b) and the "or" before it;

(e) after subsection (4) insert—

"(5) Nothing in subsections (1) to (3) affects the circumstances in which a limited partner in a limited partnership that is not a private fund limited partnership may be regarded as taking part in the management of the partnership business."

130 Dissolution by the court when a partner has a mental disorder

(1) In section 35 of the Partnership Act 1890 (dissolution by the Court), for paragraph (a) substitute—

"(a) When a partner has a mental disorder within the meaning of section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003 or section 305 of the Mental Capacity Act (Northern Ireland) 2016 (as the case may be):".

(2) In section 6 of the Limited Partnerships Act 1907 (modifications of general law in case of limited partnerships), in subsection (2), omit the words from ", and" to the end.

131 Winding up limited partnerships on grounds of public interest

After section 27 of the Limited Partnerships Act 1907 (inserted by section 144 of this Act) insert—

"Winding up: applications and petitions to the court

28 Winding up limited partnerships on grounds of public interest

(1) Where it appears to the Secretary of State that it is expedient in the public interest for a limited partnership to be wound up, the Secretary of State may present a petition to the court for it to be wound up.

(2) Where it appears to the Scottish Ministers that it is expedient in the public interest for a limited partnership registered in Scotland to be wound up, the Scottish Ministers may present a petition to the court for it to be wound up.

(3) Where it appears to the Department for the Economy in Northern Ireland that it is expedient in the public interest for a limited partnership registered in Northern Ireland to be wound up, the Department may present a petition to the court for it to be wound up.

(4) The Secretary of State must consult the Scottish Ministers before presenting a petition under subsection (1) in respect of a limited partnership registered in Scotland.

(5) The Secretary of State must consult the Department for the Economy in Northern Ireland before presenting a petition under subsection (1) in respect of a limited partnership registered in Northern Ireland.

(6) If a petition is presented under this section, the court may wind up the limited partnership if the court is of the opinion that it is just and equitable for it to be wound up.

(7) The power in subsection (6) does not limit any other power the court has in the same circumstances."

132 Winding up dissolved limited partnerships

After section 28 of the Limited Partnerships Act 1907 (inserted by section 131 of this Act) insert—

"29 Winding up dissolved limited partnerships

(1) Where a limited partnership is dissolved and it appears to the court that there has been a failure to wind up the limited partnership under section 6(3A) or (3B) properly or at all, the court may make any order it considers appropriate, including an order—

(a) for the purposes of enforcing the duty in section 6(3A) or (3B),

(b) in connection with the performance of that duty, or

(c) to wind up the limited partnership.

(2) The court may make an order under subsection (1) on an application by any of the following—

(a) the Secretary of State;

(b) the Scottish Ministers, but only if the limited partnership is registered in Scotland or they appear to the court to have sufficient interest for any other reason;

(c) the Department for the Economy in Northern Ireland, but only if the limited partnership is registered in Northern Ireland or the Department appears to the court to have sufficient interest for any other reason;

(d) any other person appearing to the court to have sufficient interest.

(3) The Secretary of State must consult the Scottish Ministers before making an application for an order under subsection (1) in respect of a limited partnership registered in Scotland.

(4) The Secretary of State must consult the Department for the Economy in Northern Ireland before making an application for an order under subsection (1) in respect of a limited partnership registered in Northern Ireland.

(5) The power in subsection (1) does not limit any other power the court has in the same circumstances."

133 Power to make provision about winding up

After section 29 of the Limited Partnerships Act 1907 (inserted by section 132 of this Act) insert—

"30 Power to make provision about winding up

(1) The Secretary of State may by regulations make provision in relation to the winding up of a limited partnership under section 28 or 29 that corresponds or is similar to any provision of the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (including any provision of that Act or Order that relates to the allocation of jurisdiction or distribution of business between courts in any part of the United Kingdom).

(2) Before making regulations under subsection (1) the Secretary of State must—

(a) obtain the consent of the Department for the Economy in Northern Ireland, so far as the regulations relate to limited partnerships registered in Northern Ireland;

(b) obtain the consent of the Scottish Ministers, so far as the regulations relate to limited partnerships registered in Scotland.

(3) The provision that may be made by regulations under subsection (1) by virtue of section 38(1) includes provision amending, repealing or revoking provision made by or under either of the following, whenever passed or made—

(a) an Act;

(b) Northern Ireland legislation.

(4) Regulations under this section are subject to the affirmative resolution procedure."

134 Winding up of limited partnerships: concurrent proceedings

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 6 (modifications of general law in case of limited partnerships), for subsection (3D) substitute—

"(3D) Subsections (3A) and (3B) have effect subject to any order of a court as to the winding up of the affairs of the partnership and any award of sequestration of the partnership's estate under the Bankruptcy (Scotland) Act 2016."

(3) After section 30 (inserted by section 133 of this Act) insert—

"31 Winding up of limited partnerships: concurrent proceedings

(1) Where a petition under section 28 in respect of a limited partnership is pending, a general partner of the limited partnership who is or becomes aware of any of the circumstances mentioned in subsection (3) must notify the court to which the petition was presented.

(2) Where an application under section 29 in respect of a limited partnership is pending—

(a) a general partner of the limited partnership who is or becomes aware any of the circumstances mentioned in subsection (3) must notify the court to which the application was made, and

(b) if the application was made by a person other than the Secretary of State, the applicant must notify the court to which the application was made if the applicant is or becomes aware of any of the circumstances mentioned in subsection (3).

(3) The circumstances are that—

(a) a petition for sequestration of the limited partnership's estate under the Bankruptcy (Scotland) Act 2016 is before a sheriff,

(b) an application to the Accountant in Bankruptcy for sequestration of the limited partnership's estate under that Act is pending,

(c) sequestration has been awarded by virtue of any such petition or application and the limited partnership's estate is being sequestrated,

(d) a trust deed in respect of the limited partnership's estate has been sent to the Accountant in Bankruptcy for registration under that Act and the registration has not been refused,

(e) a protected trust deed (within the meaning of that Act) is in force in respect of the limited partnership's estate,

(f) an application by the limited partnership for approval of a debt payment programme under the Debt Arrangement and Attachment (Scotland) Act 2002 is pending, or

(g) such a programme has been approved under that Act and has not been completed.

(4) A person is not required to notify the court of circumstances under subsection (1) or (2) if another person has notified the court of those circumstances.

(5) If a person fails to comply with subsection (1) or (2) an offence is committed by—

(a) the person, and

(b) if the person is a legal entity, any of its managing officers who is in default.

(6) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(7) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(8) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(9) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (8)).

(10) For the purposes of this section a petition or application is "pending" if it has been presented or made and it has not fallen, been withdrawn or been determined.

32 Power to amend circumstances for notification under section 31

(1) The Secretary of State or the Scottish Ministers may by regulations amend the list in section 31(3).

(2) Before making regulations under subsection (1) the Secretary of State must obtain the consent of the Scottish Ministers.

(3) Regulations made by the Secretary of State under subsection (1) are subject to the affirmative resolution procedure.

(4) Regulations made by the Scottish Ministers under subsection (1) are subject to the affirmative procedure (see Part 2 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).”

135 Sequestration of limited partnerships: concurrent winding up proceedings

(1) The Bankruptcy (Scotland) Act 2016 is amended as follows.

(2) In section 17 (concurrent proceedings for sequestration or analogous remedy)—

(a) in subsection (2)(b), after “awarded” insert “and the debtor’s estate is being sequestrated”;

(b) in subsection (2)(c)—

(i) omit “has been made”;

(ii) after “estate” insert “is pending”;

(c) in subsection (2)(d), after “application” insert “and the debtor’s estate is being sequestrated”;

(d) in subsection (2)(g), after “under” insert “section 28 of the Limited Partnerships Act 1907,”;

(e) after subsection (2)(g) insert—

“(ga) such a petition has been granted,

(gb) an application in respect of the debtor is before a court under section 29 of the Limited Partnerships Act 1907,

(gc) such an application has been granted,”;

(f) after subsection (7) insert—

“(7A) For the purposes of subsection (2)(c), a debtor application is “pending” if it has been made and has not fallen, been withdrawn or been determined.”

(3) In section 18 (powers in relation to concurrent proceedings)—

(a) in subsection (1), for “(g)” substitute “(gc)”;

(b) in subsection (2), for “or (g)” substitute “, (g), (ga), (gb) or (gc)”;

(c) in subsection (8), for “(g)” substitute “(gc)”.

The register of limited partnerships

136 The register of limited partnerships

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) In section 3 (interpretation of terms), in subsection (1) (created by section 110 of this Act), at the appropriate place insert—

““the register of limited partnerships” means the records kept by the registrar under section 1080 of the Companies Act 2006 relating to limited partnerships;”.

(3) Omit sections 13 and 14.

(4) For section 16 substitute—

"The register of limited partnerships

16 Inspection and copies of the register of limited partnerships

(1) Any person may—
(a) inspect the register of limited partnerships;
(b) require a copy of any material on the register of limited partnerships that is available for inspection.

(2) The right of inspection extends to the originals of documents delivered to the registrar in hard copy form if, and only if, the record kept by the registrar of the contents of the document is illegible or unavailable (see section 1083(1) of the Companies Act 2006 for provision about the retention of hard copies by the registrar).

(3) The registrar may specify the form and manner in which an application is to be made for inspection or a copy.

(4) The registrar may determine the form and manner in which the copies are to be provided.

(5) Section 1091 of the Companies Act 2006 (certification of copies), and any regulations made under it, apply in relation to copies provided under this section as they apply in relation to the copies provided as mentioned in that section.

(6) This section has effect subject to section 16A and 16B."

137 Material not available for public inspection

(1) After section 16 of the Limited Partnerships Act 1907 (inserted by section 136 of this Act) insert—

"16A Material not available for public inspection

(1) The registrar must not make the following material available for public inspection, so far as it forms part of the register of limited partnerships—
(a) any application or other document delivered to the registrar under section 8G, 8Q or 8W (changes of addresses by registrar) other than an order or direction of the court;
(b) so much of any document delivered to the registrar as is required to contain—
(i) a limited partnership's registered email address,
(ii) the email address of the named contact for a general partner's managing officer,
(iii) protected date of birth information, or
(iv) protected residential address information;
(c) so much of any statement delivered to the registrar under any of the following provisions as is required to confirm that an individual is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006)—
section 8A(1F)(b);
section 8L(3)(a) or (b);

section 8R(7)(b);

(d) any statement delivered to the registrar by virtue of section 33(3) (documents to be delivered by authorised corporate service providers);

(e) any statement or other document delivered to the registrar by virtue of section 1067A of the Companies Act 2006 (delivery of documents: identity verification and authorised corporate service providers);

(f) any statement made in accordance with regulations made by virtue of section 1082(2)(c) of the Companies Act 2006 (statement of unique identifier);

(g) any document provided to the registrar under section 1092A of the Companies Act 2006 (power to require further information);

(h) any record of the information contained in a document or part of a document that is unavailable because of any of the previous paragraphs of this subsection;

(i) any e-mail address, identification code or password deriving from a document delivered for the purpose of authorising or facilitating electronic filing procedures or providing information by telephone;

(j) any other material excluded from public inspection by or under any other enactment.

(2) The registrar need not retain material to which subsection (1) applies for longer than appears to the registrar reasonably necessary for the purposes for which the material was delivered to the registrar.

(3) In this section—

"protected date of birth information" means information as to the day of the month (but not the month or year) on which—

(a) a partner was born, or

(b) a general partner's registered officer was born;

"protected residential address information" means information as to the usual residential address of—

(a) a partner,

(b) a general partner's registered officer, or

(c) the named contact for a general partner's managing officer.

(4) Information about a partner, registered officer or named contact does not cease to be protected date of birth information or protected residential address information when they cease to be a partner, registered officer or named contact.

(5) The restrictions on making information available for public inspection imposed by subsection (1)(h) and (i) do not affect the availability for public inspection of the same information contained in material derived from another description of document (or part of a document) in relation to which the relevant restriction does not apply.

(6) In this section "registered officer" and "named contact" have the meanings given by section 8K(4) and (5)."

(2) In section 1083 of the Companies Act 2006 (preservation of original

documents), in subsection (1), for the second sentence substitute—

"This is subject to—

(a) section 1087(3) (extent of obligation to retain material not available for public inspection);

(b) section 16A(2) of the Limited Partnerships Act 1907 (extent of obligation to retain material not available for public inspection);

(c) section 22(5) of the Economic Crime (Transparency and Enforcement) Act 2022 (extent of obligation to retain material not available for public inspection)."

138 Records relating to dissolved or deregistered limited partnerships

After section 16A of the Limited Partnerships Act 1907 (inserted by section 137 of this Act) insert—

"16B Records relating to dissolved or deregistered limited partnerships

(1) This section applies where a limited partnership is dissolved or deregistered under section 26.

(2) The registrar need not make any information contained in records relating to the limited partnership available for public inspection at any time after the end of the period of 20 years beginning with the date on which the limited partnership is dissolved or deregistered.

(3) The registrar of companies for England and Wales may, at any time after the period of two years beginning with the date on which the limited partnership is dissolved or deregistered, direct that any records relating to the limited partnership that are held by the registrar are to be removed to the Public Record Office.

(4) The registrar of companies for Northern Ireland may, at any time after the period of two years beginning with the date on which the limited partnership is dissolved or deregistered, direct that any records relating to the limited partnership that are held by the registrar are to be removed to the Public Record Office of Northern Ireland.

(5) Records in respect of which a direction is given under subsection (3) or (4) are to be disposed of under the enactments relating to the Public Record Office or, as the case may be, the Public Record Office of Northern Ireland."

Disclosure of information

139 Disclosure of information about partners

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) After section 16B of the Limited Partnerships Act 1907 (inserted by section 138

of this Act) insert—

"Restriction on disclosure of information by registrar

16C Restriction on disclosure of information by registrar

(1) The registrar must not disclose protected date of birth information or protected residential address information except—

(a) in accordance with subsection (2) or (3),

(b) in accordance with section 16E (disclosure of protected residential address information under court order), or

(c) as permitted by section 1110F of the Companies Act 2006 (general powers of disclosure by the registrar).

(2) The registrar may disclose protected date of birth information or protected residential address information if the same information is required to be made available for public inspection as a result of being contained in a document, part of a document or record to which section 16A(1) does not apply.

(3) The registrar may disclose protected date of birth information or protected residential address information to a credit reference agency.

(4) The Secretary of State may make provision by regulations specifying conditions for the disclosure of protected date of birth information or protected residential address information in accordance with subsection (3).

(5) The Secretary of State may make provision by regulations requiring the registrar, on application, to refrain from disclosing protected date of birth information or protected residential address information to a credit reference agency.

(6) Regulations under subsection (5) may make provision of the kind referred to in section 243(5) to (6A) of the Companies Act 2006.

(7) In this section—

"credit reference agency" means a person carrying on a business comprising the provision of information relevant to the financial standing of individuals, being information collected by the agency for that purpose;

"protected date of birth information" has the meaning given by section 16A(3);

"protected residential address information" has the meaning given by section 16A(3).

(8) Regulations under this section are subject to the negative resolution procedure.

Restriction on use or disclosure of information by partners

16D Restriction on use or disclosure of information by partners

(1) A limited partner must not—

(a) use or disclose protected residential address information, except for communicating with the individual concerned, or

(b) use or disclose protected date of birth information.

(2) A general partner must not use or disclose protected residential address information, except—

(a) for communicating with the individual concerned,

(b) in order to comply with any requirement of this Act as to information to be sent to the registrar, or

(c) in accordance with section 16E (disclosure of residential address information under court order).

(3) A general partner must not use or disclose protected date of birth information except in order to comply with any requirement of this Act as to information to be sent to the registrar.

(4) Subsections (1), (2) and (3) do not prohibit any use or disclosure of protected date of birth information or protected residential address information with the consent of the individual concerned.

(5) If a partner uses or discloses information in contravention of subsection (1), (2) or (3) an offence is committed by—

(a) the partner, and

(b) if the partner is a legal entity, any of its managing officers who is in default.

(6) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(7) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(8) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(9) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (8)).

(10) In this section—

"protected date of birth information" has the meaning given by section 16A(3);

"protected residential address information" has the meaning given by section 16A(3).

Disclosure of protected residential address information under court order

16E Disclosure of protected residential address information under court order

(1) The court may make an order for the disclosure of protected residential address information by the appropriate limited partnership or by the registrar if—

(a) there is evidence that service of documents at a service address other than the individual's usual residential address is not effective to bring them to the notice of the individual, or

(b) it is necessary or expedient for the information to be provided in connection with the enforcement of an order or decree of the court,

and the court is otherwise satisfied that it is appropriate to make the order.

(2) An order for disclosure by the registrar may be made only if—

(a) the appropriate limited partnership does not have the protected residential address information, or

(b) the appropriate limited partnership was dissolved.

(3) The order may be made on the application of a liquidator, creditor or partner of the appropriate limited partnership, or any other person appearing to the court to have a sufficient interest.

(4) The order must specify the persons to whom, and purposes for which, disclosure is authorised.

(5) In this section—

"appropriate limited partnership" —

(a) in relation to protected residential address information about a partner in a limited partnership means that limited partnership;

(b) in relation to protected residential address information about a registered officer of a general partner in a limited partnership means that limited partnership;

(c) in relation to protected residential address information about a named contact for the managing officer of a general partner in a limited partnership means that limited partnership;

"named contact" has the meaning given by section 8K(5);

"protected residential address information" has the meaning given by section 16A(3);

"registered officer" has the meaning given by section 8K(4)."

(3) In section 3 (interpretation of terms), in subsection (1) (created by section 110 of this Act), at the appropriate place insert—

""the court" has the same meaning as in the Companies Acts (see section 1156 of the Companies Act 2006);".

The registrar's role relating to dissolution, revival and deregistration

140 Duty to notify registrar of dissolution

After section 17 of the Limited Partnerships Act 1907 (power of board of trade to make rules) insert—

"Dissolution, revival and deregistration

18 Duty to notify registrar of dissolution

(1) A person who is a general partner in a limited partnership at a time when it is dissolved must notify the registrar of the dissolution within the period of 14 days beginning with the day on which the person becomes aware of its dissolution.

(2) A person who is a limited partner in a limited partnership at a time when it is dissolved must, if there are no general partners at that time, notify the registrar of the dissolution within the period of 14 days beginning with the day on which the person becomes aware of its dissolution.

(3) But no notice is required under subsection (1) or (2) if—
  (a) the limited partnership is dissolved under section 19(6) (dissolution on publication of notice in Gazette),
  (b) another person has notified the registrar of the dissolution under subsection (1) or (2), or
  (c) a dissolution notice under section 19 is published before the end of the period of 14 days mentioned in subsection (1) or (2).

(4) If a person fails to comply with subsection (1) or (2) an offence is committed by—
  (a) the person, and
  (b) if the person is a legal entity, any of its managing officers who is in default.

(5) A person guilty of an offence under this section is liable on summary conviction—
  (a) in England and Wales, to a fine;
  (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

(6) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(7) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(8) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (7))."

141 Registrar's power to confirm dissolution of limited partnership

(1) The Limited Partnerships Act 1907 is amended as follows.

(2) After section 18 of the Limited Partnerships Act 1907 (inserted by section 140 of this Act) insert—

"19 Registrar's power to confirm dissolution of limited partnership

(1) If the registrar has reasonable cause to believe that a limited partnership has been dissolved, the registrar may publish a notice in the Gazette (a "dissolution notice") stating that fact.

(2) Where the registrar proposes to publish a dissolution notice, the registrar must first publish in the Gazette a notice (a "warning notice")—

(a) explaining the registrar's proposal and its effect (see subsection (6)), and

(b) inviting any person to make representations about the registrar's proposal.

(3) The registrar must send a copy of the warning notice to—

(a) the registered office of the limited partnership, and

(b) at least one person who appears in the register of limited partnerships as a general partner in the limited partnership (if there are any).

(4) The registrar may not publish a dissolution notice until after the end of the period of two months beginning with the first day on which the registrar has complied with subsection (2) and subsection (3).

(5) The dissolution notice must—

(a) state the firm name of the limited partnership,

(b) state the limited partnership's registration number, and

(c) explain the effect of the publication of the notice (see subsection (6)).

(6) On the publication of a dissolution notice, the limited partnership to which it relates is dissolved if it was not already dissolved.

(7) For the purposes of subsection (3), a person "appears in the register of limited partnerships as a general partner in the limited partnership" if—

(a) either—

(i) the person was named as a proposed general partner in the application for registration of the limited partnership under section 8A, or

(ii) the general partners have given the registrar notice under section 8R that the person has become a general partner in the limited partnership, and

(b) the general partners have not since—

(i) given the registrar notice under section 8R that the person has ceased to be a general partner in the limited partnership, or

(ii) given the registrar notice under section 8T that the person did not become a general partner on registration of the limited partnership.

20 Administrative revival

(1) On an application under this section the registrar must revive a limited partnership if the registrar is satisfied that the following conditions are met.

(2) Condition 1 is that the limited partnership was dissolved under section 19(6) (dissolution on publication of notice in Gazette).

(3) Condition 2 is that the applicant has delivered to the registrar such documents as are necessary to ensure that, if the limited partnership is revived, the records kept by the registrar relating to the limited partnership will be up to date.

(4) Condition 3 is that each relevant person has paid any outstanding fines or financial penalties imposed on them in respect of an offence—

(a) under this Act, or

(b) by virtue of regulations made under section 7A of this Act,

relating to the limited partnership.

(5) An application under this section may only be made by a person who was a general partner in the limited partnership immediately before it was dissolved.

(6) The application must include a statement that—

(a) the conditions in subsections (2), (3) and (4) are met, and

(b) the applicant is a person mentioned in subsection (5).

(7) An application under this section may not be made after the end of the period of six years beginning with the date on which the limited partnership was dissolved.

(8) For the purpose of subsection (7) an application is made when it is received by the registrar.

(9) In subsection (4) "relevant person" means—

(a) the applicant,

(b) any person who—

(i) was a general partner in the limited partnership immediately before it was dissolved, and

(ii) if the limited partnership is revived, will be a general partner in the limited partnership immediately after its revival, or

(c) any person who is a managing officer of a legal entity where the legal entity is—

(i) a person mentioned in paragraph (a) or (b), or

(ii) a person falling within this paragraph.

21 Registrar's decision on application for administrative revival

(1) The registrar must give notice to the applicant of the decision on an application under section 20.

(2) If the limited partnership is revived, the revival takes effect on the date that the notice is sent.

(3) If the limited partnership is revived the registrar must—

(a) enter on the register of limited partnerships a note of the date on which the revival of the limited partnership takes effect, and

(b) cause notice of the revival to be published in the Gazette.

(4) Notes entered on the register of limited partnerships in accordance with subsection (3)(a) are part of the register of limited partnerships.

(5) The notice under subsection (3)(b) must state—

(a) the limited partnership's name (which must be the name that it had before it was dissolved under section 19(6)),

(b) the limited partnership's registration number, and

(c) the date on which the revival of the limited partnership takes effect.

22 Effect of administrative revival

(1) The general effect of administrative revival is that the limited partnership is to be treated as having continued in existence as if it had not been dissolved under section 19(6).

(2) The court may give such directions and make such provision as seems just for placing the limited partnership and all other persons in the same position (as nearly as may be) as if the limited partnership had not been dissolved under section 19(6).

(3) An application to the court for such directions or provision may be made at any time within the period of three years beginning with the date on which the revival of the limited partnership took effect.

23 Application to court for revival

(1) An application may be made to the court to revive a limited partnership that has been dissolved under section 19(6) (dissolution on publication of notice in Gazette).

(2) An application under this section may be made by—

(a) the Secretary of State,

(b) a person who was a partner in the limited partnership immediately before it was dissolved, or

(c) any other person appearing to the court to have an interest in the matter.

(3) An application to the court for the revival of a limited partnership may only be made—

(a) within the period of six years beginning with the date on which the limited partnership was dissolved, or

(b) where the applicant made an application under section 20 that was refused, within the period of 28 days beginning with the date on which notice of the registrar's decision was sent by the registrar to the applicant.

24 Decision on application for revival by the court

(1) If, on an application under section 23, the court orders revival of the limited partnership, the revival takes effect on a copy of the court's order being delivered to the registrar.

(2) The registrar must publish a notice in the Gazette of the revival of the limited partnership.

(3) The notice must state—
(a) the limited partnership's name (which must be the name that it had before it was dissolved under section 19(6)),
(b) the limited partnership's registration number, and
(c) the date on which the revival of the limited partnership takes effect.

25 Effect of court order for revival

(1) The general effect of an order by the court for revival is that the limited partnership is to be treated as having continued in existence as a limited partnership as if it had not been dissolved under section 19(6).

(2) The court may give such directions and make such provision as seems just for placing the limited partnership and all other persons in the same position (as nearly as may be) as if the limited partnership had not been dissolved under section 19(6).

(3) The court may also give directions as to—
(a) the delivery to the registrar of such documents relating to the limited partnership as are necessary to bring up to date the records kept by the registrar, or
(b) the payment of the costs (in Scotland, expenses) of the registrar in connection with the proceedings for the revival of the limited partnership."

(3) In section 3 (interpretation of terms), in subsection (1) (created by section 110 of this Act), at the appropriate place insert—
""the Gazette" means—
(a) as respects limited partnerships registered in England and Wales, the London Gazette,
(b) as respects limited partnerships registered in Scotland, the Edinburgh Gazette, and
(c) as respects limited partnerships registered in Northern Ireland, the Belfast Gazette;".

(4) In section 10 (advertisement in Gazette), omit subsection (2).

142 Registrar's power to confirm dissolution: transitional provision

If the registrar exercises the power in section 19(1) of the Limited Partnerships Act 1907 (power to confirm dissolution of limited partnership) during the period of 6 months beginning when section 141(2) of this Act comes fully into force, subsections (2) to (4) of section 19 of the Limited Partnerships Act 1907 (publication of warning notice) do not apply.

143 Voluntary deregistration of limited partnership

After section 25 of the Limited Partnerships Act 1907 (inserted by section 141 of this Act) insert—

"26 Voluntary deregistration of limited partnership

(1) The registrar must deregister a limited partnership if a statement is delivered to the registrar which is authenticated by or on behalf of each partner confirming that they want the limited partnership to be deregistered.

(2) The registrar deregisters the limited partnership by publishing a notice in the Gazette of the limited partnership's deregistration (a "deregistration notice").

(3) The deregistration notice must state—
(a) the firm name of the limited partnership, and
(b) the limited partnership's registration number.

(4) On the publication of the deregistration notice, the limited partnership ceases to be registered as a limited partnership under this Act (but this does not prevent any ongoing relationship from being a partnership)."

144 Removal of limited partnership from index of names

After section 26 of the Limited Partnerships Act 1907 (inserted by section 143 of this Act) insert—

"27 Removal of limited partnership from index of names

(1) The registrar must remove a limited partnership from the index of names as soon as reasonably practicable if the registrar—
(a) becomes aware that the limited partnership is dissolved (whether on the receipt of a notice under section 18, the publication of a dissolution notice under section 19(6) or otherwise), or
(b) publishes a deregistration notice under section 26 in respect of the limited partnership.

(2) If the registrar removes a limited partnership from the index of names, the registrar must include a note in the register of limited partnerships stating either—
(a) that the limited partnership has been removed from the index of names because of its dissolution, or
(b) that the limited partnership has been removed from the index of names because of its deregistration under section 26.

(3) The registrar must also publish a notice of the removal in the Gazette if the limited partnership is removed from the index of names other than following the publication of a dissolution notice under section 19 or a deregistration notice under section 26.

(4) Notes included in the register of limited partnerships in accordance with subsection (2) are part of the register of limited partnerships.

(5) A note may be removed if it no longer serves any useful purpose.

(6) In this section "the index of names" means the index kept by the registrar under section 1099 of the Companies Act 2006."

Delivery of documents

145 Delivery of documents relating to limited partnerships

After section 32 of the Limited Partnerships Act 1907 (inserted by section 134 of this Act) insert—

"Delivery of documents to the registrar

33 Documents to be delivered by authorised corporate service providers

(1) An individual may not deliver a document under a provision listed in subsection (3) to the registrar on their own behalf (and, accordingly, any delivery of a document under such a provision must be made on the individual's behalf in accordance with subsection (2)).

(2) An individual may not deliver a document under a provision listed in subsection (3) to the registrar on behalf of another person unless—
(a) the individual is an authorised corporate service provider, or
(b) the individual is an officer or employee of an authorised corporate service provider.

(3) The provisions are—
(a) section 8A (application for registration);
(b) section 8F (change of address of registered office) or 8I (change of registered email address);
(c) section 8L, 8M, 8N or 8O (changes relating to officers of general partners);
(d) section 8R, 8S or 8T (changes relating to partners);
(e) section 10A or 10B (other changes in partnerships), other than a notice under section 10A(2)(b)(i) or 10B(2)(a);
(f) section 10D (confirmation statements);
(g) section 20 (administrative revival).

(4) The Secretary of State may by regulations—
(a) amend this section for the purposes of changing who may deliver a document under a provision listed in subsection (3) to the registrar on behalf of another person;
(b) amend the list in subsection (3).

(5) Regulations under subsection (4) are subject to the affirmative resolution procedure."

146 General false statement offences

After section 33 of the Limited Partnerships Act 1907 (inserted by section 145 of this Act) insert—

"34 False statements: basic offence

(1) It is an offence for a person, without reasonable excuse, to—

(a) deliver or cause to be delivered to the registrar, for the purposes of this Act, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for the purposes of this Act, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, every managing officer of the entity who is in default also commits the offence.

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

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(4) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(5) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(6) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (5)).

35 False statements: aggravated offence

(1) It is an offence for a person knowingly to—

(a) deliver or cause to be delivered to the registrar, for the purposes of this Act, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for the purposes of this Act, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, every managing officer of the entity who is in default also commits the offence.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

(4) A managing officer is "in default" for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.

(5) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.

(6) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (5)).”

National security exemption from identity verification

147 National security exemption from identity verification

After section 35 of the Limited Partnerships Act 1907 (inserted by section 146 of this Act) insert—

“National security exemption from identity verification

36 National security exemption from identity verification

(1) The Secretary of State may, by written notice given to a person, provide for one or more of the effects listed in subsection (2) to apply in relation to the person, if satisfied that to do so is necessary—

(a) in the interests of national security, or

(b) for the purposes of preventing or detecting serious crime.

(2) The effects for which the notice may provide are that—

(a) a statement under section 8A(1C) may name the person as a proposed general partner’s proposed registered officer even if the person does not meet the requirement in paragraph (c) of that subsection;

(b) a statement by the person under section 8A(1F)(b) is not required to confirm that the person meets the requirement in sub-paragraph (iii) of that paragraph;

(c) where the person is a general partner’s registered officer, section 8K(1)(c) does not impose any obligation on the general partner;

(d) a statement under section 8L(3)(a) or (b) made in relation to a notice naming the person as a general partner’s new registered officer is not required to confirm that the person meets the requirement in section 8K(1)(c);

(e) a statement under section 8R(4) may name the person as a general partner’s proposed registered officer even if the person does not meet the requirement in section 8K(1)(c);

(f) a statement by the person under section 8R(7)(b) is not required to confirm that the person meets the requirement in section 8K(1)(c);

(g) section 33 (documents to be delivered by authorised corporate service providers) does not apply in relation to the delivery of documents to the registrar by the person on their own behalf or on behalf of another.

(3) For the purposes of subsection (1)(b)—

(a) “crime” means conduct which—

(i) constitutes a criminal offence, or

(ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and

(b) crime is "serious" if—

(i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or

(ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose."

Service on a limited partnership

148 Service on a limited partnership

After section 36 of the Limited Partnerships Act 1907 (inserted by section 147 of this Act) insert—

"Service of documents

37 Service of documents on limited partnership

A document may be served on a limited partnership by leaving it at, or sending it by post to, the limited partnership's registered office."

Application of other laws

149 Application of company law

After section 7 of the Limited Partnerships Act 1907 insert—

"7A Application of company law

(1) The Secretary of State may by regulations—

(a) make provision in relation to limited partnerships that corresponds or is similar to any provision relating to companies or other corporations made by or under, or capable of being made under, any Act;

(b) provide for any such provision which would otherwise have effect in relation to limited partnerships not to apply to them or to apply to them with such modifications as appear appropriate.

(2) Regulations under subsection (1) may amend or repeal provision made by this Act, the Partnership Act 1890 or the Companies Act 2006.

(3) The provision which may be made by regulations under subsection (1) by virtue of section 38(1) includes provision amending, repealing or revoking provision made by or under any Act, whenever passed or made.

(4) Regulations under subsection (1) are subject to the negative resolution procedure if they only make provision that corresponds or is similar to

provision made or capable of being made by regulations subject to the negative resolution procedure.

(5) Any other regulations under subsection (1) are subject to the affirmative resolution procedure."

150 Application of Partnership Act 1890 (meaning of firm)

In section 4 of the Partnership Act 1890 (meaning of firm), after subsection (2) insert—

"(3) In relation to a limited partnership registered under the Limited Partnerships Act 1907, subsection (2) applies only if the limited partnership was registered by the registrar for Scotland."

Regulations

151 Limited partnerships: regulations

After section 37 of the Limited Partnerships Act 1907 (inserted by section 148 of this Act) insert—

"Regulations

38 Regulations

(1) A power to make regulations under any provision of this Act includes power to make—
(a) consequential, supplementary, incidental, transitional or saving provision;
(b) different provision for different purposes.

(2) Regulations made by the Secretary of State under this Act are to be made by statutory instrument.

(3) Where regulations under this Act are subject to "the affirmative resolution procedure", the regulations may not be made unless a draft of the statutory instrument containing them has been laid before and approved by a resolution of each House of Parliament.

(4) Where regulations under this Act are subject to "the negative resolution procedure", the statutory instrument containing the regulations is subject to annulment in pursuance of a resolution of either House of Parliament.

(5) Any provision that may be made by regulations under this Act subject to the negative resolution procedure may be made by regulations subject to the affirmative resolution procedure."

Further amendments

152 Limited partnerships: further amendments

(1) Section 17 of the Limited Partnerships Act 1907 is omitted.

(2) Schedule 5 contains consequential amendments relating to this Part.

CHAPTER 2

MISCELLANEOUS PROVISION ABOUT PARTNERSHIPS

153 Registration of qualifying Scottish partnerships

(1) The Secretary of State may by regulations—

(a) make provision requiring the delivery to the registrar of information in connection with a qualifying Scottish partnership;

(b) make provision for the purpose of ensuring that a partner of a qualifying Scottish partnership has at least one managing officer who is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006);

(c) make provision in relation to qualifying Scottish partnerships that corresponds or is similar to any provision relating to companies or limited partnerships made by or under, or capable of being made under, any Act.

(2) The regulations may create summary offences, punishable with a fine, in connection with any provision made by virtue of subsection (1)(a) or (b).

(3) Do not read subsection (2) as impliedly limiting the provision that can be made by virtue of subsection (1)(c).

(4) The provision that may be made by virtue of subsection (1)(c) includes provision for the purpose mentioned in subsection (1)(b).

(5) The provision which may be made by regulations under subsection (1) by virtue of section 217(1)(a) includes provision amending, repealing or revoking provision made by or under any Act, whenever passed or made.

(6) In this section—

"managing officer" has the meaning given by section 3(1) of the Limited Partnerships Act 1907;

"qualifying Scottish partnership" means a partnership, other than a limited partnership, that—

(a) is constituted under the law of Scotland, and

(b) is a qualifying partnership with the meaning given by regulation 3 of the Partnership (Accounts) Regulations 2008;

"the registrar" means registrar of companies for Scotland.

154 Power to amend disqualification legislation in relation to relevant entities: GB

After section 22H of the Company Directors Disqualification Act 1986 insert—

"22I Power to amend application of Act in relation to relevant entities

(1) The Secretary of State may by regulations amend this Act for the purpose of applying, or modifying the application of, any of its provisions in relation to relevant entities.

(2) For that purpose, the regulations may in particular—

(a) extend the company disqualification conditions to include corresponding conditions relating to a relevant entity;

(b) limit the company disqualification conditions to remove conditions relating to a relevant entity;

(c) modify which company disqualification conditions can, in combination with each other, result in a person being disqualified under this Act;

(d) provide for any of the company disqualification conditions to result in or contribute to a person being disqualified from acting in a role or doing something in relation to a relevant entity.

(3) In this section "the company disqualification conditions" means the conditions that can result in or contribute to a person being disqualified under this Act from acting in a role or doing something in relation to any entity.

(4) In this section a "relevant entity" means—

(a) a limited partnership registered under the Limited Partnerships Act 1907;

(b) a limited liability partnership registered under the Limited Liability Partnerships Act 2000;

(c) a partnership, other than a limited partnership, that is—

(i) constituted under the law of Scotland, and

(ii) a qualifying partnership within the meaning given by regulation 3 of the Partnerships (Accounts) Regulations 2008.

(5) Regulations under this section may make—

(a) consequential, supplementary, incidental, transitional or saving provision;

(b) different provision for different purposes.

(6) The provision which may be made by virtue of subsection (5)(a) includes provision amending provision made by or under either of the following, whenever passed or made—

(a) an Act;

(b) Northern Ireland legislation.

(7) Regulations under this section are to be made by statutory instrument.

(8) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament."

155 Power to amend disqualification legislation in relation to relevant entities: NI

(1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.

(2) In Article 2(2) (interpretation), for the definition of "regulations" substitute—

""regulations", except in Articles 13D and 25D, means regulations made by the Department subject (except in Article 23(3)) to negative resolution;".

(3) After Article 25C insert—

"25D Power to amend application of Order in relation to relevant entities

(1) The Secretary of State or the Department may by regulations amend this Order for the purpose of applying, or modifying the application of, any of its provisions in relation to relevant entities.

(2) For that purpose, the regulations may in particular—

(a) extend the company disqualification conditions to include corresponding conditions relating to a relevant entity;

(b) limit the company disqualification conditions to remove conditions relating to a relevant entity;

(c) modify which company disqualification conditions can, in combination with each other, result in a person being disqualified under this Order;

(d) provide for any of the company disqualification conditions to result in or contribute to a person being disqualified from acting in a role or doing something in relation to a relevant entity.

(3) The Secretary of State must obtain the consent of the Department before making regulations under this Article.

(4) In this Article "the company disqualification conditions" means the conditions that can result in or contribute to a person being disqualified under this Order from acting in a role or doing something in relation to any entity.

(5) In this Article a "relevant entity" means—

(a) a limited partnership registered under the Limited Partnerships Act 1907;

(b) a limited liability partnership registered under the Limited Liability Partnerships Act 2000;

(c) a partnership, other than a limited partnership, that is—

(i) constituted under the law of Scotland, and

(ii) a qualifying partnership within the meaning given by regulation 3 of the Partnerships (Accounts) Regulations 2008.

(6) Regulations under this Article may make consequential, supplementary, incidental, transitional or saving provision.

(7) The provision which may be made by regulations made by the Secretary of State by virtue of paragraph (6) includes provision amending provision made by or under either of the following, whenever passed or made—

(a) an Act;

(b) Northern Ireland legislation.

(8) The provision which may be made by regulations made by the Department by virtue of paragraph (6) includes provision amending provision made by or under Northern Ireland legislation, whenever passed or made.

(9) Regulations made by the Secretary of State under this Article are to be made by statutory instrument.

(10) A statutory instrument containing regulations made by the Secretary of State under this Article may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(11) Regulations made by the Department under this Article are subject to negative resolution."

PART 3

REGISTER OF OVERSEAS ENTITIES

The register and registration

156 Register of overseas entities

In section 3 of the Economic Crime (Transparency and Enforcement) Act 2022, in subsection (2)—

(a) in paragraph (b), omit ", or otherwise in connection with the register";

(b) after paragraph (b) (but before the "and" at the end) insert—

"(ba) documents delivered to the registrar under or by virtue of Part 35 of the Companies Act 2006 in connection with the register or the delivery of other documents that, on registration, will form part of the register,".

157 Required information about overseas entities: address information

In the following provisions of Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (which refer to an entity's registered or principal office) omit "registered or"—

paragraph 2(1)(c);
paragraph 5(1)(b);
paragraph 6(1)(d);
paragraph 7(1)(b).

158 Registration of information about land

In Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (required information), in paragraph 2—

(a) in sub-paragraph (1), after paragraph (g) insert—

"(h) if the entity is the registered proprietor of one or more qualifying estates in land in England and Wales, the title number of each of them;

(i) if the entity is the registered owner of one or more qualifying estates in Northern Ireland, the folio number in respect of each of them;

(j) if the entity is—

(i) entered as proprietor in the proprietorship section of the title sheet for one or more plots of land that are registered in the Land Register of Scotland, or

(ii) the tenant under one or more leases registered in the Land Register of Scotland,

the title number of the title sheet, in respect of each of them, in which the entity's interest is registered.";

(b) after sub-paragraph (2) insert—

"(3) In sub-paragraph (1)(h)—

"registered proprietor", in relation to a qualifying estate, means the person entered as proprietor of the estate in the register of title kept by the Chief Land Registrar;

"qualifying estate" has the meaning given by paragraph 1 of Schedule 4A to the Land Registration Act 2002.

(4) In sub-paragraph (1)(i)—

"registered owner", in relation to a qualifying estate, means the person registered in the register kept under the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) as the owner of the estate;

"qualifying estate" has the meaning given by paragraph 1 of Schedule 8A to the Land Registration Act (Northern Ireland) 1970.

(5) In sub-paragraph (1)(j)—

(a) "lease", "plot of land" and "proprietor" have the meanings given by section 113(1) of the Land Registration etc. (Scotland) Act 2012;

(b) the reference to an entity's being entered as proprietor in the proprietorship section of a title sheet is a reference to the name of the entity being so entered."

159 Registration of information about trusts

(1) Paragraph 8 of Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (required information) is amended as follows.

(2) In sub-paragraph (1), for paragraphs (d) to (f) substitute—

"(d) the specified details of each beneficiary under the trust;

(e) the specified details of each settlor or grantor and, in relation to any settlor or grantor that is a legal entity, the specified details of any person who at the time at which the trust is settled—

(i) is a registrable beneficial owner in relation to that entity (if it is overseas entity), or

(ii) would be a registrable beneficial owner in relation to the entity if that entity were an overseas entity;

(f) the specified details of any interested person under the trust and the date on which they became an interested person."

(3) After sub-paragraph (1) insert—

"(1A) In sub-paragraph (1)(d) to (f) "the specified details"—

(a) in relation to a person who is an individual, means—

(i) name, date of birth and nationality;
(ii) usual residential address;
(iii) a service address;

(b) in relation to a person that is a legal entity, means—
(i) name;
(ii) principal office;
(iii) a service address;
(iv) the legal form of the entity and the law by which it is governed;
(v) any public register in which it is entered and, if applicable, its registration number in that register."

(4) In sub-paragraph (2), for "sub-paragraph (1)(c)" substitute "sub-paragraphs (1)(c) and (1A)(a)".

160 Registration of information about managing officers: age limits

(1) Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (applications: required information) is amended as follows.

(2) In paragraph 6(1), after paragraph (f) insert—
"(g) if the officer is under the age of 16 years old, the name and contact details of an individual who is at least 16 years old and is willing to be contacted about the officer."

(3) In paragraph 7(1), for paragraph (g) substitute—
"(g) the name and contact details of an individual who is at least 16 years old and is willing to be contacted about the officer."

161 Registrable beneficial owners: cases involving trusts

(1) Schedule 2 to the Economic Crime (Transparency and Enforcement) Act 2022 (registrable beneficial owners) is amended in accordance with subsections (2) to (5).

(2) In paragraph 3 (legal entities), in paragraph (b), after "(see Part 3)" insert "or is a beneficial owner of the overseas entity by virtue of being a trustee".

(3) In paragraph 8 (beneficial owners exempt from registration), after paragraph (b) insert—
"(ba) the person is not a beneficial owner of the overseas entity by virtue of being a trustee,".

(4) For the heading of Part 6 substitute "Powers to amend this Schedule".

(5) Before paragraph 25 insert—

"Expansion of meaning of "registrable beneficial owner" where trusts in view

24A (1) The Secretary of State may by regulations amend this Schedule so as to expand the description of persons who are registrable beneficial owners of an overseas entity in circumstances where the overseas entity is part of a chain of entities that includes a trustee.

(2) For these purposes an overseas entity is part of a chain of entities that includes a trustee if there is a legal entity which is a beneficial owner of it by virtue of being a trustee.

(3) Regulations under this paragraph are subject to the affirmative resolution procedure.

Power to amend thresholds etc".

(6) Regulation 14 of the Register of Overseas Entities (Delivery, Protection and Trust Services) Regulations 2022 (S.I. 2022/870) (description of legal entity subject to its own disclosure requirements) is revoked.

162 Registrable beneficial owners: nominees

(1) The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.

(2) In Schedule 1 (required information)—

(a) in paragraph 3(1), for paragraphs (e) and (f) substitute—

"(e) whether the individual is a registrable beneficial owner by virtue of paragraph 2(1) of Schedule 2 or paragraph 2(2) of that Schedule;

(f) if the individual is a registrable beneficial owner by virtue of paragraph 2(1) of Schedule 2—

(i) a statement as to which of the conditions in paragraph 6 of that Schedule is met and why, and

(ii) a statement as to whether that condition is met by virtue of the individual being a trustee;

(fa) if the individual is a registrable beneficial owner by virtue of paragraph 2(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;";

(b) in paragraph 4, for sub-paragraph (f) substitute—

"(f) whether the government or public authority is a registrable beneficial owner by virtue of paragraph 4(1) of Schedule 2 or paragraph 4(2) of that Schedule;

(fa) if the government or public authority is a registrable beneficial owner by virtue of paragraph 4(1) of Schedule 2, a statement as to which of the conditions in paragraph 6 of that Schedule is met and why;

(fb) if the government or public authority is a registrable beneficial owner by virtue of paragraph 4(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;";

(c) in paragraph 5(1), for paragraphs (g) and (h) substitute—

"(g) whether the entity is a registrable beneficial owner by virtue of paragraph 3(1) of Schedule 2 or paragraph 3(2) of that Schedule;

(h) if the entity is a registrable beneficial owner by virtue of paragraph 3(1) of Schedule 2—

(i) a statement as to which of the conditions in paragraph 6 of that Schedule is met and why, and

(ii) a statement as to whether that condition is met by virtue of the entity being a trustee;

(ha) if the entity is a registrable beneficial owner by virtue of paragraph 3(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;".

(3) In Schedule 2 (registrable beneficial owners)—

(a) in paragraph 2—

(i) the existing text becomes sub-paragraph (1);

(ii) in paragraph (a) of that sub-paragraph, for "(see Part 2)" substitute "by virtue of paragraph 6";

(iii) after that sub-paragraph insert—

"(2) An individual is also a "registrable beneficial owner" in relation to an overseas entity if the individual is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.";

(b) in paragraph 3—

(i) the existing text becomes sub-paragraph (1);

(ii) in paragraph (a) of that sub-paragraph, for "(see Part 2)" substitute "by virtue of paragraph 6";

(iii) after that sub-paragraph insert—

"(2) A legal entity other than a government or public authority is also a "registrable beneficial owner" in relation to an overseas entity if it is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.";

(c) in paragraph 4—

(i) the existing text becomes sub-paragraph (1);

(ii) in that sub-paragraph, for "(see Part 2)" substitute "by virtue of paragraph 6";

(iii) after that sub-paragraph insert—

"(2) A government or public authority is also a "registrable beneficial owner" in relation to an overseas entity if it is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.";

(d) after paragraph 6 insert—

"Persons treated as beneficial owners where entity holds land as nominee

6A A person ("X") is to be treated as a beneficial owner of an overseas entity ("Y") if one or more of the following conditions are met.

Y holds land in England or Wales as nominee for X

Condition 1 is that Y—

(a) is registered in the register of title kept under the Land Registration Act 2002 as the proprietor of a qualifying estate within the meaning of Schedule 4A to that Act,
(b) became so registered in pursuance of an application made on or after 1 January 1999, and
(c) holds the qualifying estate as nominee for—
(i) X, or
(ii) an entity of which X is a beneficial owner by virtue of paragraph 6.

Y holds land in Scotland as nominee for X

Condition 2 is that—
(a) Y—
(i) holds an interest in land by virtue of being entered, on or after 8 December 2014, as proprietor in the proprietorship section of the title sheet for a plot of land that is registered in the Land Register of Scotland,
(ii) is, in relation to a lease that was recorded in the General Register of Sasines or registered in the Land Register of Scotland before that date, by virtue of an assignation of the lease registered in the Land Register of Scotland on or after that date, the tenant under the lease, or
(iii) is the tenant under a lease that was registered in the Land Register of Scotland on or after that date, and
(b) Y holds the interest in land referred to in paragraph (a)(i), (ii) or (iii) as nominee for—
(i) X, or
(ii) an entity of which X is a beneficial owner by virtue of paragraph 6.

Y holds land in Northern Ireland as nominee for X

Condition 3 is that Y—
(a) is registered in the register kept under the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) as the owner of a qualifying estate within the meaning of Schedule 8A to that Act,
(b) became so registered on or after the day on which that Schedule came into force, and
(c) holds the qualifying estate as nominee for—
(i) X, or
(ii) an entity of which X is a beneficial owner by virtue of paragraph 6.";

(e) in paragraph 8, for "paragraphs 2(b) and 3(c)" substitute "paragraphs 2(1)(b) and 3(1)(c)".

163 Information about changes in beneficiaries under trusts

(1) Schedule 6 (duty to deliver information about changes in beneficiaries) imposes further duties on registered overseas entities to deliver information.

(2) The amendments made by paragraph 2 of Schedule 6 do not apply in relation to any statements or information delivered to the registrar under section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 during the period of 3 months beginning when that paragraph comes fully into force.

164 Applications for removal

(1) Section 10 of the Economic Crime (Transparency and Enforcement) Act 2022 (processing of application for removal) is amended as follows.

(2) In subsection (2), after "land" insert "and there are no updates pending".

(3) In subsection (3), after "land" insert "or there is an update pending".

(4) After subsection (3) insert—

"(3A) For the purposes of subsections (2) and (3) an update is pending if—

(a) an update period for the entity has ended and the entity has not yet complied with the duty under section 7 in respect of that period, or

(b) the entity is required to deliver information under Schedule 6 but has not yet done so."

165 Verification of registrable beneficial owners and managing officers

(1) Section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 (verification of registrable beneficial owners and managing officers) is amended as follows.

(2) In subsection (2)—

(a) after paragraph (a) insert—

"(aa) about how the information is to be verified (including provision about the kinds or sources of evidence to be used);

(ab) about the standard to which verification is to be carried out;";

(b) after paragraph (b) insert—

"(ba) about the records that must be kept in connection with verification;";

(c) after paragraph (d) (inserted by section 166 of this Act) insert—

"(e) about the information that must be provided to the registrar to enable the registrar to monitor compliance with any requirements imposed by the regulations."

(3) After subsection (2) insert—

"(2A) Regulations under this section may create offences in relation to failures to comply with requirements imposed by virtue of subsection (2)(ba) or (e).

(2B) The regulations must provide for any such offence to be punishable—

(a) on summary conviction in England and Wales, by a fine;
(b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;
(c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale."

Inspection of the register and protection of information

166 Material unavailable for public inspection: verification information

In section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 (verification of registrable beneficial owners and managing officers), in subsection (2), after paragraph (c) insert—

"(d) requiring the registrar not to make available for public inspection certain information delivered to the registrar by virtue of the regulations;"

167 Material unavailable for public inspection

For sections 22 to 24 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

"22 Material unavailable for inspection

(1) The following material must not, so far as it forms part of the register, be made available by the registrar for public inspection—
  (a) so much of any application or other document delivered to the registrar under section 4, 7 or 9 or Schedule 6 as is required to contain—
    (i) protected date of birth information;
    (ii) protected residential address information;
    (iii) protected trusts information;
    (iv) the name or contact details of an individual provided for the purposes of section 4(1)(d), 7(1)(e) or 9(1)(f), paragraph 6(1)(g) or 7(1)(g) of Schedule 1 or paragraph 2(1)(d) of Schedule 6;
    (v) an overseas entity's email address (see paragraph 2(1)(e) of Schedule 1);
    (vi) any title numbers or folio numbers in respect of land (see paragraph 2(1)(h), (i) and (j) of Schedule 1);
  (b) any information that regulations under section 16 provide is not to be made available for public inspection;
  (c) any application or other document delivered to the registrar under regulations under section 23(2) (disclosure of protected trusts information);
  (d) the following—
    (i) any application or other document delivered to the registrar under regulations under section 25 (regulations protecting material), other than information provided by virtue of section 25(4);
    (ii) any information which regulations under section 25 require not to be made available for public inspection;

(e) any application or other document delivered to the registrar under section 28 (administrative removal of material from the register);

(f) any court order under section 30 (rectification of the register under court order) that the court has directed under section 31 is not to be made available for public inspection;

(g) any statement or other document delivered to the registrar by virtue of section 1067A of the Companies Act 2006 (delivery of documents: identity verification requirements etc);

(h) any statement made in accordance with regulations made by virtue of section 1082(2)(c) of the Companies Act 2006 (statement of unique identifier);

(i) any document provided to the registrar under section 1092A of the Companies Act 2006 (power to require further information);

(j) any email address, identification code or password deriving from a document delivered for the purpose of authorising or facilitating electronic filing procedures or providing information by telephone;

(k) any record of the information contained in a document (or part of a document) mentioned in any of the previous paragraphs of this subsection;

(l) any other material excluded from public inspection by or under any other enactment.

(2) In this section—

"protected date of birth information" means information as to the day of the month (but not the month or year) on which an individual who is a registrable beneficial owner or managing officer of an overseas entity was born;

"protected residential address information" means information as to the usual residential address of an individual who is a registrable beneficial owner or managing officer of an overseas entity;

"protected trusts information" means—

(a) the required information about a trust (see sections 4(3)(a), 7(3)(a) and (4)(a) and 9(3)(a) and (4)(a) and paragraphs 3(2)(a), 4(2)(a) and 5(2)(a) of Schedule 6), or

(b) any information required by virtue of section 7(3)(c) or (4)(c) or 9(3)(c) or (4)(c) or paragraph 4(2)(c) of Schedule 6 (information about beneficiaries).

(3) Information about a registrable beneficial owner or managing officer does not cease to be protected date of birth information or protected residential address information when they cease to be a registrable beneficial owner or managing officer.

(4) Where subsection (1), or a provision referred to in subsection (1), imposes a restriction by reference to material deriving from a particular description of document (or part of a document), that does not affect the availability for public inspection of the same information contained in material derived from another description of document (or part of a document) in relation to which no such restriction applies.

(5) The registrar need not retain material to which subsection (1) applies for longer than appears to the registrar reasonably necessary for the purposes for which the material was delivered to the registrar.

23 Disclosure of protected information

(1) The registrar must not disclose protected date of birth information, protected residential address information or protected trusts information unless—

(a) the disclosure is permitted by section 1110F of the Companies Act 2006 (general powers of disclosure by the registrar),

(b) the information is required to be made available for public inspection (as a result of being contained in a document, part of a document, or record to which section 22(1) does not apply), or

(c) the disclosure is permitted by regulations under subsection (2).

(2) The Secretary of State may by regulations make provision requiring the registrar, on application, to disclose relevant protected trusts information to a person (unless required to refrain from doing so by regulations under section 25).

(3) In subsection (2) "relevant protected trusts information" means protected trusts information other than information as to—

(a) the day of the month (but not the month or year) on which an individual was born, or

(b) the usual residential address of an individual.

(4) The regulations may make provision as to—

(a) who may make an application;

(b) the grounds on which an application may be made;

(c) the information to be included in and documents to accompany an application;

(d) the notice to be given of an application and of its outcome;

(e) how an application is to be determined.

(5) Provision under subsection (4)(e) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application.

(6) The regulations may include provision authorising or requiring the registrar to impose conditions subject to which the information is disclosed (including conditions restricting its use or further disclosure).

(7) The regulations may create offences in relation to failures to comply with conditions imposed by virtue of subsection (6).

(8) The regulations must provide for any such offence to be punishable—

(a) on summary conviction in England and Wales, by a fine;

(b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale.

(9) Regulations under this section may in particular confer a discretion on the registrar.

(10) Regulations under this section are subject to affirmative resolution procedure.

(11) In this section the following have the meaning given by section 22(2)—
"protected date of birth information";
"protected residential address information";
"protected trusts information".

24 Consultation about regulations under section 23

(1) The Secretary of State must consult the Scottish Ministers before making regulations under section 23 that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(2) The Secretary of State must consult the Department of Finance in Northern Ireland before making regulations under section 23 that contain provision that—
(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and
(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998."

168 Protection of information

For section 25 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

"25 Power to make regulations protecting material

(1) The Secretary of State may by regulations make provision requiring the registrar, on application—
(a) not to make available for public inspection any information on the register relating to an individual;
(b) to refrain from disclosing information on the register relating to an individual except in specified circumstances;
(c) not to make available for public inspection any address on the register that is not information to which paragraph (a) applies;
(d) to refrain from disclosing any such address except in specified circumstances.

(2) The regulations may make provision as to—
(a) who may make an application;
(b) the grounds on which an application may be made;
(c) the information to be included in and documents to accompany an application;
(d) the notice to be given of an application and of its outcome;
(e) how an application is to be determined;
(f) the duration of, and procedures for revoking, any restrictions on the making of information available for public inspection or its disclosure.

(3) Provision under subsection (2)(e) or (2)(f) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.

(4) Regulations under subsection (1)(a) or (1)(c) may provide that information is not to be made unavailable for public inspection unless the person to whom it relates provides such alternative information as may be specified.

(5) The circumstances that may be specified under subsection (1)(b) or (d) by way of an exception to a restriction on disclosure include circumstances where the court has made an order, in accordance with the regulations, authorising disclosure.

(6) Regulations under subsection (1)(b) or (d) may not require the registrar to refrain from disclosing information under section 1110F of the Companies Act 2006 (general powers of disclosure by the registrar).

(7) Regulations under this section may impose a duty on the registrar to publish, in relation to such periods as may be specified—

(a) details of how many applications have been made under the regulations and how many of them have been allowed, and

(b) such other details in connection with applications under the regulations as may be specified in the regulations.

(8) Regulations under this section may in particular confer a discretion on the registrar.

(9) Regulations under this section are subject to affirmative resolution procedure."

Correction or removal of material on the register

169 Resolving inconsistencies in the register

(1) Section 27 of the Economic Crime (Transparency and Enforcement) Act 2022 (resolving inconsistencies in the register) is amended as follows.

(2) For subsections (1) and (2) substitute—

"(1) Where it appears to the registrar that the information contained in a document delivered to the registrar by an overseas entity in connection with the register is inconsistent with other information contained in records kept by the registrar under section 1080 of the Companies Act 2006, the registrar may give notice to the overseas entity to which the document relates—

(a) stating in what respects the information contained in it appears to be inconsistent with other information in records kept by the registrar under section 1080 of the Companies Act 2006, and

(b) requiring the overseas entity, within the period of 14 days beginning with the date on which the notice is issued, to take all such steps as are reasonably open to it to resolve the inconsistency by delivering replacement or additional documents or in any other way.

(2) The notice must state the date on which it is issued."

(3) In the heading, omit "in the register".

170 Administrative removal of material from register

(1) In the Economic Crime (Transparency and Enforcement) Act 2022—

(a) for section 28 substitute—

"28 Administrative removal of material from the register

(1) The registrar may remove from the register anything that appears to the registrar to be—

(a) a document, or material derived from a document, accepted under section 1073 of the Companies Act 2006 (power to accept documents not meeting requirements for proper delivery), or

(b) unnecessary material as defined by section 1074 of the Companies Act 2006.

(2) The power to remove material from the register under this section may be exercised—

(a) on the registrar's own motion, or

(b) on an application made in accordance with regulations under section 28A(2).

(3) The Secretary of State may by regulations provide that the registrar's power to remove material from the register under this section following an application is limited to material of a description specified in the regulations.

(4) Regulations under this section are subject to the negative resolution procedure.

28A Further provision about removal of material from the register

(1) The Secretary of State must by regulations make provision for notice to be given in accordance with the regulations where material is removed from the register under section 28 otherwise than on an application.

(2) The Secretary of State must by regulations make provision in connection with the making and determination of applications for the removal of material from the register under section 28.

(3) The provision that may be made under subsection (2) includes provision as to—

(a) who may make an application,

(b) the information to be included in and documents to accompany an application,

(c) the notice to be given of an application and of its outcome,

(d) a period in which objections to an application may be made, and

(e) how an application is to be determined, including provision as to evidence that may be relied upon by the registrar for the purposes of satisfying the test in section 28(1).

(4) The provision that may be made by virtue of subsection (3)(e) includes provision as to circumstances in which—

(a) evidence is to be treated by the registrar as conclusive proof that the test in section 28(1) is met, and

(b) the power of removal must be exercised.

(5) Regulations under this section may in particular confer a discretion on the registrar.

(6) Regulations under this section are subject to the negative resolution procedure.";

(b) omit sections 29 and 29A (application to rectify register and resolution of discrepancies).

(2) In section 1073 of the Companies Act 2006 (power to accept documents not meeting requirements for proper delivery), in subsection (6)(a), after "section 1094A(1)" (inserted by section 85 of this Act) insert "or any corresponding provision of any other enactment".

Offences

171 False statement offences in connection with information notices

For section 15 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

"15 Failure to comply with notice under section 12 or 13

(1) A person who, without reasonable excuse, fails to comply with a notice under section 12 or 13 commits an offence.

(2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) It is a defence for a person charged with an offence under this section to prove that the requirement to give information was frivolous or vexatious.

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

(a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);

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

15A False statements under section 12 or 13: basic offence

(1) A person who is given a notice under section 12 or 13 commits an offence if, in purported compliance with the notice and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this section is liable—
(a) on summary conviction in England and Wales, to a fine;
(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;
(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

15B False statements under section 12 or 13: aggravated offence

(1) A person who is given a notice under section 12 or 13 commits an offence if, in purported compliance with the notice, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this section is liable—
(a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);
(b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
(c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
(d) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both)."

172 General false statement offences

For section 32 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

"32 False statements: basic offence

(1) It is an offence for a person, without reasonable excuse, to—
(a) deliver or cause to be delivered to the registrar, for the purposes of this Part, a document that is misleading, false or deceptive in a material particular, or
(b) make to the registrar, for the purposes of this Part, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, every officer of the entity who is in default also commits the offence.

(3) A person guilty of an offence under this section is liable—
(a) on summary conviction in England and Wales, to a fine;
(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;
(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

32A False statements: aggravated offence

(1) It is an offence for a person knowingly to—

(a) deliver or cause to be delivered to the registrar, for the purposes of this Part, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for the purposes of this Part, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a legal entity, every officer of the entity who is in default also commits the offence.

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

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both)."

173 Enforcement of requirement to register: updated language about penalties etc

(1) The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.

(2) In section 34 (power to require overseas entity to register if it owns certain land)—

(a) in subsection (4)(a), for "the maximum summary term for either-way offences" substitute "a term not exceeding the general limit in a magistrates' court";

(b) omit subsection (5).

(3) In section 36 (meaning of "daily default fine") after "applies for" insert "the".

Miscellaneous

174 Overseas entities: further information for transitional cases

Schedule 7 (overseas entities: further information for transitional cases) amends the Economic Crime (Transparency and Enforcement) Act 2022 to impose further duties on overseas entities to deliver information to the registrar.

175 Financial penalties: interaction with offences

In section 39 of the Economic Crime (Transparency and Enforcement) Act 2022 (financial penalties), in subsection (4)—

(a) for paragraph (a) (but not the "and" at the end) substitute—

"(a) no financial penalty may be imposed under the regulations on a person in respect of conduct amounting to an offence if—

(i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or

(ii) the person has been convicted of that offence in respect of that conduct,";

(b) in paragraph (b), omit "or continued".

176 Meaning of "service address"

In section 44 of the Economic Crime (Transparency and Enforcement) Act 2022 (interpretation), at the appropriate places, insert—

""the Companies Acts" has the meaning given by section 2(1) of the Companies Act 2006;"

""service address" has the same meaning as in the Companies Acts (see section 1141(1) and (2) of the Companies Act 2006)."

177 Meaning of "registered overseas entity" in land registration legislation

(1) In Schedule 4A to the Land Registration Act 2002 (overseas entities), for paragraph 8 substitute—

"8 (1) For the purpose of this Schedule, an overseas entity that has failed to comply with any of the following duties is not to be treated as being a "registered overseas entity" until it remedies the failure.

(2) The duties are—

(a) the duty to deliver to the registrar of companies the documents required by section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 (updating duty);

(b) the duty to provide information to the registrar of companies in accordance with a notice under section 1092A of the Companies Act 2006 (power of registrar to require information).

(3) For the purposes of this paragraph the failure is remedied when the documents are delivered, or the information is provided, to the registrar of companies."

(2) In section 21 of the Land Registration etc. (Scotland) Act 2012 (asp 5) (application for registration of deed), the subsection (5) inserted by the Economic Crime (Transparency and Enforcement) Act 2022 is renumbered subsection (4A).

(3) In schedule 1A to the Land Registration etc. (Scotland) Act 2012 (land transactions: overseas entities), in paragraph 9, for sub-paragraphs (2) and (3) substitute—

"(2) For the purpose of this schedule, an overseas entity that has failed to comply with any of the following duties is not to be treated as being a "registered overseas entity" until it remedies the failure.

(3) The duties are—

(a) the duty to deliver to the registrar of companies the documents required by section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 (updating duty);

(b) the duty to provide information to the registrar of companies in accordance with a notice under section 1092A of the Companies Act 2006 (power of registrar to require information).

(4) For the purposes of sub-paragraph (2) the failure is remedied when the documents are delivered, or the information is provided, to the registrar of companies."

(4) In Schedule 8A to the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) (overseas entities), for paragraph 7 substitute—

"7 (1) For the purpose of this Schedule, an overseas entity that fails to comply with any of the following duties is not to be treated as being a "registered overseas entity" until it remedies the failure.

(2) The duties are—

(a) the duty to deliver to the registrar of companies the documents required by section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 (updating duty);

(b) the duty to provide information to the registrar of companies in accordance with a notice under section 1092A of the Companies Act 2006 (power of registrar to require information).

(3) For the purposes of this paragraph a failure is remedied when the documents are delivered, or the information is provided, to the registrar of companies."

178 Power to apply Part 1 amendments to register of overseas entities

(1) Where provision made by the Economic Crime (Transparency and Enforcement) Act 2022 corresponds to provision made by the Companies Act 2006, the Secretary of State may by regulations make amendments to the 2022 Act corresponding to any amendments made by Part 1 of this Act to the provision in the 2006 Act.

(2) The Secretary of State must obtain the consent of the Scottish Ministers before making regulations under this section that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(3) The Secretary of State must obtain the consent of the Department of Finance in Northern Ireland before making regulations under this section that contain provision that—

(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

(b) would not, if contained in a Bill in the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.

PART 4

CRYPTOASSETS

179 Cryptoassets: confiscation orders

Schedule 8 amends the Proceeds of Crime Act 2002 to make provision in connection with cryptoassets and confiscation orders under Parts 2, 3 and 4 of that Act.

180 Cryptoassets: civil recovery

(1) Schedule 9 amends the Proceeds of Crime Act 2002 to make provision for a civil recovery regime in relation to cryptoassets.

(2) It also contains related amendments.

181 Cryptoassets: terrorism

(1) Part 1 of Schedule 10 amends the Anti-terrorism, Crime and Security Act 2001 to make provision for a civil recovery regime in relation to cryptoassets which—

(a) are intended to be used for the purposes of terrorism,

(b) consist of resources of an organisation which is a proscribed organisation, or

(c) are, or represent, property obtained through terrorism.

(2) Part 2 of Schedule 10 amends the Terrorism Act 2000 to make provision about financial institutions and cryptoassets.

PART 5

MISCELLANEOUS

Money laundering and terrorist financing

182 Money laundering: exiting and paying away exemptions

(1) The Proceeds of Crime Act 2002 is amended as follows.

(2) In section 327 (concealing etc), after subsection (2C) insert—

"(2D) A person ("P") who does an act mentioned in paragraph (c) or (d) of subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector that is not excluded business,

(b) P does the act, in the course of that business—

(i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and

(ii) for the purposes of the termination of P's business relationship with the customer or client,

(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less

than the threshold amount determined under section 339A for the act, and

(d) before the act is done, P has complied with the customer due diligence duties.

(2E) For the purposes of subsection (2D)—

(a) business is "excluded" if it is of a description specified in regulations made by the Secretary of State for the purposes of this paragraph;

(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;

(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures)."

(3) In section 328 (arrangements), after subsection (5) insert—

"(6) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector that is not excluded business,

(b) P does the act, in the course of that business—

(i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and

(ii) for the purposes of the termination of P's business relationship with the customer or client,

(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and

(d) before the act is done, P has complied with the customer due diligence duties.

(7) For the purposes of subsection (6)—

(a) business is "excluded" if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;

(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;

(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures)."

(4) In section 329 (acquisition, use and possession), after subsection (2C) insert—

"(2D) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector that is not excluded business,

(b) P does the act, in the course of that business—

(i) in transferring or handing over to the customer or client property of, or owing to, a customer or client, and

(ii) for the purposes of the termination of P's business relationship with the customer or client,

(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and

(d) before the act is done, P has complied with the customer due diligence duties.

(2E) For the purposes of subsection (2D)—

(a) business is "excluded" if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;

(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;

(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures)."

(5) In section 339A (threshold amounts)—

(a) for subsection (1) substitute—

"(1) In this section—

(a) subsections (2) to (6) apply for the purposes of sections 327(2C), 328(5) and 329(2C), and

(b) subsection (6A) applies for the purposes of sections 327(2D), 328(6) and 329(2D).";

(b) after subsection (6) insert—

"(6A) The threshold amount for acts done by a person carrying on business in the regulated sector, for the purposes of the termination of a business relationship with a customer or client, is £1000.";

(c) in subsection (7), after "subsection (2)" insert "or (6A)".

(6) In section 340 (interpretation of Part 7), after subsection (16) insert—

"(17) "Business relationship" means a business, professional or commercial relationship between a person carrying on business in the regulated sector and a customer or client, where the relationship—

(a) arises out of the business of that person, and

(b) is expected by that person, at the time when contact is established, to have an element of duration."

(7) In section 459 (orders and regulations)—

(a) in subsection (4), after paragraph (aza) insert—

"(azaa) regulations under section 327(2E)(a), 328(7)(a) or 329(2E)(a);";

(b) after subsection (6ZB) insert—

"(6ZBA) No regulations may be made by the Secretary of State under section 327(2E)(a), 328(7)(a) or 329(2E)(a) unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House."

183 Money laundering: exemptions for mixed-property transactions

(1) The Proceeds of Crime Act 2002 is amended as follows.

(2) In section 327 (concealing etc), after subsection (2E) (inserted by section 182) insert—

"(2F) A person ("P") who does an act mentioned in paragraph (c), (d) or (e) of subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(2G) Where subsection (2F) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property."

(3) In section 328 (arrangements), after subsection (7) (inserted by section 182) insert—

"(8) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(9) Where subsection (8) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property."

(4) In section 329 (acquisition, use and possession), after subsection (2E) (inserted by section 182), insert—

"(2F) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(2G) Where subsection (2F) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property."

184 Money laundering: offences of failing to disclose

(1) The Proceeds of Crime Act 2002 is amended as follows.

(2) In section 330 (failure to disclose: regulated sector)—

(a) subsection (7A) is moved to after subsection (7B) and is renumbered subsection (7C);

(b) after that subsection as moved and renumbered, insert—

"(7D) Nor does a person commit an offence under this section if—

(a) the information or other matter mentioned in subsection (3) consists of or includes information that was obtained only in consequence of the carrying out of a status check under section 40 of the Immigration Act 2014 or an immigration check under section 40A of that Act or both, and

(b) but for the information so obtained the person would not have reasonable grounds for knowing or suspecting that another person is engaged in money laundering."

(3) In section 331 (failure to disclose: nominated officers in the regulated sector), after subsection (6A) insert—

"(6B) Nor does a person commit an offence under this section if—

(a) the information or other matter disclosed to the person under section 330 consists of or includes information that was obtained only in consequence of the carrying out of a status check under section 40 of the Immigration Act 2014 or an immigration check under section 40A of that Act or both, and

(b) but for the information so obtained the person would not have reasonable grounds for knowing or suspecting that another person is engaged in money laundering."

185 Money laundering: information orders

(1) Section 339ZH of the Proceeds of Crime Act 2002 (further information orders) is amended in accordance with subsections (2) to (11).

(2) In the heading for "Further information" substitute "Information".

(3) In subsection (1)—

(a) for "a further" substitute "an";

(b) for "either condition 1 or condition 2" substitute "one of conditions 1 to 4".

(4) In subsection (3) for "A further" substitute "An".

(5) In subsection (4) for "a further" substitute "an".

(6) In subsection (5) for "a further" substitute "an".

(7) After subsection (6) insert—

"(6A) Condition 3 for the making of an information order is met if—

(a) the information would assist an authorised NCA officer to conduct—

(i) operational analysis of information that is relevant to money laundering or suspected money laundering, or

(ii) strategic analysis identifying trends or patterns in the conduct of money laundering, or systemic deficiencies or vulnerabilities which have been, are being or are likely to be, exploited for the purposes of money laundering,

for the purposes of the criminal intelligence function of the National Crime Agency, so far as it relates to money laundering,

(b) the respondent is a person carrying on a business in the regulated sector,

(c) where the application for the order is made to a magistrates' court, the person making the application has had regard to the code of practice under section 339ZL,

(d) where the application for the order is made to the sheriff—

(i) the application is made by a procurator fiscal at the request of the Director General of the National Crime Agency or an authorised NCA officer, and

(ii) the person making that request has had regard to the code of practice under section 339ZL, and

(e) it is reasonable in all the circumstances for the information to be provided.

(6B) Condition 4 for the making of an information order is met if—

(a) a request has been made by a foreign FIU to the National Crime Agency for the provision of the information required to be given under the order,

(b) an authorised NCA officer has reasonable grounds to believe that the request was made only for the purpose of assisting the foreign FIU to conduct one or both of the following—

(i) operational analysis of information that is relevant to money laundering or suspected money laundering, or

(ii) strategic analysis identifying trends or patterns in the conduct of money laundering, or systematic deficiencies or vulnerabilities which have been, are being or are likely to be, exploited for the purposes of money laundering,

and that the information is likely to be of substantial value to the foreign FIU in carrying out such analysis,

(c) the provision of the information by the National Crime Agency to the foreign FIU would be for the purposes of the criminal intelligence function of the National Crime Agency, so far as it relates to money laundering,

(d) the respondent is a person carrying on a business in the regulated sector,

(e) where the application for the order is made to a magistrates' court, the person making the application has had regard to the code of practice under section 339ZL,

(f) where the application for the order is made to the sheriff—

(i) the application is made by a procurator fiscal at the request of the Director General of the National Crime Agency or an authorised NCA officer, and

(ii) the person making that request has had regard to the code of practice under section 339ZL, and

(g) it is reasonable in all the circumstances for the information to be provided."

(8) In subsection (7) for "A further" substitute "An".

(9) In subsection (8) for "a further" substitute "an".

(10) In subsection (12), at the appropriate places, insert—

""authorised NCA officer" means a National Crime Agency officer authorised by the Director General (whether generally or specifically) for the purposes of this section;";

""the criminal intelligence function" has the meaning given by section 1(5) of the Crime and Courts Act 2013;";

""foreign FIU" means a body in a foreign country carrying out the functions of a financial intelligence unit within the meaning of Recommendation 29 of the Financial Action Task Force (as that Recommendation has effect from time to time);".

(11) In that subsection, in the definition of "relevant person", in paragraph (a), for "other National Crime Agency officer" to the end substitute "authorised NCA officer,".

(12) After section 339ZK of the Proceeds of Crime Act 2002 insert—

"339ZL Code of practice about certain information orders

(1) The Secretary of State must make a code of practice in connection with the exercise of the following functions by the Director General of the National Crime Agency or an authorised NCA officer—

(a) the making of an application to the magistrates' court for an information order in reliance on Condition 3 or 4 in section 339ZH being met;

(b) the making of a request to a procurator fiscal for the procurator fiscal to apply for an information order in reliance on Condition 3 or 4 in section 339ZH being met.

(2) Where the Secretary of State proposes to issue a code of practice the Secretary of State must—

(a) publish a draft,

(b) consider any representations made about the draft, and

(c) if the Secretary of State thinks appropriate, modify the draft in the light of any such representations.

(3) A requirement in paragraph (a), (b) or (c) of subsection (2) may be satisfied by the carrying out of the action required by the paragraph in question before this section comes into force.

(4) The Secretary of State must lay a draft of the code before Parliament.

(5) When the Secretary of State has laid a draft of the code before Parliament the Secretary of State may bring it into operation by regulations.

(6) The Secretary of State may revise the whole or any part of the code and issue the code as revised; and subsections (2) to (5) apply to a revised code as they apply to the original code.

(7) A failure by a person to comply with a provision of the code does not of itself make the person liable to criminal or civil proceedings.

(8) The code is admissible in evidence in criminal or civil proceedings and is to be taken into account by a court or tribunal in any case in which it appears to the court or tribunal to be relevant.

(9) A code of practice made under this section may be combined with a code of practice under section 22F of the Terrorism Act 2000 (code of practice relating to information orders under section 22B(1A) of that Act).

(10) In this section "authorised NCA officer" has the meaning given in section 339ZH(12)."

(13) In section 459 of that Act (orders and regulations)—

(a) in subsection (4), after paragraph (azaa) (inserted by section 182(7)(a) of this Act) insert—

"(azab) regulations under section 339ZL(5);";

(b) after subsection (6ZBA) (inserted by section 182(7)(b) of this Act) insert—

"(6ZBB) No regulations may be made by the Secretary of State under section 339ZL(5) unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House."

(14) In consequence of further information orders being renamed information orders by this section, the following amendments are also made to that Act—

(a) in the italic heading before section 339ZH for "Further information" substitute "Information";

(b) in section 339ZI (statements), in subsection (1) for "a further" substitute "an";

(c) in section 339ZJ (appeals), in subsections (1) and (4)(a) for "a further" substitute "an";

(d) in section 339ZK (supplementary)—

(i) in subsection (1) for "A further" substitute "An";

(ii) in subsection (3) for "a further" substitute "an";

(iii) in subsection (4) for "a further" substitute "an";

(iv) in subsection (5) omit "further";

(e) in section 340 (interpretation), in subsection (15) for "Further information" substitute "Information".

186 Terrorist financing: information orders

(1) Section 22B of the Terrorism Act 2000 (further information orders) is amended in accordance with subsections (2) to (12).

(2) In the heading for "Further information" substitute "Information".

(3) In subsection (1) for "a further" substitute "an".

(4) After subsection (1) insert—

"(1A) A magistrates' court or (in Scotland) the sheriff may, on an application made—

(a) in the case of a magistrates' court, by the Director General of the National Crime Agency or an authorised NCA officer, and

(b) in the case of the sheriff, by a procurator fiscal,

make an information order if satisfied that either condition 3 or condition 4 is met."

(5) In subsection (3) for "A further" substitute "An".

(6) In subsection (4) for "a further" substitute "an".

(7) In subsection (5) for "a further" substitute "an".

(8) After subsection (6) insert—

"(6A) Condition 3 for the making of an information order is met if—

(a) the information would assist an authorised NCA officer to conduct—

(i) operational analysis of information that is relevant to terrorist financing or suspected terrorist financing, or

(ii) strategic analysis identifying trends or patterns in the conduct of terrorist financing, or systemic deficiencies or vulnerabilities which have been, are being or are likely to be, exploited for the purposes of terrorist financing,

for the purposes of the criminal intelligence function of the National Crime Agency so far as it relates to terrorist financing,

(b) the respondent is a person carrying on a business in the regulated sector,

(c) where the application for the order is made to a magistrates' court, the person making the application has had regard to the code of practice under section 22F,

(d) where the application for the order is made to the sheriff—

(i) the application is made by a procurator fiscal at the request of the Director General of the National Crime Agency or an authorised NCA officer, and

(ii) the person making that request has had regard to the code of practice under section 22F, and

(e) it is reasonable in all the circumstances for the information to be provided.

(6B) Condition 4 for the making of an information order is met if—

(a) a request has been made by a foreign FIU to the National Crime Agency for the provision of the information required to be given under the order,

(b) an authorised NCA officer has reasonable grounds to believe that the request was made only for the purpose of assisting the foreign FIU to conduct one or both of the following—

(i) operational analysis of information that is relevant to terrorist financing or suspected terrorist financing, or

(ii) strategic analysis identifying trends or patterns in the conduct of terrorist financing, or systematic deficiencies or vulnerabilities which have been, are being or are likely to be, exploited for the purposes of terrorist financing,

and that the information is likely to be of substantial value to the foreign FIU in carrying out such analysis,

(c) the provision of the information by the National Crime Agency to the foreign FIU would be for the purposes of the criminal intelligence function of the National Crime Agency, so far as it relates to terrorist financing,

(d) the respondent is a person carrying on a business in the regulated sector,

(e) where the application for the order is made to a magistrates' court, the person making the application has had regard to the code of practice under section 22F,

(f) where the application for the order is made to the sheriff—

(i) the application is made by a procurator fiscal at the request of the Director General of the National Crime Agency or an authorised NCA officer, and

(ii) the person making that request has had regard to the code of practice under section 22F, and

(g) it is reasonable in all the circumstances for the information to be provided."

(9) In subsection (7) for "A further" substitute "An".

(10) In subsection (8) for "a further" substitute "an".

(11) In subsection (12), after "this section" insert "in reliance on Condition 1 or 2".

(12) In subsection (14), at the appropriate places, insert—

""authorised NCA officer" means an officer of the National Crime Agency authorised by the Director General (whether generally or specifically) for the purposes of this section;";

""the criminal intelligence function" has the meaning given by section 1(5) of the Crime and Courts Act 2013;";

""foreign FIU" means a body in a foreign country carrying out the functions of a financial intelligence unit within the meaning of Recommendation 29 of the Financial Action Task Force (as that Recommendation has effect from time to time);";

""terrorist financing" means—

(a) for the purposes of subsection (6A), an act which constitutes an offence under any of sections 15 to 18;

(b) for the purposes of subsection (6B), an act which constitutes a corresponding terrorist financing offence."

(13) After section 22E of the Terrorism Act 2000 insert—

"22F Code of practice about certain information orders

(1) The Secretary of State must make a code of practice in connection with the exercise of the following functions by the Director General of the National Crime Agency or an authorised NCA officer—

(a) the making of an application to the magistrates' court for an information order under section 22B(1A) (information orders made in reliance on Condition 3 or 4 in section 22B being met);

(b) the making of a request to a procurator fiscal for the procurator fiscal to apply for an information order under section 22B(1A).

(2) Where the Secretary of State proposes to issue a code of practice the Secretary of State must—

(a) publish a draft,

(b) consider any representations made about the draft, and

(c) if the Secretary of State thinks appropriate, modify the draft in the light of any such representations.

(3) A requirement in paragraph (a), (b) or (c) of subsection (2) may be satisfied by the carrying out of the action required by the paragraph in question before this section comes into force.

(4) The Secretary of State must lay a draft of the code before Parliament.

(5) When the Secretary of State has laid a draft of the code before Parliament the Secretary of State may bring it into operation by regulations.

(6) The Secretary of State may revise the whole or any part of the code and issue the code as revised; and subsections (2) to (5) apply to a revised code as they apply to the original code.

(7) A failure by a person to comply with a provision of the code does not of itself make the person liable to criminal or civil proceedings.

(8) The code is admissible in evidence in criminal or civil proceedings and is to be taken into account by a court or tribunal in any case in which it appears to the court or tribunal to be relevant.

(9) A code of practice made under this section may be combined with a code of practice under section 339ZL of the Proceeds of Crime Act 2002 (code of practice relating to certain information orders under section 339ZH of that Act).

(10) In this section "authorised NCA officer" has the meaning given in section 22B(14)."

(14) In section 123(4) of that Act (orders and regulations subject to affirmative procedure), after paragraph (a) insert—

"(aza) section 22F(5);".

(15) In consequence of further information orders being renamed information orders by this section, the following amendments are also made to that Act—

(a) in the italic heading before section 22B for "Further information" substitute "Information";

(b) in section 22C (statements), in subsection (1) for "a further" substitute "an";

(c) in section 22D (appeals), in subsections (1) and (4)(a) for "a further" substitute "an";

(d) in section 22E (supplementary)—

(i) in subsection (1) for "A further" substitute "An";

(ii) in subsection (3) for "a further" substitute "an";

(iii) in subsection (4) for "a further" substitute "an";

(iv) in subsection (5) omit "further";

(e) in section 120C (enforcement of orders in other parts of UK), in subsection (2)(a) omit "further".

187 Enhanced due diligence: designation of high-risk countries

(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.

(2) In Schedule 2 (money laundering and terrorist financing etc)—

(a) in paragraph 4—

(i) the existing text becomes sub-paragraph (1);

(ii) after sub-paragraph (1) insert—

"(2) Provide for the imposition of requirements relating to enhanced customer due diligence measures by reference to prescribed high-risk countries.

(3) Provision made by virtue of sub-paragraph (2) may in particular refer to a list of countries published by the Financial Action Task Force as it has effect from time to time.";

(b) in paragraph 23, after sub-paragraph (2) insert—

"(2A) In paragraph 4 (measures in relation to customers of relevant persons), the reference in sub-paragraph (2) to requirements includes requirements imposed by or under the Money Laundering Regulations 2017."

(3) In section 55 (parliamentary procedure for regulations)—

(a) in subsection (2), for the first "which" substitute "made during the period of 6 months beginning with the day on which the Economic Crime and Corporate Transparency Act 2023 is passed if the instrument";

(b) in subsection (9), for the words from "if" to the end substitute "if they only make provision prescribing high-risk countries by virtue of paragraph 4(2) of Schedule 2".

Disclosures to prevent, detect or investigate economic crime etc

188 Direct disclosures of information: restrictions on civil liability

(1) The protections set out in subsection (2) apply in relation to a disclosure made by a person ("A") to another person ("B") if—

(a) A is carrying on business in circumstances where subsection (3) applies,

(b) B is also carrying on business in circumstances where that subsection applies,

(c) the information relates to a person who is a customer or former customer of A ("the customer"),

(d) either the request condition or the warning condition is met,

(e) A is satisfied that the disclosure of the information will or may assist B in carrying out relevant actions of B, and

(f) the disclosure is not a privileged disclosure.

(2) The protections are that, subject to subsection (11), the disclosure does not—

(a) give rise to a breach of any obligation of confidence owed by A, or

(b) give rise to any civil liability, on the part of A, to the person to whom the disclosed information relates.

(3) This subsection applies—

(a) where the business carried on is business in the regulated sector, and

(b) in circumstances prescribed, in relation to the business or the person carrying it on, by regulations made by the Secretary of State for the purposes of this paragraph.

(4) The request condition is that—

(a) the disclosure is made in response to a request made by B, and

(b) at the time the request is made, B has reason to believe that A holds information relating to the customer the disclosure of which will or may assist B in carrying out relevant actions of B.

(5) The warning condition is that A, due to concerns about risks of economic crime, has decided to take safeguarding action (or would have decided to take such action but for the customer having ceased to be a customer of A).

(6) For the purposes of subsection (5), "safeguarding action" means—

(a) terminating a business relationship with the customer,

(b) refusing the customer a product or service, or

(c) restricting the customer's access to elements of a product or service available to other customers of A.

(7) Where a disclosure is made to which subsection (1) applies, B's use of the disclosed information, for the purposes of any of B's relevant actions, does not breach any obligation of confidence owed by B.

(8) The protections set out in subsection (9) apply in relation to a disclosure made by a person ("R") who is carrying on business in circumstances where subsection (3) applies to another person for the purpose of making a disclosure request if R has reason to believe that other person—

(a) is carrying on business in circumstances where subsection (3) applies, and

(b) has in their possession information about a customer or former customer of theirs that will or may assist R to carry out any of R's relevant actions.

(9) The protections are that, subject to subsection (11), the disclosure does not—

(a) give rise to a breach of any obligation of confidence owed by R, or

(b) give rise to any civil liability, on the part of R, to the person to whom the disclosed information relates.

(10) Where a disclosure is made to which subsection (8) applies, the use by that other person of the disclosed information, for the purposes of enabling a disclosure to be made by them to which subsection (1) applies, does not—

(a) give rise to a breach of any obligation of confidence owed by them, or

(b) give rise to any civil liability, on the part of R, to the person to whom the disclosed information relates.

This is subject to subsection (11).

(11) Nothing in this section requires or authorises a disclosure of information that would contravene, or prevents any civil liability arising under, the data protection legislation.

189 Indirect disclosure of information: restrictions on civil liability

(1) The protections set out in subsection (2) apply in relation to a disclosure made by a person ("A") to another person ("B") if—

(a) A is carrying on business in circumstances where subsection (3) applies,

(b) the information relates to a person who is a customer or former customer of A ("the customer"),

(c) due to concerns about the risk of economic crime, A has decided to—

(i) terminate a business relationship with the customer,

(ii) refuse the customer a product or service, or

(iii) restrict the customer's access to elements of a product or service which are available to other customers,

(d) A is satisfied that the information disclosed to B, if it is disclosed by B to one or more persons carrying on business in circumstances where subsection (3) applies, will or may assist those persons in carrying out their relevant actions,

(e) to the extent that the information is personal data, the UK GDPR applies to the disclosure of the information by A,

(f) A and B are parties to an agreement the terms of which provide that, to the extent that the information is personal data, B will only disclose or otherwise process it in circumstances where the UK GDPR applies to the disclosure or other processing, and

(g) the disclosure is not a privileged disclosure.

(2) The protections are that, subject to subsection (10), the disclosure does not—

(a) give rise to a breach of any obligation of confidence owed by A, or

(b) give rise to any civil liability, on the part of A, to the person to whom the disclosed information relates.

(3) This subsection applies—

(a) where the business carried on is business in the regulated sector as—

(i) a deposit-taking body,

(ii) an electronic money institution,

(iii) a payment institution,

(iv) a cryptoasset exchange provider, or

(v) a custodian wallet provider,

(b) where—

(i) the business carried on is business in the regulated sector within paragraph 1(1)(j) to (n) of Schedule 9 to the Proceeds of Crime Act 2002 (audit, insolvency, accountancy, tax or legal services), and

(ii) the UK revenue of the person carrying on the business is large or very large for the relevant financial year (see subsection (11)), and

(c) in circumstances prescribed, in relation to the business or the person carrying it on, by regulations made by the Secretary of State for the purposes of this paragraph.

(4) Where subsection (1) applies to a disclosure of information made by A to B, the protections set out in subsection (5) apply in relation to a further disclosure of that information made by B to another person ("C") if—

(a) C is carrying on business in circumstances where subsection (3) applies, and

(b) to the extent that the information is personal data, the UK GDPR applies to all processing of the information by B, up to and including the disclosure of the information to C.

(5) The protections are that, subject to subsection (10), the disclosure does not—

(a) give rise to a breach of any obligation of confidence owed by B, or

(b) give rise to any civil liability, on the part of B, to the person to whom the disclosed information relates.

(6) Where a disclosure is made to which subsection (4) applies, C's use of the disclosed information, for the purposes of any of C's relevant actions, does not breach any obligation of confidence owed by C.

(7) The protections set out in subsection (8) apply in relation to a disclosure made by a person ("R"), who is carrying on business in circumstances where subsection (3) applies, to another person, for the purposes of making a request for a disclosure of information to be made to R by that other person if, at the time the request is made, R has reason to believe that the disclosure of information to which the request relates would be one to which subsection (4) applies.

(8) The protections are that, subject to subsection (10), the disclosure does not—

(a) give rise to a breach of any obligation of confidence owed by R, or

(b) give rise to any civil liability, on the part of R, to the person to whom the disclosed information relates.

(9) Where a disclosure is made to which subsection (7) applies, the use by that other person, of the disclosed information, for the purposes of enabling a disclosure to be made by them to which subsection (4) applies, does not—

(a) give rise to a breach of any obligation of confidence owed by them, or

(b) give rise to any civil liability, on their part, to the person to whom the disclosed information relates.

This is subject to subsection (10).

(10) Nothing in this section authorises a disclosure of information that would contravene, or prevents any civil liability arising under, the data protection legislation.

(11) In subsection (3)(b) "relevant financial year"—

(a) for the purposes of subsection (1)(a), means the financial year immediately preceding that in which the disclosure by A is made;

(b) for the purposes of subsection (4)(a), means the financial year immediately preceding that in which the disclosure to C is made.

And, for the purposes of subsection (3)(b), the question of whether a person's UK revenue is large or very large for a particular financial year is to be determined in accordance with sections 55 to 57 of the Finance Act 2022 (calculation of UK revenue for the economic crime (anti-money laundering) levy).

190 Meaning of "privileged disclosure"

(1) For the purposes of sections 188 and 189, "privileged disclosure" means a disclosure of information made by a professional legal adviser or relevant

professional adviser in circumstances where the information disclosed came to the adviser in privileged circumstances.

(2) Information comes to a professional legal adviser or relevant professional adviser in privileged circumstances if it is communicated or given to the adviser—

(a) by (or by a representative of) a client of the adviser in connection with the giving by that person of legal advice to the client,

(b) by (or by a representative of) a person seeking legal advice from the adviser, or

(c) by a person in connection with legal proceedings or contemplated legal proceedings.

(3) For the purposes of this section a "relevant professional adviser" means an accountant, auditor or tax adviser who is a member of a professional body which is established for accountants, auditors or tax advisers (as the case may be) and which makes provision for—

(a) testing the competence of those seeking admission to membership of such a body as a condition for such admission, and

(b) imposing and maintaining professional and ethical standards for its members, as well as imposing sanctions for non-compliance with those standards.

191 Meaning of "relevant actions"

In sections 188 and 189, "relevant actions", of a person, means the actions of—

(a) determining, for the purposes of preventing, detecting or investigating economic crime—

(i) whether it is appropriate to apply any customer due diligence measures, or any similar measures, in respect of a customer or proposed customer of the person;

(ii) the nature or extent of the measures;

(b) carrying out, for such purposes—

(i) effective measures for identifying or verifying the identity of, or

(ii) any other customer due diligence measures in respect of,

a customer or proposed customer of the person;

(c) determining, for such purposes, whether it is appropriate to—

(i) terminate an existing business relationship with a customer or proposed customer of the person;

(ii) decline to establish a new business relationship with such a customer;

(iii) decline to provide a product or service to such a customer;

(iv) restrict the access of such a customer to an existing product or service which is normally available to other customers;

(v) decline to carry out a transaction for such a customer.

192 Meaning of "business relationship"

(1) In sections 188 to 191, "business relationship" means a business, professional or commercial relationship between a person carrying on relevant business and a customer or client which—

(a) arises out of the business of the person, and

(b) has, or is expected by the person (at the time when contact is established) to have, an element of duration.

(2) In subsection (1) "relevant business" means—

(a) in the case of section 188 (and section 191 as it applies for the purposes of that section), business within section 188(3);

(b) in the case of section 189 (and section 191 as it applies for the purposes of that section), business within section 189(3).

193 Other defined terms in sections 188 to 191

(1) In sections 188 to 191—

"cryptoasset exchange provider" has the meaning given by paragraph 1(12)(a) of Schedule 9 to the Proceeds of Crime Act 2002;

"custodial wallet provider" has the meaning given by paragraph 1(12)(b) of Schedule 9 to the Proceeds of Crime Act 2002;

"customer due diligence measures" has the meaning given by regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692);

"the data protection legislation" has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

"deposit-taking body" means—

(a) a business which engages in the activity of accepting deposits, or

(b) the National Savings Bank;

"economic crime" means an act which—

(a) constitutes an offence listed in Schedule 11 ("a listed offence"),

(b) constitutes an attempt or conspiracy to commit a listed offence,

(c) constitutes an offence—

(i) under Part 2 of the Serious Crime Act 2007 (England and Wales and Northern Ireland: encouraging or assisting crime) in relation to a listed offence, or

(ii) under the law of Scotland of inciting the commission of a listed offence,

(d) constitutes aiding, abetting, counselling or procuring the commission of a listed offence, or

(e) would constitute a listed offence or an offence specified in paragraph (b), (c) or (d) if done in the United Kingdom;

"electronic money institution" has the same meaning as in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2 of those Regulations);

"enactment" includes—

(a) an enactment contained in subordinate legislation (as defined in section 21 of the Interpretation Act 1978);

(b) an enactment contained in, or in an instrument made under, a Measure or Act of Senedd Cymru;

(c) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament;

(d) an enactment contained in, or in an instrument made under, Northern Ireland legislation;

(e) any retained direct EU legislation;

"financial year" means a period of 12 months ending with 31 March;

"payment institution" means an authorised payment institution or small payment institution (each as defined in regulation 2 of the Payment Services Regulations 2017 (S.I. 2017/752));

"personal data" and "processing" have the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

"regulated sector": see subsection (2);

"the UK GDPR" has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act).

(2) Part 1 of Schedule 9 to the Proceeds of Crime Act 2002 has effect for the purpose of determining what is a business in the regulated sector.

(3) The Secretary of State may, by regulations, add an offence to or remove an offence from the list in Schedule 11.

Power to strike out certain claims

194 Strategic litigation against public participation: requirement to make rules of court

(1) The power to make Civil Procedure Rules must be exercised so as to secure that Civil Procedure Rules include provision for ensuring that a claim may be struck out before trial where the court determines—

(a) that the claim is a SLAPP claim (see section 195), and

(b) that the claimant has failed to show that it is more likely than not that the claim would succeed at trial.

(2) Rules made in compliance with subsection (1) may include rules about how a determination under that subsection is to be made, including (in particular)—

(a) rules for determining the nature and extent of the evidence that may or must be considered;

(b) rules about the extent to which evidence may or must be tested;

(c) rules permitting or requiring the court to determine matters of fact by way of presumptions.

(3) Rules made in compliance with subsection (1) must include rules under which the court may make a determination under that subsection of its own motion.

(4) The power to make Civil Procedure Rules must be exercised so as to secure that Civil Procedure Rules include provision for securing that, in respect of a SLAPP claim, a court may not order a defendant to pay the claimant's costs except where, in the court's view, misconduct of the defendant in relation to the claim justifies such an order.

(5) The Lord Chancellor may by regulations provide for subsections (1) to (4) to apply in relation to any rules of court that may be specified in the regulations as those subsections apply in relation to Civil Procedure Rules.

(6) In this section—

"court" includes a tribunal;

"rules of court" means rules relating to the practice and procedure of a court or tribunal.

195 Meaning of "SLAPP" claim

(1) For the purposes of section 194 a claim is a "SLAPP claim" if—

(a) the claimant's behaviour in relation to the matters complained of in the claim has, or is intended to have, the effect of restraining the defendant's exercise of the right to freedom of speech,

(b) any of the information that is or would be disclosed by the exercise of that right has to do with economic crime,

(c) any part of that disclosure is or would be made for a purpose related to the public interest in combating economic crime, and

(d) any of the behaviour of the claimant in relation to the matters complained of in the claim is intended to cause the defendant—

(i) harassment, alarm or distress,

(ii) expense, or

(iii) any other harm or inconvenience,

beyond that ordinarily encountered in the course of properly conducted litigation.

(2) For the purposes of determining whether a claim meets the condition in subsection (1)(a) or (c), any limitation prescribed by law on the exercise of the right to freedom of speech (for example in relation to the making of defamatory statements) is to be ignored.

(3) For the purposes of this section, information mentioned in subsection (1)(b) "has to do with economic crime" if—

(a) it relates to behaviour or circumstances which the defendant reasonably believes (or, as the case requires, believed) to be evidence of the commission of an economic crime, or

(b) the defendant has (or, as the case requires, had) reason to suspect that an economic crime may have occurred and believes (or, as the case requires, believed) that the disclosure of the information would facilitate an investigation into whether such a crime has (or had) occurred.

(4) In determining whether any behaviour of the claimant falls within subsection (1)(d), the court may, in particular, take into account—

(a) whether the behaviour is a disproportionate reaction to the matters complained of in the claim, including whether the costs incurred by the claimant are out of proportion to the remedy sought;

(b) whether the defendant has access to fewer resources with which to defend the claim than another person against whom the claimant could have brought (but did not bring) proceedings in relation to the matters complained of in the claim;

(c) any relevant failure, or anticipated failure, by the claimant to comply with a pre-action protocol, rule of court or practice direction, or to comply with or follow a rule or recommendation of a professional regulatory body.

(5) For the purposes of subsection (4)(c) a failure, or anticipated failure, is "relevant" so far as it relates to—

(a) the choice of jurisdiction,

(b) the use of dilatory strategies,

(c) the nature or amount of material sought on disclosure,

(d) the way to respond to requests for comment or clarification,

(e) the use of correspondence,
(f) making or responding to offers to settle, or
(g) the use of alternative dispute resolution procedures.

(6) In this section—

"court" has the same meaning as in section 194;

"economic crime" has the meaning given by section 193(1);

"the right to freedom of speech" means the right set out in Article 10 of the European Convention on Human Rights (freedom of expression) so far as it consists of a right to impart ideas, opinions or information by means of speech, writing or images (including in electronic form).

(7) In the definition of "the right to freedom of speech" in subsection (6) "the European Convention on Human Rights" means the Convention for the Protection of Human Rights and Fundamental Freedoms agreed by the Council of Europe at Rome on 4 November 1950 as it has effect for the time being in relation to the United Kingdom.

Attributing criminal liability for economic crimes to certain bodies

196 Attributing criminal liability for economic crimes to certain bodies

(1) If a senior manager of a body corporate or partnership ("the organisation") acting within the actual or apparent scope of their authority commits a relevant offence after this section comes into force, the organisation is also guilty of the offence.

This is subject to subsection (3).

(2) "Relevant offence" means an act which constitutes—

(a) an offence listed in Schedule 12 ("a listed offence"),
(b) an attempt or conspiracy to commit a listed offence,
(c) an offence—
(i) under Part 2 of the Serious Crime Act 2007 (England and Wales and Northern Ireland: encouraging or assisting crime) in relation to a listed offence, or
(ii) under the law of Scotland of inciting the commission of a listed offence, or
(d) aiding, abetting, counselling or procuring the commission of a listed offence.

(3) Where no act or omission forming part of the relevant offence took place in the United Kingdom, the organisation is not guilty of an offence under subsection (1) unless it would be guilty of the relevant offence had it carried out the acts that constituted that offence (in the location where the acts took place).

(4) In this section—

"body corporate" includes a body incorporated outside the United Kingdom, but does not include—
(a) a corporation sole, or
(b) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed;

"partnership" means—

(a) a partnership within the meaning of the Partnership Act 1890;
(b) a limited partnership registered under the Limited Partnerships Act 1907;
(c) a firm or other entity of a similar character to one within paragraph (a) or (b) formed under the law of a country or territory outside the United Kingdom;

"senior manager", in relation to a body corporate or partnership, means an individual who plays a significant role in—
(a) the making of decisions about how the whole or a substantial part of the activities of the body corporate or (as the case may be) partnership are to be managed or organised, or
(b) the actual managing or organising of the whole or a substantial part of those activities.

197 Power to amend list of economic crimes

(1) The Secretary of State may by regulations amend Schedule 12 by—
(a) removing an offence from the list in the Schedule, or
(b) adding an offence to that list.

(2) The power in subsection (1) is exercisable by the Scottish Ministers (and not by the Secretary of State) so far as it may be used to make provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(3) The power in subsection (1) is exercisable by the Department of Justice in Northern Ireland (and not by the Secretary of State) so far as it may be used to make provision that—
(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and
(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.

(4) The Secretary of State may from time to time by regulations restate Schedule 12 as amended by virtue of subsections (1) to (3) (without changing the effect of the Schedule).

198 Offences under section 196 committed by partnerships

(1) Proceedings for an offence alleged to have been committed by a partnership by virtue of section 196 must be brought in the name of the partnership (and not in that of any of the partners).

(2) For the purposes of such proceedings—
(a) rules of court relating to the service of documents have effect as if the partnership were a body corporate, and
(b) the following provisions apply as they apply in relation to a body corporate—
(i) section 33 of the Criminal Justice Act 1925 and Schedule 3 to the Magistrates' Courts Act 1980;
(ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945 (c. 15 (N.I.)) and Schedule 4 to the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26));

(iii) sections 34(2), 66(6AA) and 72D(2) of the Criminal Procedure (Scotland) Act 1995.

(3) A fine imposed on the partnership on its conviction for an offence committed by virtue of section 196 is to be paid out of the partnership assets.

(4) In this section "partnership" has the same meaning as in section 196.

Failure to prevent fraud

199 Failure to prevent fraud

(1) A relevant body which is a large organisation (see sections 201 and 202) is guilty of an offence if, in a financial year of the body ("the year of the fraud offence"), a person who is associated with the body ("the associate") commits a fraud offence intending to benefit (whether directly or indirectly)—

(a) the relevant body, or

(b) any person to whom, or to whose subsidiary undertaking, the associate provides services on behalf of the relevant body.

(2) A relevant body is also guilty of an offence under subsection (1) if—

(a) an employee of the relevant body commits a fraud offence intending to benefit (whether directly or indirectly) the relevant body,

(b) the fraud offence is committed in a financial year of a parent undertaking of which the relevant body is a subsidiary undertaking ("the year of the fraud offence"), and

(c) the parent undertaking is a relevant body which is a large organisation.

(3) But the relevant body is not guilty of an offence under subsection (1)(b) if the body itself was, or was intended to be, a victim of the fraud offence.

(4) It is a defence for the relevant body to prove that, at the time the fraud offence was committed—

(a) the body had in place such prevention procedures as it was reasonable in all the circumstances to expect the body to have in place, or

(b) it was not reasonable in all the circumstances to expect the body to have any prevention procedures in place.

(5) In subsection (4) "prevention procedures" means procedures designed to prevent persons associated with the body from committing fraud offences.

(6) A "fraud offence" is an act which constitutes—

(a) an offence listed in Schedule 13 (a "listed offence"), or

(b) aiding, abetting, counselling or procuring the commission of a listed offence.

(7) For the purposes of this section a person is associated with a relevant body if—

(a) the person is an employee, agent or subsidiary undertaking of the relevant body, or

(b) the person otherwise performs services for or on behalf of the body.

(8) For the purposes of this section a person is also associated with a relevant body if the person is an employee of a subsidiary undertaking of the relevant body; but for the purpose of determining whether an offence is committed by virtue of this subsection, subsection (1) has effect with the omission of paragraph (b) (and the "or" preceding it).

(9) Whether or not a particular person performs services for or on behalf of a relevant body is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and the body.

(10) Where a relevant body is liable to be proceeded against for an offence under subsection (1) in a particular part of the United Kingdom, proceedings against the body for the offence may be taken in any place in the United Kingdom.

(11) Where by virtue of subsection (10) proceedings against a relevant body for an offence are to be taken in Scotland—

(a) the body may be prosecuted, tried and punished in a sheriff court district determined by the Lord Advocate, as if the offence had been committed in that district, and

(b) the offence is, for all purposes incidental to or consequential on the trial or punishment, deemed to have been committed in that district.

(12) A relevant body guilty of an offence under this section is liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction in England and Wales, to a fine;

(c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.

(13) In this section—

"relevant body" means a body corporate or a partnership (wherever incorporated or formed);

"sheriff court district" is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act).

(14) In this section "financial year"—

(a) in relation to a UK company, has the meaning given by the Companies Act 2006 (see section 390 of that Act);

(b) in relation to a relevant body that is not a UK company means—

(i) any period in respect of which a profit and loss account of the relevant body is required to be made up (by its constitution or by the law under which it is established), whether that period is a year or not, or

(ii) if the body is not required by its constitution or the law under which it is established to draw up a profit and loss account, a calendar year.

200 Fraud offences: supplementary

(1) The Secretary of State may by regulations amend Schedule 13 by—

(a) removing an offence from the list in the Schedule, or

(b) adding an offence to that list.

(2) The power in subsection (1) is exercisable by the Scottish Ministers (and not by the Secretary of State) so far as it may be used to make provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(3) The power in subsection (1) is exercisable by the Department of Justice in Northern Ireland (and not by the Secretary of State) so far as it may be used to make provision that—

(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.

(4) An offence added under subsection (1)(b) must be—

(a) an offence of dishonesty,

(b) an offence that is otherwise of a similar character to those listed (on the passing of this Act) in paragraphs 1 to 6 of Schedule 13, or

(c) a relevant money laundering offence.

(5) The Secretary of State may from time to time by regulations restate Schedule 13 as amended by virtue of subsections (1) to (3) (without changing the effect of the Schedule).

(6) For the purposes of section 199(1), where a fraud offence is found to have been committed over a period of 2 or more days, or at some time during a period of 2 or more days, and that period of days straddles the beginning of a financial year of the relevant body in question, the fraud offence must be taken to have been committed on the last of those days.

(7) In this section "relevant money laundering offence" means an offence under any of the following sections of the Proceeds of Crime Act 2002—

(a) section 327 (concealing etc);

(b) section 328 (arrangements);

(c) section 329 (acquisition, use and possession).

201 Section 199: large organisations

(1) For the purposes of section 199(1) and (2) a relevant body is a "large organisation" only if the body satisfied two or more of the following conditions in the financial year of the body ("year P") that precedes the year of the fraud offence—

Turnover	More than £36 million
Balance sheet total	More than £18 million
Number of employees	More than 250.

(2) The reference in subsection (1) to a relevant body does not include a relevant body which is a parent undertaking (as to which see section 202).

(3) For a period that is a relevant body's financial year but not in fact a year, the figure for turnover must be proportionately adjusted.

(4) In subsection (1) the "number of employees" means the average number of persons employed by the relevant body in year P, determined as follows—

(a) find for each month in year P the number of persons employed under contracts of service by the relevant body in that month (whether throughout the month or not),

(b) add together the monthly totals, and
(c) divide by the number of months in year P.

(5) In this section—

"balance sheet total", in relation to a relevant body and a financial year—
(a) means the aggregate of the amounts shown as assets in its balance sheet at the end of the financial year, or
(b) where the body has no balance sheet for the financial year, has a corresponding meaning;

"turnover"—
(a) in relation to a UK company, has the same meaning as in Part 15 of the Companies Act 2006 (see section 474 of that Act);
(b) in relation to any other relevant body, has a corresponding meaning;

"year of the fraud offence" is to be interpreted in accordance with section 199(1).

(6) The Secretary of State may by regulations modify this section (other than this subsection and subsections (7) and (9)) and section 202 for the purpose of altering the meaning of "large organisation" in section 199(1) and (2).

(7) The Secretary of State may (whether or not the power in subsection (6) has been exercised) by regulations—
(a) omit the words "which is a large organisation" in section 199(1) and (2)(c), and
(b) make any modifications of this section (other than this subsection) that the Secretary of State thinks appropriate in consequence of provision made under paragraph (a).

(8) Before making regulations under subsection (6) or (7) the Secretary of State must consult—
(a) the Scottish Ministers, and
(b) the Department of Justice in Northern Ireland.

(9) Regulations under subsection (6) or (7) may make consequential amendments of section 205.

202 Large organisations: parent undertakings

(1) For the purposes of section 199(1) and (2) a relevant body which is a parent undertaking is a "large organisation" only if the group headed by it satisfied two or more of the following conditions in the financial year of the body that precedes the year of the fraud offence—

Aggregate turnover	More than £36 million net (or £43.2 million gross)
Aggregate balance sheet total	More than £18 million net (or £21.6 million gross)

Aggregate number of employees	More than 250.

(2) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 201 for each member of the group.

(3) In relation to the aggregate figures for turnover and balance sheet total, "net" and "gross"—

(a) except where paragraph (b) applies, have the meaning given by subsection (6) of section 466 of the Companies Act 2006;

(b) in the case of accounts that are not of a kind specified in the definition of "net" in that subsection, have a corresponding meaning.

(4) In this section—

"balance sheet total" (in relation to a relevant body and a financial year) has the same meaning as in section 201;

"group" means a parent undertaking and its subsidiary undertakings;

"turnover" (in relation to a UK company or other relevant body) has the same meaning as in section 201;

"year of the fraud offence" is to be interpreted in accordance with section 199(1) or (2) (as the case requires).

(5) In this section "balance sheet total" and "turnover", in relation to a subsidiary undertaking which is not a relevant body, have a meaning corresponding to the meaning given by subsection (4).

203 Offences under section 199 committed by partnerships

(1) Proceedings for an offence under section 199 alleged to have been committed by a partnership must be brought in the name of the partnership (and not in that of any of the partners).

(2) For the purposes of such proceedings—

(a) rules of court relating to the service of documents have effect as if the partnership were a body corporate, and

(b) the following provisions apply as they apply in relation to a body corporate—

(i) section 33 of the Criminal Justice Act 1925 and Schedule 3 to the Magistrates' Courts Act 1980;

(ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945 (c. 15 (N.I.)) and Schedule 4 to the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26));

(iii) sections 34(2), 66(6AA) and 72D(2) of the Criminal Procedure (Scotland) Act 1995.

(3) A fine imposed on the partnership on its conviction for an offence under section 199 is to be paid out of the partnership assets.

204 Guidance about preventing fraud offences

(1) The Secretary of State must issue guidance about procedures that relevant bodies can put in place to prevent persons associated with them from committing fraud offences as mentioned in section 199(1).

(2) The Secretary of State may from time to time revise the whole or any part of the guidance issued under this section.

(3) The Secretary of State must publish—
  (a) any guidance issued under this section;
  (b) any revision of that guidance.

(4) Before issuing or revising guidance under this section the Secretary of State must consult—
  (a) the Scottish Ministers, and
  (b) the Department of Justice in Northern Ireland.

(5) The requirement to consult those persons may be satisfied by consultation carried out before this section comes into force.

205 Failure to prevent fraud: minor definitions

(1) This section applies for the purposes of sections 199 to 204.

(2) References to a person "associated with" a relevant body are to be interpreted in accordance with section 199(7).

(3) "Financial year" has the meaning given by section 199(14).

(4) "Fraud offence" has the meaning given by section 199(6).

(5) "Modify" includes amend or repeal (and references to modifications are to be interpreted accordingly).

(6) "Parent undertaking" has the same meaning as in the Companies Acts (see section 1162 of the Companies Act 2006).

(7) "Partnership" means—
  (a) a partnership within the meaning of the Partnership Act 1890;
  (b) a limited partnership registered under the Limited Partnerships Act 1907;
  (c) a firm or other entity of a similar character to one within paragraph (a) or (b) formed under the law of a country or territory outside the United Kingdom.

(8) "Relevant body" has the meaning given by section 199(13).

(9) "Subsidiary undertaking" has the same meaning as in the Companies Acts (see section 1162 of the Companies Act 2006).

(10) "UK company" means a company formed and registered under the Companies Act 2006.

206 Failure to prevent fraud: miscellaneous

(1) In section 61(1) of the Serious Organised Crime and Police Act 2005 (offences to which certain investigatory powers apply), at the end insert—

"(k) an offence under section 199 of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences)."

(2) In Schedule 1 to the Serious Crime Act 2007 (offences which are serious offences for purposes of serious crime prevention orders)—

(a) in Part 1 (serious offences in England and Wales), in paragraph 7, after sub-paragraph (2) insert—

"(2A) An offence under section 199 of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).";

(b) in Part 1A (serious offences in Scotland), in paragraph 16J, after sub-paragraph (1) insert—

"(1A) An offence under section 199 of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).";

(c) in Part 2 (serious offences in Northern Ireland), in paragraph 23, after sub-paragraph (2) insert—

"(2A) An offence under section 199 of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences)."

(3) In Part 2 of Schedule 17 to the Crime and Courts Act 2013 (offences in relation to which a deferred prosecution agreement may be entered into), after paragraph 27A insert—

"27B An offence under section 199 of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences)."

Regulatory and investigatory powers

207 Law Society: powers to fine in cases relating to economic crime

(1) In section 44D of the Solicitors Act 1974 (disciplinary powers of Law Society), after subsection (2) insert—

"(2A) In a case where this subsection applies, subsection (2)(b) has effect as if the words after "penalty" (which set a limit on the amount of the penalty a person may be directed to pay) were omitted.

(2B) Subsection (2A) applies where the Society takes action against a person under subsection (2)(b)—

(a) for failure to comply with a requirement or rule referred to in subsection (1)(a), where—

(i) the requirement or rule applies only for purposes relating to the prevention or detection of economic crime, or

(ii) the failure consisted of an act or omission which had the effect of inhibiting the prevention or detection of economic crime, or

(b) for professional misconduct as referred to in subsection (1)(b), where the misconduct consisted of an act or omission which had the effect of inhibiting the prevention or detection of economic crime.

(2C) In subsection (2B) "economic crime" has the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023."

(2) In paragraph 14B of Schedule 2 to the Administration of Justice Act 1985

(disciplinary powers of Law Society), after sub-paragraph (2) insert—

"(2A) In a case where this sub-paragraph applies, sub-paragraph (2)(b) has effect as if the words after "penalty" (which set a limit on the amount of the penalty a person may be directed to pay) were omitted.

(2B) Sub-paragraph (2A) applies where the Society takes action against a person under sub-paragraph (2)(b) for failure to comply with a requirement or rule referred to in sub-paragraph (1) where—

(a) the requirement or rule applies only for purposes relating to the prevention or detection of economic crime, or

(b) the failure consisted of an act or omission which had the effect of inhibiting the prevention or detection of economic crime.

(2C) In sub-paragraph (2B) "economic crime" has the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023."

(3) The amendments made by this section do not apply in relation to any act or omission occurring before the day on which this section comes into force.

208 Scottish Solicitors' Discipline Tribunal: powers to fine in cases relating to economic crime

(1) Section 53 of the Solicitors (Scotland) Act 1980 (powers of tribunal) is amended as follows.

(2) In subsection (1)—

(a) in paragraph (b)—

(i) after "dishonesty" insert "(other than a conviction for an economic crime offence)";

(ii) after "or has" insert "(other than in relation to a conviction for an economic crime offence)";

(b) after paragraph (b) insert—

"(ba) a solicitor has (whether before or after enrolment as a solicitor) been convicted by any court of an economic crime offence, or";

(c) in paragraph (c), after "offence" insert "(other than a conviction for an economic crime offence)";

(d) after paragraph (c) insert—

"(ca) an incorporated practice has been convicted by any court of an economic crime offence, which conviction the Tribunal is satisfied renders it unsuitable to continue to be recognised under section 34(1A), or".

(3) In subsection (2), after paragraph (c), insert—

"(ca) where the Tribunal is proceeding on the ground in subsection (1)(ba) or (1)(ca), or where subsection (2A) or (2B) applies, impose on the solicitor or, as the case may be, the incorporated practice, a fine of any amount."

(4) After subsection (2) insert—

"(2A) This subsection applies where the Tribunal is proceeding on the ground referred to in subsection (1)(a) and —

(a) the solicitor has, in relation to the subject matter of the Tribunal's inquiry, been convicted by any court of an economic crime offence, or

(b) the misconduct referred to in subsection (1)(a) consisted of an act or omission which had the effect of inhibiting the prevention or detection of an economic crime offence.

(2B) This subsection applies where the Tribunal is proceeding on the ground referred to in subsection (1)(d) and the incorporated practice has —

(a) in relation to the subject matter of the Tribunal's inquiry, been convicted by any court of an economic crime offence, or

(b) failed to comply with a provision or rule as referred to in subsection (1)(d) and—

(i) the failure consisted of an act or omission which had the effect of inhibiting the prevention or detection of an economic crime offence, or

(ii) the provision or rule applies only for purposes relating to the prevention or detection of an economic crime offence."

(5) In subsection (3ZA)—

(a) in paragraph (a), after "dishonesty" insert "(not being an economic crime offence)";

(b) in paragraph (b), at the end insert ", (1)(ba) or (1)(ca)";

(c) after paragraph (b), insert—

"(c) where subsection (2A) or (3A) applies."

(6) In subsection (3A)—

(a) in paragraph (a), for "(1)(a) or (b)" substitute "(1)(a), (b) or (ba)";

(b) in paragraph (b), for "(1)(c) or (d)" substitute "(1)(c), (ca) or (d)".

(7) After subsection (9) insert—

"(9A) In this section, an economic crime offence means an economic crime within the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023."

(8) The amendments made by this section do not apply in relation to any act or omission occurring before the day on which this section comes into force.

209 Regulators of legal services: objective relating to economic crime

(1) Section 1 of the Legal Services Act 2007 (regulatory objectives) is amended as follows.

(2) In subsection (1), after paragraph (h) insert—

"(i) promoting the prevention and detection of economic crime."

(3) After subsection (4) insert—

"(5) In subsection (1)(i) "economic crime" has the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023".

210 Approved regulators: information powers relating to economic crime

(1) The Legal Services Act 2007 is amended as follows.

(2) After section 111 insert—

"PART 5A

APPROVED REGULATORS: INFORMATION POWERS

The Law Society's information powers relating to economic crime

111A The Law Society's information powers relating to economic crime

(1) The Law Society may, by notice, require a person falling within subsection (3) to—

(a) provide information, or information of a description, specified in the notice;

(b) produce documents, or documents of a description, specified in the notice.

(2) The Law Society may only exercise the power in subsection (1) in relation to information or documents which the Law Society considers it necessary or expedient to have for the purposes of, or in connection with, the performance of its regulatory functions for purposes relating to the prevention or detection of economic crime.

(3) The persons are—

(a) a solicitor;

(b) an employee of a solicitor;

(c) a body recognised under section 9 of the Administration of Justice Act 1985;

(d) an employee or manager of, or person with an interest in, such a body;

(e) a licensed body;

(f) a manager or employee of a licensed body;

(g) a non-authorised person who has an interest or an indirect interest, or holds a material interest (within the meaning of Part 5 of this Act), in a licensed body;

(h) a person who was, but is no longer, of a description mentioned within any of paragraphs (a) to (g).

(4) A notice under subsection (1)—

(a) may specify the manner and form in which the information is to be provided or document produced;

(b) must specify the period within which the information is to be provided or document produced;

(c) may require the information to be provided, or document to be produced, to the Law Society or to a person specified in the notice.

(5) The Law Society may pay to any person such reasonable costs as may be incurred by that person in connection with the provision of any

information, or production of any document, by that person pursuant to a notice under subsection (1).

(6) The Law Society, or a person specified under subsection (4)(c) in a notice, may take copies of or extracts from a document produced pursuant to a notice under subsection (1).

(7) In this section "economic crime" has the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023.

111B Enforcement of information powers relating to economic crime

(1) If a person refuses or otherwise fails to comply with a notice under section 111A(1), the Law Society may apply to the High Court for an order requiring the person to comply with the notice or with such directions for the like purpose as may be contained in the order.

(2) On an application under subsection (1), the High Court may order a person other than the person to whom the notice was given to provide information or produce documents specified in the notice, if the High Court is satisfied that there is reason to suspect that the information or documents have come into the possession or custody or under the control of that other person.

(3) Section 111A(4) applies in relation to an order under subsection (2) as it applies in relation to a notice under section 111A(1).

(4) An order under this section may direct the Law Society to pay such reasonable costs as may be incurred by a person in connection with the provision of any information, or production of any document, by that person pursuant to the order.

(5) A person may take copies of or extracts from a document produced to them pursuant to an order under this section.

111C Provision of information relating to economic crime by other persons

(1) The Law Society may apply to the High Court for an order requiring a person who does not fall within section 111A(3) to—

(a) provide information, or information of a description, specified in the order, or

(b) produce documents, or documents of a description, specified in the order.

(2) The High Court may make an order under this section only if it is satisfied—

(a) that it is likely that the information or document is in the possession or custody of, or under the control of, the person, and

(b) that it is necessary or expedient for the Law Society to have the information or document for the purposes of, or in connection with, the performance of its regulatory functions for purposes relating to the prevention or detection of economic crime.

(3) Section 111A(4) applies in relation to an order under this section as it applies in relation to a notice under section 111A(1).

(4) An order under this section may direct the Law Society to pay such reasonable costs as may be incurred by a person in connection with the

provision of any information, or production of any document, by that person pursuant to the order.

(5) A person may take copies of or extracts from a document produced to them pursuant to an order under this section.

(6) In this section "economic crime" has the meaning given by section 193(1) of the Economic Crime and Corporate Transparency Act 2023.

Other approved regulators: information powers relating to economic crime

111D Order to confer information powers on other approved regulators

(1) The Lord Chancellor may by order amend this Part so as to—

(a) provide for sections 111A to 111C to apply in relation to an approved regulator other than the Law Society as they apply in relation to the Law Society, and

(b) specify the persons to whom notices under section 111A(1) may be given by that approved regulator.

(2) The Lord Chancellor may make an order under this section in relation to an approved regulator only if—

(a) the Board has made a recommendation in accordance with section 111E in relation to that approved regulator, and

(b) the persons specified in the order to whom notices under section 111A(1) may be given by that approved regulator are the same as those persons specified in the recommendation.

111E The Board's power to recommend orders under section 111D

(1) The Board may recommend to the Lord Chancellor that the Lord Chancellor make an order under section 111D in relation to an approved regulator.

(2) A recommendation must specify the persons to whom the approved regulator should be able to give notices under section 111A(1).

(3) A recommendation may only be made with the consent of the approved regulator.

(4) Before making a recommendation under this section, the Board must publish a draft of the proposed recommendation.

(5) The draft must be accompanied by a notice which states that representations about the proposed recommendation may be made to the Board within a specified period.

(6) Before making the recommendation, the Board must have regard to any representations duly made."

(3) In section 206 (parliamentary control of orders and regulations), in subsection (4), after paragraph (n) insert—

"(na) section 111D (order to confer information powers on other approved regulators);".

211 Serious Fraud Office: pre-investigation powers

(1) In section 2A of the Criminal Justice Act 1987 (Director's pre-investigation powers in relation to bribery and corruption: foreign officers etc), omit the following—

(a) in the heading, the words from "in relation to" to the end;

(b) in subsection (1), the words from "in a case" to the end;

(c) subsection (5).

(2) In Schedule 1 to the Bribery Act 2010 (consequential amendments), omit paragraph 2 and the preceding italic heading.

Reports on payments to governments

212 Reports on payments to governments regulations: false statement offences etc

For regulation 16 of the Reports on Payments to Governments Regulations 2014 (S.I. 2014/3209) substitute—

"16 False statements: basic offence

(1) It is an offence for a person, without reasonable excuse, to—

(a) deliver or cause to be delivered to the registrar, for the purposes of these Regulations, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for the purposes of these Regulations, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

(3) In paragraph (2) "firm" has the meaning given by section 1173(1) of the Act.

(4) Sections 1121 to 1123 of the Act (liability of officers default: interpretation etc) apply for the purposes of paragraph (2) as they apply for the purposes of provisions of the Companies Acts.

(5) A person guilty of an offence under this regulation is liable—

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(6) No proceedings are to be brought for an offence under this regulation—

(a) in England and Wales except by or with the consent of the Secretary of State or the Director of Public Prosecutions;

(b) in Northern Ireland except by or with the consent of the Secretary of State or the Director of Public Prosecutions for Northern Ireland.

16A False statements: aggravated offence

(1) It is an offence for a person knowingly to—

(a) deliver or cause to be delivered to the registrar, for the purposes of these Regulations, a document that is misleading, false or deceptive in a material particular, or

(b) make to the registrar, for the purposes of these Regulations, a statement that is misleading, false or deceptive in a material particular.

(2) Where the offence is committed by a firm, every officer of the firm who is in default also commits the offence.

(3) In paragraph (2) "firm" has the meaning given by section 1173(1) of the Act.

(4) Sections 1121 to 1123 of the Act (liability of officers default: interpretation etc) apply for the purposes of paragraph (2) as they apply for the purposes of provisions of the Companies Acts.

(5) A person guilty of an offence under this regulation is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

(6) No proceedings are to be brought for an offence under this regulation—

(a) in England and Wales except by or with the consent of the Secretary of State or the Director of Public Prosecutions;

(b) in Northern Ireland except by or with the consent of the Secretary of State or the Director of Public Prosecutions for Northern Ireland."

Reports on implementation

213 Reports on the implementation and operation of Parts 1 to 3

(1) The Secretary of State must—

(a) prepare reports on the implementation and operation of Parts 1 to 3, and

(b) lay a copy of each report before Parliament.

(2) The first report must be laid within the period of 6 months beginning with the day on which this Act is passed.

(3) Each subsequent report must be laid within the period of 12 months beginning with the day on which the previous report was laid.

(4) But the duty to prepare and lay reports under subsection (1) ceases with the laying of the first report on or after 1 January 2030.

Sanctions enforcement: monetary penalties

214 Sanctions enforcement: monetary penalties

(1) In section 143 of the Policing and Crime Act 2017 (interpretation), in subsection (4) (meaning of "financial sanctions legislation"), in paragraph (f)—

(a) the words from "contains" to the end become sub-paragraph (i);

(b) at the end of that sub-paragraph insert—";

(ii) makes supplemental provision (within the meaning of section 1(6) of that Act) in connection with any prohibition or requirement mentioned in sub-paragraph (i)."

(2) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.

(3) In section 17 (enforcement), in subsection (9), in paragraph (a), after "(2)" insert "or makes supplemental provision in connection with any such prohibition or requirement".

(4) After section 17 insert—

"17A Enforcement: monetary penalties

(1) The provision that may be made by virtue of section 17(2) (enforcement of prohibitions or requirements) includes provision authorising a prescribed person to impose a monetary penalty on another person if satisfied, to the prescribed standard of proof, that the other person has breached a prohibition, or failed to comply with a requirement, that is imposed by or under regulations.

(2) Regulations authorising the Treasury to impose a monetary penalty in respect of a breach or failure for which the Treasury could impose a monetary penalty under Part 8 of the Policing and Crime Act 2017 may not be made unless the regulations also make provision of the kind mentioned in section 17(9) to disapply Part 8 of that Act in respect of that breach or failure.

(3) Regulations authorising the imposition of a monetary penalty may make provision that, in determining for the purposes of the regulations whether a person has breached a prohibition, or failed to comply with a requirement, any requirement relating to the person's knowledge or intention is to be ignored.

(4) Regulations authorising the imposition of a monetary penalty must provide that—

(a) a person is not liable to such a penalty in respect of conduct amounting to an offence if—

(i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or

(ii) the person has been convicted of that offence in respect of that conduct, and

(b) no proceedings may be brought against a person in respect of conduct amounting to an offence if the person has been given such a penalty under the regulations in respect of that conduct.

(5) Where regulations authorising the imposition of a monetary penalty authorise a prescribed person to determine the amount of the penalty, the regulations must provide for a maximum penalty.

(6) The maximum penalty may be a prescribed sum of any amount or may be calculated in accordance with the regulations.

(7) In this section—

"conduct" means an act or omission;

"regulations" mean regulations under section 1."

Report on costs orders for proceedings for civil recovery

215 Report on costs orders for proceedings for civil recovery

(1) The Secretary of State must assess whether it would be appropriate to restrict the court's power to order that the costs of proceedings under Chapter 2 of Part 5 of the Proceeds of Crime Act 2002 are payable by an enforcement authority and, if so, how.

(2) In carrying out the assessment, the Secretary of State must consult such persons as the Secretary of State considers appropriate.

(3) The Secretary of State must publish and lay before Parliament a report on the outcome of the assessment by the end of the period of 12 months beginning with the day on which this Act is passed.

(4) In this section "the court" means the High Court in England and Wales.

PART 6

GENERAL

216 Power to make consequential provision

(1) The Secretary of State may by regulations make provision that is consequential on this Act.

(2) Regulations under this section may amend, repeal or revoke provision made by or under primary legislation passed—

(a) before this Act, or

(b) later in the same session of Parliament as this Act.

(3) In this section "primary legislation" means—

(a) an Act,

(b) an Act or Measure of Senedd Cymru,

(c) an Act of the Scottish Parliament, or

(d) Northern Ireland legislation.

217 Regulations

(1) A power to make regulations under any provision of this Act includes power to make—

(a) consequential, supplementary, incidental, transitional or saving provision;

(b) different provision for different purposes.

(2) Regulations made by the Secretary of State or the Lord Chancellor under this Act are to be made by statutory instrument.

(3) For regulations made under this Act by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10) (Scottish statutory instruments).

(4) Any power of the Department of Justice in Northern Ireland to make regulations under this Act is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).

(5) A statutory instrument containing any of the following (whether alone or with other provision) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament—

(a) regulations under section 37;
(b) regulations under section 39;
(c) regulations under section 153, unless they are regulations under that section that only make provision that corresponds or is similar to provision made or capable of being made by a statutory instrument that is itself subject to annulment in pursuance of a resolution of either House of Parliament;
(d) regulations under section 178;
(e) regulations under section 193;
(f) regulations made by the Secretary of State under section 197(1);
(g) regulations made by the Secretary of State under section 200(1);
(h) regulations under section 201(6) or (7);
(i) regulations under section 216 that amend or repeal provision made by an Act.

(6) Any other statutory instrument containing regulations under this Act is subject to annulment in pursuance of a resolution of either House of Parliament.

(7) But subsection (6) does not apply to a statutory instrument that only contains regulations appointing the appointed day for the purposes of section 50.

(8) Regulations made by the Scottish Ministers under section 197(1) or 200(1) are subject to the affirmative procedure (see section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).

(9) Regulations made by the Department of Justice in Northern Ireland under section 197(1) or 200(1) may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, the Northern Ireland Assembly.

(10) This section does not apply to regulations under sections 219 and 220.

218 Extent

(1) This Act extends to England and Wales, Scotland and Northern Ireland, subject to subsections (2) and (3).

(2) Sections 194 and 195 extend to England and Wales only.

(3) An amendment, repeal or revocation made by this Act has the same extent as the provision amended, repealed or revoked.

219 Commencement

(1) Except as provided by subsections (2) to (5), this Act comes into force on such day as the Secretary of State or the Lord Chancellor may by regulations made by statutory instrument appoint.

(2) The following come into force on the day on which this Act is passed—
- (a) this Part;
- (b) any provision of, or amendment made by, Parts 1 to 5 so far as it confers a power to make regulations or relates to the exercise of the power;
- (c) paragraph 1 of Schedule 9 so far as it inserts section 303Z25 into the Proceeds of Crime Act 2002;
- (d) paragraph 17 of Schedule 9 so far as it relates to that section;
- (e) section 180 so far as it relates to the provisions mentioned in paragraphs (c) and (d);
- (f) section 182;
- (g) section 184;
- (h) section 185(12) and (13);
- (i) section 186(13) and (14).

(3) The following come into force at the end of the period of 2 months beginning with the day on which this Act is passed—
- (a) section 196 and Schedule 12;
- (b) section 197;
- (c) section 198;
- (d) section 213.

(4) The following come into force (so far as not brought into force by subsection (2)(b)) on such day as the Scottish Ministers may by regulations appoint after consulting the Secretary of State—
- (a) Part 2 of Schedule 8, and
- (b) section 179 so far as it relates to that Part.

(5) The following come into force (so far as not brought into force by subsection (2)(b)) on such day as the Department of Justice in Northern Ireland may by order appoint after consulting the Secretary of State—
- (a) Part 3 of Schedule 8, and
- (b) section 179 so far as it relates to that Part.

(6) No regulations may be made under subsection (1) bringing into force any of the following provisions, so far as they extend to Scotland, unless the Secretary of State has consulted the Scottish Ministers—
- (a) Schedule 9, and
- (b) section 180 so far as it relates to that Schedule.

(7) No regulations may be made under subsection (1) bringing into force any of the following provisions, so far as they extend to Northern Ireland, unless the Secretary of State has consulted the Department of Justice in Northern Ireland—
- (a) Schedule 9, other than paragraphs 6(7), 10 and 11, and
- (b) section 180 so far as it relates to that Schedule, other than paragraphs 6(7), 10 and 11.

(8) No regulations may be made under subsection (1) bringing into force section 199 unless the Secretary of State has published guidance under section 204(3).

(9) Regulations under subsection (1) or (4), and orders subsection (5), may appoint different days for—

(a) different purposes, and

(b) where regulations under subsection (1) appoint a day for the coming into force of any provision of Schedule 9 or 10, different areas.

(10) A power of the Department of Justice in Northern Ireland to make an order under subsection (5) is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).

220 Transitional provision

(1) The Secretary of State may by regulations made by statutory instrument make transitional or saving provision in connection with the coming into force of any provision of this Act, other than a provision mentioned in section 219(4) or (5).

(2) The Scottish Ministers may by regulations make transitional or saving provision in connection with the coming into force of a provision mentioned in section 219(4).

(3) The Department of Justice in Northern Ireland may by order make transitional or saving provision in connection with the coming into force of a provision mentioned in section 219(5).

(4) The power to make regulations under subsection (1) or (2), and the power to make orders under subsection (3), includes power to make different provision for—

(a) different purposes, and

(b) where regulations under subsection (1) make provision in connection with the coming into force of any provision of Schedule 9 or 10, different areas.

(5) Transitional provision and savings made under subsections (1) to (3) are additional, and without prejudice, to those made by or under any other provision of this Act.

(6) A power of the Department of Justice in Northern Ireland to make an order under subsection (3) is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).

221 Short title

This Act may be cited as the Economic Crime and Corporate Transparency Act 2023.

SCHEDULES

SCHEDULE 1

Section 49

REGISTER OF MEMBERS: CONSEQUENTIAL AMENDMENTS

1 The Companies Act 2006 is amended as follows.

2 In section 112 (the members of a company), omit subsection (3).

3 (1) Section 127 (register to be evidence) is amended as follows.

(2) The existing text becomes subsection (1).

(3) In that subsection "for section 128H" substitute "subsection (2)".

(4) After that subsection insert—

"(2) The central register is prima facie evidence of any matters about which a company was required to deliver information to the registrar under Chapter 2A by virtue of an election under section 128B at any time before the repeal of that Chapter (including that section) by the Economic Crime and Corporate Transparency Act 2023.

(3) Subsection (2) does not apply to information required to be included in a statement under section 128B(5)(b) or in any updated statement under section 128B(6) before their repeal by that Act.

(4) In this section "the central register" means the register kept by the registrar (see section 1080)."

4 In section 129 (overseas branch registers), omit subsection (6).

5 In section 286 (votes of joint holders of shares), in subsection (2), omit the words from "(or" to "section 1080)".

6 In section 311 (contents of notices of meetings), in subsection (3)(b)(i), omit the words from "(or" to "section 1080)".

7 In section 360B (traded companies: requirements for participating in and voting at general meetings), omit subsection (5).

8 In section 554 (registration of allotment), omit subsection (2A).

9 In section 558 (when shares are allotted), omit the words from "(or" to "registrar)".

10 In section 588 (liability of subsequent holders of shares), in subsection (3)(a), omit the words from "(or" to "registrar)".

11 In section 605 (liability of subsequent holders of shares), in subsection (4)(a), omit the words from "(or" to "registrar)".

12 In section 616 (interpretation of Chapter 7), in subsection (3), omit the words from "(or" to "registrar)".

13 In section 655 (shares no bar to damages against company), omit the words from "(or" to "registrar)".

14 In section 724 (Treasury shares), in subsection (4), omit the words from "(or" to "Part 8)".

15 In section 770 (registration of transfer), omit subsection (3).

16 In section 771 (procedure on transfer being lodged), omit subsection (2A).

17 In section 772 (transfer of shares on application of transferor)—
(a) omit the words from "(or" to "Part 8)";
(b) omit "(or delivery)".

18 In section 786 (provision enabling or requiring arrangements to be adopted), in subsection (3)(a), omit the words from "(or" to "Part 8)".

19 In section 853B (duties to notify a relevant event), omit paragraph (b).

20 In section 853F (duty to deliver shareholder information: non-traded companies), in subsection (1), omit paragraph (b) and the "and" before it.

21 In section 1028A (administrative restoration of company with share warrants), in subsection (7), omit paragraph (b) and the "or" before it.

22 In section 1032A (restoration by court of company with share warrants), in subsection (8), omit paragraph (b) and the "or" before it.

23 (1) Section 1081 (annotation of the register) is amended as follows.

(2) Omit subsection (1A).

(3) In subsection (6), omit "or (1A)".

24 In section 1136 (regulations about where certain company records to be kept available for inspection), in subsection (2), omit the entry for section 128D (historic register of members).

25 In Schedule 5 (communications by a company), in paragraph 16, omit sub-paragraph (3A).

SCHEDULE 2

Section 51

ABOLITION OF CERTAIN LOCAL REGISTERS

PART 1

REGISTER OF DIRECTORS

1 The Companies Act 2006 is amended as follows.

2 Omit—
(a) sections 161A to 167F (register of directors etc);
(b) the italic heading before section 161A.

3 (1) Before section 168 (and before the italic heading before that section) insert—

"Notification of information about directors

167G Duty to notify registrar of change in directors

(1) A company must give notice to the registrar if a person—
  (a) becomes a director of the company, or
  (b) ceases to be a director of the company.

(2) The notice must specify the date on which the person became or ceased to be a director of the company.

(3) A notice under subsection (1)(a) of a person having become a director must contain—
  (a) a statement of the required information about the new director (see sections 167J and 167K);
  (b) a statement by the company that the person has consented to act in that capacity;
  (c) if the person is an individual, a statement that their identity is verified (see section 1110A);
  (d) a statement that the person is not—
    (i) disqualified under the directors disqualification legislation (see section 159A(2)), or
    (ii) otherwise ineligible by virtue of any enactment for appointment as a director;
  (e) if the person would be disqualified under the directors disqualification legislation but for the permission of a court to act, a statement to that effect specifying—
    (i) the court by which permission was given, and
    (ii) the date on which permission was given.
  (f) if the person would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect specifying—
    (i) the date on which the licence was issued, and
    (ii) by whom it was issued.

(4) In subsection (3)(e) "permission of a court to act" means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).

(5) Subsection (1)(a) does not require a company, on its incorporation, to give notice in relation to a person named as a proposed director in the statement under section 12.

(6) A notice under this section must be given within the period of 14 days beginning with the day on which the person becomes or ceases to be a director.

167H Duty to notify registrar of changes of information

(1) A company must give notice to the registrar of any change in the required information about a director (see sections 167J and 167K).

(2) The notice must specify the date on which the change occurred.

(3) A notice under this section must be given within the period of 14 days beginning with the day on which the change occurs.

(4) Where a company gives notice of a change of a director's service address but not their residential address, the notice must contain a statement that the residential address is unchanged.

167I Notification of changes occurring before company's incorporation

(1) A company must give notice to the registrar if a person named in the statement under section 12 as a proposed director of the company did not become a director on its incorporation.

(2) A company must give notice to the registrar of any change in the required information about a proposed director that occurred—
(a) after the application for the company's registration under section 9 was delivered to the registrar, but
(b) before the company was incorporated.

(3) But a company is not required to give notice under subsection (2) in respect of a person if it gives notice under subsection (1) in respect of the person.

(4) A notice under subsection (2) must specify the date on which the change occurred.

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the company was incorporated.

167J Required information about a director: individuals

(1) The required information about a director (or proposed director) who is an individual is—
(a) name, date of birth and nationality;
(b) any relevant former names;
(c) a service address (which may be stated as "The company's registered office");
(d) usual residential address;
(e) the part of the United Kingdom in which the individual is usually resident or, if the individual is usually resident in a country or state outside the United Kingdom, that country or state.

(2) In subsection (1)(b) "relevant former name" means any former name other than—
(a) in the case of a peer, or an individual normally known by a British title, the name by which the individual was known previous to the adoption of or succession to the title, or
(b) in the case of any person—

(i) a former name which was changed or disused before the person attained the age of 16 years,

(ii) a former name which has been changed or disused for 20 years or more, or

(iii) a former name which the registrar is required to refrain from making available for public inspection or from disclosing (or both) by virtue of regulations under section 1088(1)(a) or (b).

(3) In this section—

"former name" means a name by which the individual was formerly known for business purposes;

"name" means the individual's forename and surname.

(4) Where a director (or proposed director) is a peer or an individual usually known by a title, any requirement imposed by this Act to provide the individual's name because it forms part of the required information may be satisfied by providing that title instead of the individual's forename and surname.

(5) The Secretary of State may by regulations—

(a) amend this section so as to change the required information about a director (or proposed director) who is an individual;

(b) repeal subsection (4).

(6) Regulations under this section are subject to affirmative resolution procedure.

167K Required information about a director: corporate directors and firms

(1) The required information about a director (or proposed director) that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—

(a) corporate or firm name;

(b) principal office;

(c) a service address (which may be stated as "The company's registered office");

(d) in the case of a limited company that is a UK-registered company, the registered number;

(e) in any other case, particulars of—

(i) the legal form of the body corporate or firm and the law by which it is governed, and

(ii) if applicable, the register in which it is entered (including details of the state) and its registration number in that register.

(2) The Secretary of State may by regulations amend this section so as to change the required information about a director (or proposed director) of a description mentioned in subsection (1).

(3) Regulations under this section are subject to affirmative resolution procedure.

167L Directors: offence of failure to notify of changes

(1) If a company fails, without reasonable excuse, to comply with section 167G, 167H or 167I, an offence is committed by—
  (a) the company, and
  (b) every officer of the company who is in default.

(2) For this purpose a shadow director is treated as an officer of the company.

(3) A person guilty of an offence under this section is liable on summary conviction—
  (a) in England and Wales, to a fine;
  (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

(2) The provision that may be made under section 220(1) in connection with the coming into force of this paragraph includes—
  (a) provision requiring a company to deliver to the registrar, at the same time as a confirmation statement, a statement, in respect of any individual who became a director of the company (otherwise than on its incorporation) before the coming into force of this paragraph, confirming that the individual's identity is verified (within the meaning of section 1110A of the Companies Act 2006), and
  (b) provision for section 853A(1)(b)(i) of the Companies Act 2006 (as substituted by section 59 of this Act) to have effect as if it included a reference to the duty imposed by virtue of paragraph (a).

(3) In sub-paragraph (2)—
  "confirmation statement" has the meaning given by section 853A of the Companies Act 2006;
  "the registrar" has the same meaning as in the Companies Acts (see section 1060 of the Companies Act 2006).

PART 2

REGISTER OF SECRETARIES

4 The Companies Act 2006 is amended as follows.

5 Omit sections 274A to 279F (register of secretaries etc) (including the italic heading before section 279A).

6 Before section 280 insert—

"Notification of information about secretaries

279G Duty to notify registrar of change in secretary or joint secretary

(1) A company must give notice to the registrar if a person—
  (a) becomes the secretary or one of the joint secretaries of the company, or
  (b) ceases to be the secretary or one of the joint secretaries of the company.

(2) The notice must specify the date on which the person became or ceased to be the secretary or one of the joint secretaries of the company.

(3) A notice under subsection (1)(a) must contain—

(a) a statement of the required information about the secretary or joint secretary (see sections 279J and 279K), and

(b) a statement by the company that the person has consented to act in that capacity.

(4) Subsection (1)(a) does not require a company, on its incorporation, to give notice in relation to a person named as the proposed secretary or one of the proposed joint secretaries of the company in the statement under section 12.

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the person becomes or ceases to be the secretary or a joint secretary.

279H Duty to notify registrar of changes of information

(1) A company must give notice to the registrar of any change in the required information about the secretary or one of the joint secretaries of the company (see sections 279J and 279K).

(2) The notice must specify the date on which the change occurred.

(3) A notice under this section must be given within the period of 14 days beginning with the day on which the change occurs.

279I Notification of changes occurring before company's incorporation

(1) A company must give notice to the registrar if—

(a) a person named in the statement under section 12 as the proposed secretary of the company did not become the secretary on its incorporation, or

(b) a person named in the statement under section 12 as one of the proposed joint secretaries of the company become did not become one of the joint secretaries on its incorporation.

(2) A company must give notice to the registrar of any change in the required information about a proposed secretary, or one of the proposed joint secretaries, that occurred—

(a) after the application for the company's registration under section 9 was delivered to the registrar, but

(b) before the company was incorporated.

(3) But a company is not required to give notice under subsection (2) in respect of a person if it gives notice under subsection (1) in respect of the person.

(4) A notice under subsection (2) must specify the date on which the change occurred.

(5) A notice under this section must be given within the period of 14 days beginning with the day on which the company was incorporated.

279J Required information about a secretary etc: individuals

(1) The required information about a secretary or joint secretary (or proposed secretary or joint secretary) who is an individual is—

(a) name;

(b) any relevant former names;

(c) a service address (which may be stated as "The company's registered office").

(2) In subsection (1)(b) "relevant former name" means any former name other than—

(a) in the case of a peer, or an individual normally known by a British title, the name by which the individual was known previous to the adoption of or succession to the title, or

(b) in the case of any person—

(i) a former name which was changed or disused before the person attained the age of 16 years,

(ii) a former name which has been changed or disused for 20 years or more, or

(iii) a former name which the registrar is required to refrain from making available for public inspection or from disclosing (or both) by virtue of regulations under section 1088(1)(a) or (b).

(3) In this section—

"former name" means a name by which the individual was formerly known for business purposes;

"name" means the individual's forename and surname.

(4) Where a secretary or joint secretary (or proposed secretary or joint secretary) is a peer or an individual usually known by a title, any requirement of this Act to provide the individual's name because it forms part of the required information may be satisfied by providing that title instead of the individual's forename and surname.

(5) The Secretary of State may by regulations—

(a) amend this section so as to change the required information about a secretary or joint secretary (or proposed secretary or joint secretary) who is an individual;

(b) repeal subsection (4).

(6) Regulations under this section are subject to affirmative resolution procedure.

279K Required information about a secretary etc: corporate secretaries and firms

(1) The required information about a secretary or joint secretary (or proposed secretary or joint secretary) that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—

(a) corporate or firm name;

(b) principal office;

(c) a service address (which may be stated as "The company's registered office");

(d) in the case of a limited company that is a UK-registered company, the registered number;

(e) in any other case, particulars of—

(i) the legal form of the body corporate or firm and the law by which it is governed, and

(ii) if applicable, the register in which it is entered (including details of the state) and its registration number in that register.

(2) The Secretary of State may by regulations amend this section so as to change the required information about a secretary or joint secretary (or proposed secretary or joint secretary) of a description mentioned in subsection (1).

(3) Regulations under this section are subject to affirmative resolution procedure.

279L Firms all of whose partners are joint secretaries

(1) This section applies where—

(a) all the members in a firm are joint secretaries (or proposed joint secretaries) of a company, and

(b) the firm is not a legal person under the law by which it is governed.

(2) Any requirement imposed by this Act to provide the required information about the members as joint secretaries (or proposed joint secretaries) may instead be satisfied by providing the information that would be required if the firm were a legal person and the firm had been appointed as secretary.

279M Secretary or joint secretary: offence of failure to notify of changes

(1) If a company fails, without reasonable excuse, to comply with section 279G, 279H or 279I, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(2) For this purpose a shadow director is treated as an officer of the company.

(3) A person guilty of an offence under this section is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

Person acting in dual capacity".

PART 3

REGISTER OF PEOPLE WITH SIGNIFICANT CONTROL

7 The Companies Act 2006 is amended as follows.

8 In section 790A (overview of Part)—

(a) in paragraph (b), for "keep the register required by Chapter 3" substitute "notify the registrar of the information in accordance with Chapter 2A";

(b) for paragraphs (c) and (d) substitute—

"(c) Chapter 2A requires companies to notify the registrar of information relating to persons with significant control;".

9 In section 790C (key terms), omit subsection (10).

10 After section 790C insert—

"790CA References to "confirmation" etc of information

For the purposes of this Part a company has had confirmation of—

(a) a person's status as a registrable person or a registrable relevant legal entity in relation to the company,

(b) the required particulars of a person (see section 790K), or

(c) any other information about a person,

if the person has supplied that information to the company whether or not in pursuance of any duty imposed by this Part (and references to a company obtaining confirmation of information are to be read accordingly)."

11 For sections 790D and 790E substitute—

"790CB Duty to find out about persons with significant control

A company to which this Part applies must take reasonable steps to find out if there is anyone who is a registrable person or a registrable relevant legal entity in relation to the company and, if so, to identify them.

790D Company's duty to give notices to persons with significant control

(1) A company to which this Part applies must give a notice to a person under this section if—

(a) the company knows or has cause to believe that the person is a registrable person or a registrable relevant legal entity in relation to the company, but

(b) the company has not had confirmation of the person's status as a registrable person or registrable relevant legal entity or has not had confirmation of all of the required particulars of the person (see section 790K).

(2) The notice must require the person—

(a) to inform the company whether the person is a registrable person or a registrable relevant legal entity in relation to the company, and

(b) if they are, to give the company all of the required particulars of the person (see section 790K).

(3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.

(4) The company must give the notice—

(a) as soon as reasonably practicable after the company becomes subject to the duty to give a notice under this section, and

(b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.

(5) A company is not required to give a notice under this section to a person if—

(a) the application for the registration of the company contained a statement of initial significant control naming the person as someone who would, on the company's incorporation, become a registrable person or a registrable relevant legal entity in relation to the company, and

(b) the company has no cause to believe that at any time since its incorporation the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company.

(6) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.

(7) Regulations under subsection (6) are subject to negative resolution procedure.

790DA Obtaining information from third parties

(1) A company to which this Part applies may give a notice to a person under this section if it knows or has cause to believe that the person—

(a) knows the identity of someone who falls within subsection (2), or

(b) knows the identity of someone likely to have that knowledge.

(2) The persons who fall within this subsection are—

(a) a registrable person in relation to the company;

(b) a relevant legal entity in relation to the company;

(c) an entity which would be a relevant legal entity in relation to the company but for the fact that section 790C(6)(b) does not apply in respect of it.

(3) A company must give a notice under subsection (1) to a person ("a third party") if the company—

(a) knows or has cause to believe that a person is a registrable person or a registrable relevant legal entity in relation to the company ("a suspected PSC"),

(b) is under a duty to give the suspected PSC a notice under section 790D but does not have the information that it needs in order to contact them, and

(c) knows or has cause to believe that the third party—

(i) knows the identity of the suspected PSC, or

(ii) knows the identity of someone likely to have that knowledge.

(4) A notice under subsection (1) must require the person to whom it is given ("the recipient")—

(a) to inform the company whether the recipient knows the identity of any person who—

(i) falls within subsection (2), or

(ii) is likely to know the identity of anyone who falls within subsection (2), and

(b) if the recipient does, to give the company any information within the recipient's knowledge that would allow the company to contact each such person.

(5) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.

(6) A person to whom a notice under subsection (1) is given is not required by that notice to disclose any information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

(7) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.

(8) Regulations under subsection (7) are subject to negative resolution procedure.

(9) In this section a reference to knowing the identity of a person includes knowing information from which that person can be identified.

790E Company's duty to find out about changes in PSC information

(1) This section applies if a company—

(a) knows or has cause to believe that there has been a change in the required particulars of a registrable person or a registrable relevant legal entity in relation to the company (see section 790K), but

(b) has not had confirmation that the change has occurred or has not had confirmation of all of the information that the company would need to include in a notice of the change under section 790LD(1) or 790LE(1).

(2) The company must give the person a notice requiring the person—

(a) to inform the company whether the change has occurred, and

(b) if it has, to give the company the information that the company would need to include in a notice of the change under section 790LD(1) or 790LE(1).

(3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.

(4) The company must give the notice—

(a) as soon as reasonably practicable after the company becomes subject to the duty to give a notice under subsection (2), and

(b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.

(5) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.

(6) Regulations under subsection (5) are subject to negative resolution procedure.

790EA Company's duty to find out about persons ceasing to be PSCs

(1) This section applies if a company —

(a) knows or has cause to believe that a person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, but

(b) has not had confirmation that the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company or has not had confirmation of the date on which the person so ceased.

(2) The company must give the person a notice requiring the person—

(a) to inform the company whether the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, and

(b) if the person has, to inform the company of the date on which the person so ceased.

(3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.

(4) The company must give the notice—

(a) as soon as reasonably practicable after the company becomes subject to the duty under subsection (2), and

(b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.

(5) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.

(6) Regulations under subsection (5) are subject to negative resolution procedure.

790EB Company's duty to notify failure to comply with notices

(1) A company must notify the registrar if a person fails to comply with a notice given by the company under section 790D, 790DA, 790E or 790EA within the period specified in it.

(2) The notice must be given within the period of 14 days beginning with the end of the period specified in the notice under section 790D, 790DA, 790E or 790EA.

790EC Company's duty to notify of late compliance with notices

(1) A company must notify the registrar if a person who has failed to comply with a notice given by the company under section 790D, 790DA, 790E or 790EA within the period specified in it subsequently complies.

(2) The notice must be given within the period of 14 days beginning with the day on which the person complied with the notice under section 790D, 790DA, 790E or 790EA."

11 In section 790F (failure by company to comply with information duties), for subsection (1) substitute—

"(1) If a company fails, without reasonable excuse, to comply with a duty under section 790CB, 790D, 790DA(3), 790E, 790EA, 790EB or 790EC to take steps or give a notice, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default."

12 For sections 790G and 790H substitute—

"790G Duty to notify company on becoming PSC

(1) This section applies to a person if—

(a) the person knows that they are a registrable person or a registrable relevant legal entity in relation to a company,

(b) the material in the register that is available for public inspection does not indicate the person's status as a registrable person or registrable relevant legal entity in relation to the company, and

(c) the person—

(i) has not informed the company of the person's status as a registrable person or registrable relevant legal entity in relation to the company, or

(ii) has not given the company all of the required particulars of the person (see section 790K).

(2) The person must—

(a) inform the company of the person's status as a registrable person or registrable relevant legal entity in relation to the company, and

(b) give the company the required particulars (see section 790K).

(3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met.

790H Duty to notify company of changes in PSC information

(1) This section applies to a person if—

(a) the person knows that they are a registrable person or a registrable relevant legal entity in relation to a company,

(b) there has been a change in the required particulars of the person (see section 790K) and the person knows that to be the case, and

(c) the person has not informed the company of the change or has not given the company all of the information that the company would need to include in a notice of the change under section 790LD(1) or 790LE(1).

(2) The person must—

(a) inform the company of the change, and

(b) give the company the information that the company would need to include in a notice of the change under section 790LD(1) or 790LE(1).

(3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met.

790HA Duty to notify company of ceasing to be a PSC

(1) This section applies to a person if—

(a) the person knows that they have ceased to be a registrable person or a registrable relevant legal entity in relation to a company,

(b) the material in the register that is available for public inspection does not indicate the person as having ceased to be a registrable person or a registrable relevant legal entity in relation to a company, and

(c) the person has not informed the company of having ceased to be a registrable person or a registrable relevant legal entity in relation to the company or has not informed the company of the date on which the person so ceased.

(2) The person must inform the company—

(a) that the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, and

(b) of the date on which the person so ceased.

(3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met."

13 In section 790I (enforcement of disclosure requirements), for the words from "a notice" to the end substitute "—

(a) a notice under section 790D, 790DA, 790E or 790EA, or

(b) a duty under section 790G, 790H or 790HA."

14 After section 790I insert—

"Power to impose further duties

790IA Power to impose further duties involving nominee shareholders

(1) The Secretary of State may by regulations make further provision for the purpose of enabling a company to which this Part applies to find out about anyone who has become or ceased to be a person who is—

(a) a registrable person in relation to the company by virtue of shares being held by a nominee, or

(b) a registrable relevant legal entity in relation to the company by virtue of shares being held by a nominee.

(2) The regulations may, in particular—

(a) impose obligations on a company with a view to obtaining—

(i) information about whether a person has become or ceased to be a nominee shareholder;

(ii) if they have, information about: (A) the shareholding; (B) the nominee; (C) the person for whom the nominee holds or held the shares;

(iii) any other information required by the regulations;

(b) impose obligations on others (including nominees or former nominees) with a view to providing the company with—

(i) information of a kind described in paragraph (a)(i) or (ii);

(ii) any other information required by the regulations.

(3) The regulations may, in particular, make provision similar or corresponding to any of the preceding provisions of this Chapter.

(4) The provision that may be made by regulations under subsection (1) includes provision amending this Chapter.

(5) Regulations under this section are subject to affirmative resolution procedure."

15 In section 790J (power to make exemptions)—

(a) in subsection (2)(a), for "790D(2) or 790E" substitute "790D, 790E or 790EA";

(b) in subsection (2)(c), for "790D(5)" substitute "790DA";

(c) in subsection (2)(d), for "and 790H" substitute ", 790H and 790HA";

(d) in subsection (2)(e) for "section 790M" substitute "any of sections 12A, 790LA, 790LC, 790LD, 790LE, 790LF, 790LG, 790LH"."

16 (1) Section 790K (required particulars) is amended as follows.

(2) In subsection (1), omit paragraph (i) and the "and" before it.

(3) In subsection (2), after paragraph (b) insert—

(ba) a service address,".

(4) In subsection (3)—

(a) in paragraph (b), omit "registered or";

(b) after paragraph (b) insert—

"(ba) a service address,".

(5) For subsection (4) substitute—

"(4) In this section "name", in relation to an individual, means the individual's forename and surname.

(4A) Where an individual is a peer or an individual usually known by a title, any requirement imposed by this Act to provide the individual's name because it forms part of the required particulars under this section may be satisfied by providing that title instead of the individual's forename and surname."

17 In section 790L (required particulars: power to amend), for subsection (1) substitute—

"(1) The Secretary of State may by regulations—

(a) amend section 790K so as to change the "required particulars" in relation to—

(i) an individual who is a registrable person;

(ii) a person in relation to which this Part has effect by virtue of section 790C(12) as if the person were an individual;

(iii) a registrable relevant legal entity;

(b) repeal section 790K(4A)."

18 After section 790L insert—

"CHAPTER 2A

DUTY TO NOTIFY REGISTRAR OF PERSONS WITH SIGNIFICANT CONTROL AND ID VERIFICATION

Duty to notify registrar of persons with significant control

790LA Duty to notify registrar of confirmed persons with significant control

(1) A company must give a notice to the registrar if it has had confirmation of—

(a) a person's status as a registrable person or a registrable relevant legal entity in relation to the company, and

(b) the required particulars of the person (see section 790K).

(2) A notice under subsection (1) must contain a statement of the required particulars.

(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.

(4) A company is not required to give a notice under this section in relation to a person if—

(a) the application for the registration of the company contained a statement of initial significant control naming the person as someone who would, on the company's incorporation, become a registrable person or a registrable relevant legal entity in relation to the company, and

(b) the company has no cause to believe that at any time since its incorporation the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company.

(5) Nothing in section 126 (notice of trusts not receivable by registrar) affects the duty to give a notice under this section (or the receipt of that notice by the registrar).

790LB Option to provide ID verification information in notice of change

(1) A notice under section 790LA(1) that relates to a registrable person may include a statement that the person's identity is verified (see section 1110A).

(2) A notice under section 790LA(1) that relates to a registrable relevant legal entity may include a statement that—

(a) specifies the name of one of its relevant officers (within the meaning given by section 790LO(6)) who is an individual and whose identity is verified, and

(b) confirms that the individual's identity is verified.

(3) If the notice includes a statement under subsection (2), it must be accompanied by a statement by the individual confirming that the individual is a relevant officer of the registrable relevant legal entity.

(4) To find out what happens if the option in subsection (1) or (2) is not exercised, see sections 790LM and 790LO.

(5) In subsection (1) "registrable person" does not include a person mentioned in section 790C(12)(a) to (d).

790LC Duty to notify registrar of unconfirmed persons with significant control

(1) A company must give a notice to the registrar if—

(a) it knows or has cause to believe that a person has become a registrable person or a registrable relevant legal entity in relation to the company, but

(b) it has not yet had confirmation as mentioned in section 790LA(1).

(2) The notice must state that fact.

(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company first knows or has cause to believe that the person has become a registrable person or a registrable relevant legal entity in relation to the company.

(4) Nothing in this section requires a company, on its incorporation, to give a notice in relation to a person included in the statement of initial significant control under section 12A.

Duty to notify registrar of changes in required particulars

790LD Duties to notify of changes in required particulars

(1) A company must give a notice to the registrar if it—

(a) has had confirmation that there has been a change in the required particulars of a registrable person, or a registrable relevant legal entity, in relation to the company (see section 790K), and

(b) has had confirmation of how the required particulars have changed and the date on which they changed.

(2) The notice must state—

(a) the change in the required particulars, and

(b) the date on which the change occurred.

(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.

(4) Nothing in section 126 (notice of trusts not receivable by registrar) affects the duty to give a notice under this section (or the receipt of that notice by the registrar).

790LE Duty to notify of pre-incorporation changes in required particulars

(1) A company must give a notice to the registrar if it—
(a) has had confirmation that there was a pre-incorporation change in the required particulars of a proposed PSC (see section 790K), and
(b) has had confirmation of how the required particulars have changed and the date on which they changed.

(2) But a company is not required to give a notice under subsection (1) in respect of a person if it has given a notice under section 790LG in respect of the person.

(3) A notice under subsection (1) must state—
(a) the change in the required particulars, and
(b) the date on which the change occurred.

(4) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.

(5) In this section—

"pre-incorporation change" means a change that occurred—
(a) after the application for the registration of the company was delivered to the registrar, but
(b) before the company was incorporated;

"proposed PSC", in relation to a company, means a person who was named in a statement under section 12A(1)(a) as a person who would, on the company's incorporation, become a registrable person or registrable relevant legal entity in relation to the company.

Duty to notify registrar of person ceasing to be person with significant control etc

790LF Duty to notify registrar when person ceases to have significant control

(1) A company must give a notice to the registrar if it—
(a) has had confirmation that a person has ceased to be a registrable person or a registrable relevant legal entity in relation to it, and
(b) has had confirmation of the date on which the person so ceased.

(2) A notice under subsection (1) must state—
(a) the person's name and service address, and

(b) the date on which the person ceased to be a registrable person or a registrable relevant legal entity in relation to the company.

(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.

790LG Notification of someone not becoming person with significant control on incorporation

(1) A company must give a notice to the registrar if it knows that a person named in the statement under section 12A(1)(a) as a person who would, on the company's incorporation, become a registrable person or a registrable relevant legal entity did not so become.

(2) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company has the knowledge mentioned there.

790LH Duty to notify registrar if company ceases to have persons with significant control

(1) A company must give a notice to the registrar if it knows or has cause to believe that—

(a) there has at some time been a person who is a registrable person or registrable relevant legal entity in relation to the company, and

(b) there has ceased to be anyone who is a registrable person or registrable relevant legal entity in relation to the company.

(2) A notice under subsection (1) must —

(a) state that the company has that knowledge or cause to believe, and

(b) specify the date on which the company first had that knowledge or cause to believe.

(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company first had the knowledge or cause to believe mentioned in that subsection.

790LI Power to create further duties to notify information

(1) The Secretary of State may by regulations impose further duties on a company to deliver information to the registrar about—

(a) registrable persons, or registrable relevant legal entities, in relation to the company (including information about whether it has any);

(b) compliance with Chapter 2 by the company or any person to whom the company has given a notice under that Chapter (including provision requiring a company to provide the registrar with a copy of any such notice, whether on request or otherwise).

(2) The provision that may be made by regulations under subsection (1) includes provision amending this Part.

(3) The consequential provision that may be made by regulations under subsection (1) by virtue of section 1292(1) also includes provision amending any other provision of this Act.

(4) Regulations under this section are subject to affirmative resolution procedure.

790LJ Persons with significant control: offence of failure to notify

(1) If a company fails, without reasonable excuse, to comply with section 790LA, 790LC, 790LD, 790LE, 790LF, 790LG or 790LH, or regulations under section 790LI, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(2) For this purpose a shadow director is treated as an officer of the company.

(3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

790LK Power of court to order company to remedy defaults or delay

(1) Where a company makes default in complying with section 790LA, 790LC, 790LD, 790LE, 790LF, 790LG or 790LH, or regulations under section 790LI, an application may be made to the court for an order requiring the company to deliver to the registrar the information (or statements) necessary to rectify the position.

(2) The application may be made by—

(a) any person aggrieved by the default,

(b) any member of the company, or

(c) any person who is a registrable person or a registrable relevant legal entity in relation to the company.

(3) On an application under subsection (1) the court may either refuse the application or may make the order and order the company to pay any damages sustained by any party aggrieved.

(4) On an application under subsection (1) the court may decide—

(a) any question as to whether the name of any person who is a party to the application should or should not be included in or omitted from information delivered to the registrar under this Chapter about persons who are a registrable person or a registrable relevant legal entity in relation to the company, and

(b) any question necessary or expedient to be decided for rectifying the position.

(5) Nothing in this section affects a person's rights under section 1094 or 1096 (rectification of register).

790LL Information as to whether information has been delivered

(1) A person may request a company to tell the person whether all of the information that it is required to deliver to the registrar under this Chapter has been delivered.

(2) The company must comply with the request within the period of 14 days beginning with the day on which the request is made.

(3) If the company fails, without reasonable excuse, to do so, an offence is committed by—

(a) the company, and

(b) every officer of the company who is in default.

(4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(5) Subsection (1) does not apply in relation to information if the company is aware that, by virtue of regulations under section 1088, the registrar is required to refrain from making that information available for public inspection."

19 Omit Chapters 3 and 4 of Part 21A (company registers of people with significant control etc).

20 (1) Schedule 1B (enforcement of disclosure requirements in relation to persons with significant control) is amended as follows.

(2) In each of the following provisions, for "or 790E" substitute ", 790DA, 790E or 790EA"—

(a) paragraph 1(1)(a) and (3)(a);

(b) paragraph 8(3)(a);

(c) paragraph 11(a) and (b);

(d) paragraph 12(2)(b).

(3) For paragraphs 13 and 14 substitute—

"Offence of failing to comply with notices

13 (1) A person to whom a notice under section 790D, 790DA, 790E or 790EA is addressed commits an offence if the person fails, without reasonable excuse, to comply with the notice.

(2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this paragraph is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

Offence of failing to provide information

14 (1) A person commits an offence if the person fails, without reasonable excuse, to comply with a duty under section 790G, 790H or 790HA.

(2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this paragraph is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

False statements: basic offence

14A (1) A person commits an offence if, in purported compliance with a notice under section 790D, 790DA, 790E or 790EA or in purported compliance with a duty imposed by section 790G, 790H or 790HA, and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.

(2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this paragraph is liable on summary conviction—

(a) in England and Wales, to a fine;

(b) in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

False statements: aggravated offence

14B (1) A person commits an offence if, in purported compliance with a notice under section 790D, 790DA, 790E or 790EA or in purported compliance with a duty imposed by section 790G, 790H or 790HA, the person makes a statement that the person knows is misleading, false or deceptive in a material particular.

(2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) A person guilty of an offence under this paragraph is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or to a fine (or both);

(ii) in Scotland, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);

(iii) in Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both)."

PART 4

CONSEQUENTIAL AMENDMENTS

21 The Companies Act 2006 is amended as follows.

22 (1) Section 12 (statement of proposed officers) is amended as follows.

(2) In subsection (1), for "particulars of" substitute "information about".

(3) For subsection (2) substitute—

"(2) For the required information—

(a) in relation to proposed directors, see sections 167J and 167K;

(b) in relation to proposed secretaries or joint secretaries, see sections 279J and 279K."

23 In section 12A (statement of initial significant control), for subsection (1) substitute—

"(1) The statement of initial significant control required to be delivered to the registrar must—

(a) state whether, on incorporation, there will be anyone who is either a registrable person or a registrable relevant legal entity in relation to the company, and

(b) include the required particulars of any such person."

24 (1) Section 95 (statement of proposed secretary) is amended as follows.

(2) In subsection (1), for "particulars of" substitute "information about".

(3) For subsection (2) substitute—

"(2) For the required information in relation to proposed secretaries or joint secretaries, see sections 279J and 279K."

25 (1) Section 156 (direction requiring company to make appointment of director) is amended as follows.

(2) In subsections (4)(b) and (5), for "section 167" substitute "section 167G".

(3) After subsection (5) insert—

"(5A) Nothing in subsection (4) or (5) affects the duty imposed by section 167G to give notice within the period mentioned in subsection (6) of that section."

26 In section 156B (power to provide for exceptions from requirement that each director to be a natural person), omit subsection (5).

27 In section 156C (existing director who is not a natural person), for subsections (3) to (5) substitute—

"(3) If it appears to the registrar that, as a result of subsection (2), a company should have given notice under section 167G of a person having ceased to be a director but has failed to do so, the registrar must include a note in the register recording that fact."

28 In section 853B (duties to notify a relevant event)—

(a) for paragraph (c) substitute—

"(c) the duty to give notice of a change as mentioned in section 167G or 167H (changes in directors or required information about a director);";

(b) omit paragraph (d);

(c) for paragraph (e) substitute—

"(e) the duty to give notice of a change as mentioned in section 279G or 279H (change in secretary or joint secretaries or in required information about a secretary or joint secretary);";

(d) omit paragraphs (f) and (fa);

(e) for paragraph (g) substitute—

"(g) the duty to deliver anything as mentioned in section 790LA, 790LC, 790LD, 790LE, 790LF, 790LG or 790LH (information about persons with significant control);".

29 In section 1079B (duty to notify directors), in subsections (1)(b) and (2)(b), for "section 167 or 167D" substitute "section 167G".

30 In section 1136 (regulations about where certain company records to be kept available for inspection), in subsection (2), omit—

"section 162 (register of directors);"

"section 275 (register of secretaries);"

"section 790M (register of people with significant control over a company);"

"section 790Z (historic PSC register);".

31 In paragraph 4 of Schedule 5 (communications by a company)—

(a) in sub-paragraph (1)(d), for "the company's register of directors" substitute "the register";

(b) omit sub-paragraph (1A).

32 In Schedule 8 (index of defined expressions), omit the entries relating to—

"the central register";

"PSC register";

"register of directors";

"register of directors' residential addresses";
"register of secretaries".

SCHEDULE 3

Section 94

DISCLOSURE OF INFORMATION: CONSEQUENTIAL AMENDMENTS

Companies Act 2006

1 The Companies Act 2006 is amended as follows.

2 In section 242 (protected information: restriction on disclosure by registrar), in subsection (3)—
(a) omit the "or" at the end of paragraph (a);
(b) at the end of paragraph (b) insert ", or
(c) as permitted by section 1110F (general powers of disclosure by the registrar)."

3 (1) Section 243 (permitted disclosure by the registrar) is amended as follows.

(2) For subsection (2) substitute—

"(2) The registrar may disclose protected information to a credit reference agency."

(3) In subsection (7), omit—
(a) the definition of "public authority";
(b) the "and" before that definition.

Economic Crime (Transparency and Enforcement) Act 2022

4 The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.

5 In section 40 (sharing of information by HMRC), in subsection (1), omit "or the registrar".

6 In section 44 (interpretation), in subsection (1), at the end of the definition of "document", insert "and references to delivering a document are to be read in accordance with section 1114(1)(b) of the Companies Act 2006".

SCHEDULE 4

Section 110

REQUIRED INFORMATION

After section 38 of the Limited Partnerships Act 1907 (inserted by section 151

of this Act) insert the following as a Schedule to that Act—

"SCHEDULE

REQUIRED INFORMATION

PART 1

INTRODUCTION

1 In this Schedule—

(a) Part 2 sets out the required information about a partner (or proposed partner) for the purposes of sections 8A, 8R, 8S and 8T,

(b) Part 3 sets out the required information about a registered officer (or proposed registered officer) for the purposes of sections 8A, 8L, 8M and 8R, and

(c) Part 4 sets out the required information about a named contact (or proposed named contact) for the purposes of sections 8A, 8L, 8N, 8O and 8R.

PART 2

PARTNERS

Individuals

2 (1) Where a partner (or proposed partner) is an individual, the required information about the partner is—

(a) name, date of birth and nationality;

(b) any relevant former names;

(c) usual residential address;

(d) the part of the United Kingdom in which the individual is usually resident or, if the individual is usually resident in a country or state outside the United Kingdom, that country or state;

(e) in the case of a general partner, a service address (which may be stated as "The limited partnership's registered office").

(2) In sub-paragraph (1)(b) "relevant former name" means any former name other than—

(a) in the case of a peer, or an individual normally known by a British title, the name by which the individual was known previous to the adoption of or succession to the title, or

(b) in the case of any person, a former name which—

(i) was changed or disused before the person attained the age of 16 years, or

(ii) has been changed or disused for 20 years or more.

(3) In this paragraph—

"former name" means a name by which the individual was formerly known for business purposes;

"name" means the individual's forename and surname.

(4) Where a partner (or proposed partner) who is an individual is a peer or an individual usually known by a title, any requirement imposed by this Act to provide the individual's name because it forms part of the required information may be satisfied by providing that title instead of the individual's forename and surname.

Legal entities

3 Where a partner (or proposed partner) is a legal entity, the required information about the partner is—

(a) name;
(b) principal office;
(c) a service address (which may be stated as "The limited partnership's registered office");
(d) the legal form of the entity and the law by which it is governed;
(e) in the case of a general partner, any register in which the general partner is entered (including details of the state) and, if applicable, its registration number in that register.

PART 3

REGISTERED OFFICERS

4 (1) The required information about a registered officer (or proposed registered officer) is—

(a) name, date of birth and nationality;
(b) any relevant former names;
(c) usual residential address;
(d) the part of the United Kingdom in which the individual is usually resident or, if the individual is usually resident in a country or state outside the United Kingdom, that country or state;
(e) a service address (which may be stated as "The limited partnership's registered office").

(2) In sub-paragraph (1)(b) "relevant former name" has the meaning given by paragraph 2(2).

(3) In this paragraph "former name" and "name" have the meanings given by paragraph 2(3).

(4) Where a registered officer (or proposed registered officer) who is an individual is a peer or an individual usually known by a title, any requirement imposed by this Act to provide the individual's name because it forms part of the required information may be satisfied by providing that title instead of the individual's forename and surname.

PART 4

NAMED CONTACTS

5 (1) The required information about a named contact (or proposed named contact) is—

(a) name;

(b) usual residential address;

(c) email address.

(2) In this paragraph "name" has the meaning given by paragraph 2(3)."

SCHEDULE 5

Section 152

LIMITED PARTNERSHIPS: CONSEQUENTIAL AMENDMENTS

1 The Limited Partnerships Act 1907 is amended as follows.

2 Before section 1 (short title) insert—

"Short title and interpretation".

3 Before section 4 (definition and constitution of limited partnership) insert—

"Definition and constitution of limited partnership".

4 Before section 6 (modifications of general law in case of limited partnerships) insert—

"Application of other laws to limited partnerships".

5 Before section 8 (duty to register and designate) insert—

"Registration and designation".

6 Before section 15 (the registrar) insert—

"The registrar".

SCHEDULE 6

Section 163

DUTY TO DELIVER INFORMATION ABOUT CHANGES IN BENEFICIARIES

1 The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.

2 (1) Section 7 (updating duty) is amended as follows.

(2) In subsection (1)(a) and (b), for "statement and information mentioned" substitute "statements and information mentioned".

(3) In subsection (3)—

(a) omit the "and" at the end of paragraph (a);

(b) at the end of paragraph (b) insert ", and

(c) the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table."

(4) In subsection (4)—

(a) omit the "and" at the end of paragraph (a);

(b) at the end of paragraph (b) insert ", and

(c) in the case where the information provided under subsection (1)(b) includes information that a person who ceased to be a registrable beneficial owner was a trustee, the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table."

(5) After subsection (4) insert—

"(4A) This is the table referred to in subsections (3)(c) and (4)(c)—

	Statement	*Information*
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust at a time during the update period when the trustee was a registrable beneficial owner of the overseas entity.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust at a time during the update period when the trustee was a registrable beneficial owner of the overseas entity.	1. The information specified in paragraph 8(1)(d) of Schedule 1 about each such person, or so much of that information as the entity has been able to obtain. 2. The date on which that person became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information."

(6) For subsections (6) and (7) substitute—

"(6) Any statements required by subsection (1)(a) or (b) must relate to the state of affairs as at the end of the update period.

(7) Any information—

(a) required by subsection (1)(a) or (b) as a result of a person having become or ceased to be a beneficiary under a trust, or

(b) required by subsection (1)(b) as a result of a person having become or ceased to be a registrable beneficial owner of an overseas entity,

must relate to the time when the person so became or so ceased.

(7A) Any other information required by subsection (1)(a) must relate to the state of affairs as at the end of the update period."

3 (1) Section 9 (application for removal) is amended as follows.

(2) In subsection (1)(b) and (c), for "statement and information mentioned" substitute "statements and information mentioned".

(3) In subsection (3)—

(a) omit the "and" at the end of paragraph (a);

(b) at the end of paragraph (b) insert ", and

(c) the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table."

(4) In subsection (4)—

(a) omit the "and" at the end of paragraph (a);

(b) at the end of paragraph (b) insert ", and

(c) in the case where the information provided under subsection (1)(c) includes information that a person who ceased to be a registrable beneficial owner was a trustee, the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table."

(5) After subsection (4) insert—

"(4A) This is the table referred to in subsections (3)(c) and (4)(c)—

	Statement	*Information*
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust at a time during the relevant period when the trustee was a registrable beneficial owner of the overseas entity.	

	Statement	*Information*
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust at a time during the relevant period when the trustee was a registrable beneficial owner of the overseas entity.	1. The information specified in paragraph 8(1)(d) of Schedule 1 about each such person, or so much of that information as the entity has been able to obtain. 2. The date on which that person became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information."

(6) In subsection (6), for "subsection (2)" substitute "this section".

(7) For subsections (7) and (8) substitute—

"(7) Any statements required by subsection (1)(b) or (c) must relate to the state of affairs as at the time of the application for removal.

(8) Any information—

(a) required by subsection (1)(b) or (c) as a result of a person having become or ceased to be a beneficiary under a trust, or

(b) required by subsection (1)(c) as a result of a person having become or ceased to be a registrable beneficial owner of an overseas entity,

must relate to the time when the person so became or so ceased.

(8A) Any other information required by subsection (1)(b) must relate to the state of affairs as at the time of the application for removal."

4 For section 12 substitute—

"12 Duty to take steps to obtain information

(1) Before making an application for registration under section 4(1) an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.

(2) Before complying with the updating duty under section 7 an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.

(3) Before making an application for removal under section 9 an overseas entity must take reasonable steps to obtain all of the information that it is required to include in the application if it is able to obtain it.

(4) The steps that an overseas entity must take by virtue of subsection (1), (2) or (3) include giving a notice to any person that it knows, or has reasonable cause to believe, is a registrable beneficial owner in relation to the entity, requiring the person—

(a) to state whether or not they are such a person, and

(b) if they are, to provide or confirm information of the kind mentioned in subsection (1), (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.

(5) The steps that an overseas entity must take by virtue of subsection (2) or (3) also include giving a notice to any person that it knows, or has reasonable cause to believe, has ceased to be a registrable beneficial owner in relation to the entity during the update period (within the meaning of section 7) or relevant period (within the meaning of section 9), requiring the person—

(a) to state whether or not they are such a person, and

(b) if they are, to provide or confirm information of the kind mentioned in subsection (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.

(6) A notice under subsection (4) or (5) must require the person to whom it is given to comply with the notice within the period of one month beginning with the day on which it is given.

(7) A person given a notice under subsection (4) or (5) is not required by that notice to disclose any information in respect of which a claim to legal professional privilege or, in Scotland, confidentiality of communications, could be maintained in legal proceedings."

5 In section 13, at the end insert—

"(6) A reference in this section to a person who is a registrable beneficial owner in relation to an overseas entity includes, in connection with the obtaining of information required by section 7(1)(b), 9(1)(c) or 42(1)(c)(i), a reference to a person who has ceased to be a registrable beneficial owner."

6 After section 17 insert—

"17A Exceptions to duty to provide change of beneficiary information

(1) The Secretary of State may by regulations provide for exceptions to the requirement to deliver information by virtue of section 7(3)(c) or (4)(c) or 9(3)(c) or (4)(c).

(2) The Secretary of State must consult the Scottish Ministers before making regulations under subsection (1) that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(3) The Secretary of State must consult the Department of Finance in Northern Ireland before making regulations under subsection (1) that contain provision that—

(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.

(4) Regulations under subsection (1) are subject to the negative resolution procedure."

7 In section 43 (transitional information), after subsection (1) insert—

"(1A) In subsection (1) the reference to section 12 is to that section as it had effect before the amendments made by Schedule 6 to the Economic Crime and Corporate Transparency Act 2023 (duty to deliver information about changes in beneficiaries)."

8 In section 44 (interpretation), omit subsection (2).

SCHEDULE 7

Section 174

OVERSEAS ENTITIES: FURTHER INFORMATION FOR TRANSITIONAL CASES

1 The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.

2 In section 16 (verification of registrable beneficial owners and managing officers), in subsection (1), after paragraph (c) insert—

"(d) complies with the duty under Schedule 6 (duty to deliver further information about transitional period)."

3 After section 43 insert—

"43A Duty to deliver further information for transitional cases

Schedule 6 (duty to deliver further information for transitional cases) imposes further duties on overseas entities to deliver information."

4 After Schedule 5 insert—

"SCHEDULE 6

DUTY TO DELIVER FURTHER INFORMATION FOR TRANSITIONAL CASES

Application of this Schedule

1 (1) This Schedule applies in relation to an overseas entity if—

(a) the entity—

(i) is registered as an overseas entity when this Schedule comes into force or has been so registered at any earlier time, and

(ii) was registered as the proprietor of a relevant interest in land in England and Wales or Scotland at any time during the relevant period, or

(b) the entity has committed an offence under paragraph 5 of Schedule 3 or paragraph 10 of Schedule 4 (duty to register as overseas entity in certain transitional cases).

(2) For the purposes of sub-paragraph (1)—

(a) an overseas entity is registered as the proprietor of a relevant interest in land in England and Wales if the entity is registered in the register of title kept under the Land Registration Act 2002 as the proprietor of a qualifying estate within the meaning of Schedule 4A to that Act;

(b) an overseas entity is registered as the proprietor of a relevant interest in land in Scotland if the entity—

(i) is entered, on or after 8 December 2014, as proprietor in the proprietorship section of the title sheet for a plot of land that is registered in the Land Register of Scotland,

(ii) in relation to a lease that was recorded in the General Register of Sasines or registered in the Land Register of Scotland before that date is, by virtue of an assignation of the lease registered in the Land Register of Scotland on or after that date, the tenant under the lease, or

(iii) is the tenant under a lease that was registered in the Land Register of Scotland on or after that date.

(3) Expressions used in sub-paragraph (2)(b) are to be construed in accordance with section 9(11) and (12).

(4) In this Schedule "the relevant period" means the period—

(a) beginning with 28 February 2022;

(b) ending with 31 January 2023.

Duty to deliver statements and information

2 (1) The overseas entity must deliver to the registrar—

(a) any statements or information required by—

paragraph 3 (changes in beneficial ownership of overseas entity),

paragraph 4 (information about trusts and changes in beneficiaries under trusts), and

paragraph 5 (information about changes in trusts in which beneficial owners trustees),

(b) a statement that the entity has complied with paragraph 8 of this Schedule (duty to take steps to obtain information),

(c) anything required by regulations under section 16 (verification of information) to be delivered to the registrar, and

(d) the name and contact details of an individual who may be contacted about the statements and information.

(2) If an overseas entity is registered as an overseas entity when this Schedule comes into force it must deliver the statements and information required by this Schedule—

(a) at the same time as it delivers the statements and information required by section 7 on the first occasion after the end of the period of 3 months beginning with the day on which this Schedule comes into force, or

(b) if it applies under section 9 for removal before then, at the same time as it delivers the statements and information required by that section.

(3) If an overseas entity is not registered as an overseas entity when this Schedule comes into force it must deliver the statements and

information required by this Schedule within the period of 3 months beginning when it comes into force.

Information about changes in beneficial ownership

3 (1) The overseas entity must deliver to the registrar the statement in row 1 of the following table or the statement and information listed in row 2.

	Statement	*Information*
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a registrable beneficial owner during the relevant period.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a registrable beneficial owner during the relevant period.	1. The required information about each person who became or ceased to be a registrable beneficial owner during the relevant period, or so much of that information as the entity has been able to obtain. 2. The date on which each of them became or ceased to be a registrable beneficial owner, if the entity has been able to obtain that information.

(2) Where the information provided under sub-paragraph (1) includes information that the person who became or ceased to be a registrable beneficial owner was a registrable beneficial owner by virtue of being a trustee (see paragraphs 3(1)(f) and 5(1)(h) of Schedule 1), the overseas entity must also deliver to the registrar—

(a) the required information about the trust or so much of that information as the overseas entity has been able to obtain, and

(b) a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain.

(3) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.

(4) Information required by this paragraph to be delivered to the registrar as a result of a person having become or ceased to be a registrable beneficial owner must relate to the state of affairs when the person became or ceased be a registrable beneficial owner.

(5) For the required information, see Schedule 1.

Information about trusts and changes in beneficiaries

4 (1) The overseas entity must deliver to the registrar—

(a) a statement that the entity has no reasonable cause to believe that there is any person who, at the end of the relevant period, was a registrable beneficial owner of the entity by virtue of being a trustee, or

(b) a statement that the entity has reasonable cause to believe that there is at least one such person.

(2) Where a statement is delivered under sub-paragraph (1)(b) the overseas entity must also deliver to the registrar —

(a) the required information about each trust (a "relevant trust") by virtue of which a trustee was a registrable beneficial owner of the entity at the end of the relevant period,

(b) in relation to each relevant trust, a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain, and

(c) in relation to each relevant trust, the statement in row 1 of the table set out in sub-paragraph (3), or the statement and information listed in row 2 of that table.

(3) This is the table referred to in sub-paragraph (2)(c)—

	Statement	*Information*
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust during the relevant period.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust during the relevant period.	1. The information specified in paragraph 8(1)(d) of Schedule 1 about each person who became or ceased to be a beneficiary under the trust during the relevant period, or so much of that information as the entity has been able to obtain. 2. The date on which each of them became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information.

(4) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.

(5) Information required by sub-paragraph (2)(a) to be delivered to the registrar must relate to the state of affairs at the end of the relevant period.

(6) Information required by sub-paragraph (2)(c) to be delivered to the registrar as a result of a person having become or ceased to be a beneficiary under a trust must relate to the state of affairs when the person became or ceased be a beneficiary.

(7) For the required information, see Schedule 1.

Information about changes in trusts of which registrable beneficial owners trustees

5 (1) The overseas entity must deliver to the registrar—

(a) a statement that the entity has no reasonable cause to believe that there is any person who—

(i) at the end of the relevant period, was a registrable beneficial owner of the entity by virtue of being a trustee of a trust,

(ii) at any time during the relevant period was a registrable beneficial owner by virtue of being a trustee of a different trust, and

(iii) at the end of the relevant period was not a registrable beneficial owner of the entity by virtue of being a trustee of the trust mentioned in sub-paragraph (ii), or

(b) a statement that the entity has reasonable cause to believe that there is at least one such person.

(2) Where a statement is delivered under sub-paragraph (1)(b) the overseas entity must deliver to the registrar—

(a) the required information about each trust by virtue of which a trustee was a registrable beneficial owner of the entity at any time during the relevant period, or so much of that information as the overseas entity has been able to obtain, and

(b) in relation to each such trust, a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain.

(3) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.

(4) Information required by sub-paragraph (2)(a) to be delivered to the registrar must relate to the state of affairs—

(a) at the beginning of the relevant period, if the registrable beneficial owner was a trustee of the trust at that time, and

(b) otherwise, at the time at which the registrable beneficial owner became a trustee of the trust.

(5) For the required information, see Schedule 1.

Compliance by confirmation of information previously provided

6 A requirement imposed by paragraphs 2 to 5 to provide information may be met (in whole or in part) by confirming information previously provided.

Failure to comply with this Schedule

7 Section 8 (offence of failure to comply with updating duty) applies in relation to a failure to comply with a duty imposed by paragraphs 2 to 5 of this Schedule as it applies in relation to a failure to comply with section 7.

Obtaining information

8 (1) An overseas entity must comply with this paragraph before complying with the requirements imposed by paragraphs 2 to 5.

(2) The entity must take reasonable steps—

(a) to identify anyone who became or ceased to be a registrable beneficial owner during the relevant period, and

(b) if it identities any such person, to obtain—

(i) the information mentioned in row 2 of column 2 of the table in paragraph 3(1), and

(ii) in the case of anyone mentioned in paragraph 3(2), the information mentioned there.

(3) The entity must take reasonable steps—

(a) to identify any person who, at the end relevant period, was a registrable beneficial owner by virtue of being a trustee, and

(b) if it identities any such person, to obtain —

(i) the information mentioned in paragraph 4(2)(a) about the relevant trust,

(ii) information as to whether anyone became or ceased to be a beneficiary under the relevant trust during the relevant period (a "relevant beneficiary"), and

(iii) the information mentioned in row 2 of column 2 of the table in paragraph 4(3) in relation to any relevant beneficiary.

(4) The entity must take reasonable steps—

(a) to identify any person who falls within paragraph 5(1)(a)(i) to (iii), and

(b) if it identifies any such person, to obtain the information mentioned in paragraph 5(2)(a).

(5) The steps that an overseas entity must take by virtue of this paragraph include giving an information notice under this paragraph to any person that it knows, or has reasonable cause to believe, falls within sub-paragraph (2)(a), (3)(a) or (4)(a).

(6) An information notice under this paragraph is a notice requiring the recipient to provide the information mentioned in sub-paragraph (2)(b), (3)(b) or (4)(b).

(7) Sections 15 to 15B (offences) apply in relation to information notices under this paragraph as they apply in relation to information notices under section 12.

Power to exclude descriptions of registrable beneficial owner

9 (1) The Secretary of State may by regulations provide that, for the purposes of any provision of this Schedule specified in the regulations, a person of a description so specified is not to be treated as a registrable beneficial owner of an overseas entity.

(2) No regulations may be made under sub-paragraph (1) after the end of the period of two years beginning with the day on which the Economic Crime and Corporate Transparency Act 2023 is passed.

(3) The Secretary of State must consult the Scottish Ministers before making regulations under sub-paragraph (1) that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

(4) Regulations under sub-paragraph (1) are subject to the negative resolution procedure."

SCHEDULE 8

Section 179

CRYPTOASSETS: CONFISCATION ORDERS

PART 1

ENGLAND AND WALES

Introductory

1 Part 2 of the Proceeds of Crime Act 2002 (confiscation: England and Wales) is amended as follows.

Seizure of property

2 In section 47B (conditions for exercise of seizure powers)—
(a) in subsection (2), omit paragraph (b);
(b) in subsection (3), omit paragraph (b).

3 (1) Section 47C (power to seize property) is amended as follows.

(2) In subsection (2), after "not" insert "under subsection (1)".

(3) After subsection (5) insert—

"(5A) On being satisfied as mentioned in section 47B(1) an appropriate officer may seize any free property if the officer has reasonable grounds for suspecting that it is a cryptoasset-related item.

(5B) A "cryptoasset-related item" is an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under subsection (1) of any cryptoasset.

(5C) The circumstances in which a cryptoasset is "seized" for the purposes of subsection (1) include circumstances in which it is transferred into a crypto wallet controlled by the appropriate officer.

(5D) If an appropriate officer is lawfully on any premises, the officer may, for the purpose of—

(a) determining whether any property is a cryptoasset-related item, or

(b) enabling or facilitating the seizure under subsection (1) of any cryptoasset,

require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.

(5E) But subsection (5D) does not authorise an appropriate officer to require a person to produce information which the person would be entitled to refuse to provide on grounds of legal professional privilege in proceedings in the High Court.

(5F) Where an appropriate officer has seized a cryptoasset-related item under subsection (5A), they may use any information obtained from it for the purpose of—

(a) identifying or gaining access to a crypto wallet, and

(b) by doing so, enabling or facilitating the seizure under subsection (1) of any cryptoassets."

4 In section 47R (release of property), in subsection (3)(b), at the end insert "or (5A)".

Detention and release of property

5 In section 47K (further detention pending making of restraint order), after subsection (4) insert—

"(5) Exempt property seized under section 47C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(6) In subsection (5)—

"exempt property" has the meaning given in section 47C(4) (reading references there to the defendant as references to the person by whom the property is held);

"senior officer" has the meaning given in section 47G(3) (and for this purpose, the powers under subsections (2) and (3) to detain property are to be treated as exercised by the appropriate officer who seized the property)."

6 In section 47L (further detention pending variation of restraint order), after subsection (3) insert—

"(4) Exempt property seized under section 47C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(5) In subsection (4)—

"exempt property" has the meaning given in section 47C(4) (reading references there to the defendant as references to the person by whom the property is held);

"senior officer" has the meaning given in section 47G(3) (and for this purpose, the powers under subsections (2) and (3) to detain property are to be treated as exercised by the appropriate officer who seized the property)."

7 (1) Section 47M (further detention in other cases) is amended as follows.

(2) In subsection (2)(b), omit "(within the meaning of section 47C(4))".

(3) After subsection (2) insert—

"(2A) A magistrates' court may by order extend the period for which the property may be detained under section 47J if satisfied that—

(a) any of the conditions in section 47B is met (reading references in that section to the officer as references to the court),

(b) the property is free property, and

(c) there are reasonable grounds for suspecting that the property is a cryptoasset-related item.

(2B) An order under subsection (2A) may not be made in respect of exempt property unless the court is satisfied that the person applying for the order is working diligently and expeditiously—

(a) to determine whether the property is a cryptoasset-related item, or

(b) if it has already been determined to be such an item, to seize any related cryptoassets under section 47C(1).

(2C) An order under subsection (2A) may not extend the period for which the property may be detained beyond the period of—

(a) six months beginning with the date of the order, or

(b) in the case of exempt property, 14 days beginning with that date.

This does not prevent the period from being further extended by another order under this section.

(2D) The period of 14 days referred to in subsection (2C)(b) is to be calculated in accordance with section 47H(7) (reading the reference there to 48 hours as a reference to 14 days)."

(4) In subsection (6), after "section" insert "—

"exempt property" has the meaning given in section 47C(4) (reading references there to the defendant as references to the person by whom the property is held);".

8 In section 47R (release of property), after subsection (5) insert—

"(6) If a cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, the appropriate officer may—

(a) retain the item and deal with it as they see fit,

(b) dispose of the item, or

(c) destroy the item.

(7) The powers in subsection (6) may be exercised only—

(a) where the appropriate officer has taken reasonable steps to notify—

(i) the person from whom the item was seized, and

(ii) any other persons who the appropriate officer has reasonable grounds to believe have an interest in the item,

that the item has been released, and

(b) with the approval of a senior officer.

(8) "Senior officer" in subsection (7)(b) has the meaning given in section 47G(3).

(9) Any proceeds of a disposal of the item are to be paid into the Consolidated Fund."

Property held by persons subject to confiscation orders: destruction, realisation etc

9 In section 10A (determination of extent of defendant's interest in property), in subsection (3)(a), after "realisation" insert "or destruction".

10 (1) Section 51 (powers of enforcement receiver) is amended as follows.

(2) In subsection (2), at the end insert—

"(e) so far as the property consists of cryptoassets, power to destroy the property."

(3) In subsection (8)(a), for "or (c)" substitute ", (c) or (e)".

(4) After subsection (9) insert—

"(9A) The court may confer the power mentioned in subsection (2)(e) only where—

(a) it is not reasonably practicable to realise the cryptoassets in question, or

(b) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(9B) An order conferring that power—

(a) must set out the court's assessment of the market value of the cryptoassets to which it relates;

(b) may confer power to destroy the cryptoassets only to the extent that their market value, as set out in the order, is less

than or equal to the amount remaining to be paid under the confiscation order.

(9C) If the receiver destroys any cryptoassets in the exercise of that power, the defendant is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed."

11 (1) Section 67 (seized money) is amended as follows.

(2) In subsection (1)(b), for "bank or a building society" substitute "relevant financial institution".

(3) In subsection (5A)—

(a) for "a bank or building society" substitute "a relevant financial institution";

(b) for "the bank or building society" substitute "the relevant financial institution".

(4) In subsection (6), for "bank or building society" substitute "relevant financial institution".

(5) In subsection (7A), for "bank or building society" substitute "relevant financial institution".

(6) In subsection (8)—

(a) in paragraph (a) of the definition of "appropriate person", for the words from "a bank" to the end substitute "a relevant financial institution, the relevant financial institution";

(b) at the appropriate places insert—

""electronic money institution" has the same meaning as in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2 of those Regulations);";

""payment institution" means an authorised payment institution or a small payment institution (each as defined in regulation 2 of the Payment Services Regulations 2017 (S.I. 2017/752));";

""relevant financial institution" means a bank, a building society, an electronic money institution or a payment institution;".

(7) For the heading substitute "Money".

12 After section 67 insert—

"67ZA Cryptoassets

(1) This section applies to cryptoassets which—

(a) are held by a person, and

(b) are held in a crypto wallet administered by a UK-connected cryptoasset service provider,

but only so far as the cryptoassets are free property.

(2) Subsection (3) applies if—

(a) a confiscation order is made against a person holding cryptoassets to which this section applies, and

(b) a receiver has not been appointed under section 50 in relation to the cryptoassets.

(3) A magistrates' court may order the UK-connected cryptoasset service provider which administers the crypto wallet in which the cryptoassets are held—

(a) to realise the cryptoassets, or a portion of the cryptoassets having a specified value,

(b) to pay the proceeds of that realisation to the designated officer for the court on account of, and up to a maximum of, the amount payable under the confiscation order, and

(c) to the extent that the proceeds of the realisation exceed the amount payable under the confiscation order, to pay the excess to an appropriate officer identified in the order.

"Appropriate officer" has the same meaning as in section 41A.

(4) A person applying for an order under subsection (3) must give notice of the application to the UK-connected cryptoasset service provider.

(5) Where the crypto wallet in which the cryptoassets are held is administered on behalf of someone other than the person against whom the confiscation order is made, a magistrates' court—

(a) may make an order under subsection (3) only if the extent of the person's interest in the money has been determined under section 10A, and

(b) must have regard to that determination in deciding what is the appropriate order to make.

(6) If a UK-connected cryptoasset service provider fails to comply with an order under subsection (3)—

(a) the magistrates' court may order it to pay an amount not exceeding £5,000, and

(b) for the purposes of the Magistrates' Courts Act 1980 the sum is to be treated as adjudged to be paid by a conviction of the court.

(7) In order to take account of changes in the value of money the Secretary of State may by order substitute another sum for the sum for the time being specified in subsection (6)(a).

(8) Where a UK-connected cryptoasset service provider—

(a) is required by an order under subsection (3) to realise a portion of cryptoassets having a specified value, but

(b) on realising cryptoassets under the order, obtains proceeds of an amount which differs from that value,

it does not fail to comply with the order solely because of that difference in value, provided that it took reasonable steps to obtain proceeds equal to the value specified.

67ZB Meaning of "UK-connected cryptoasset service provider"

(1) "UK-connected cryptoasset service provider" in section 67ZA means a cryptoasset service provider which—

(a) is acting in the course of business carried on by it in the United Kingdom,

(b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,

(c) holds in the United Kingdom any data relating to the persons to whom it provides services, or

(d) meets the condition in subsection (2).

(2) The condition in this subsection is that—

(a) the cryptoasset service provider has its registered office or, if it does not have one, its head office in the United Kingdom, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

(3) "Cryptoasset service provider" in subsections (1) and (2) includes a cryptoasset exchange provider and a custodian wallet provider; and for this purpose—

"cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

(a) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets;

(b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another;

(c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;

"custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(a) cryptoassets on behalf of its customers, or

(b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(4) In the definition of "cryptoasset exchange provider" in subsection (3), "cryptoasset" includes a right to, or interest in, a cryptoasset.

(5) The Secretary of State may by regulations amend the definitions in subsection (3) (including by amending subsection (4))."

13 After section 67A insert—

"67AA Destruction of seized cryptoassets

(1) This section applies to cryptoassets which are held by a person and which have been seized by an appropriate officer under a relevant seizure power.

(2) A magistrates' court may by order authorise an appropriate officer to destroy the cryptoassets if—

(a) a confiscation order is made against the person by whom the cryptoassets are held,

(b) a receiver has not been appointed under section 50 in relation to the cryptoassets, and

(c) either—

(i) it is not reasonably practicable to realise the cryptoassets, or

(ii) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(3) An order under this section—

(a) must set out the court's assessment of the market value of the cryptoassets to which it relates;

(b) may authorise the destruction of cryptoassets only to the extent that their market value, as set out in the order, is less than or equal to the amount remaining to be paid under the confiscation order.

(4) Before making an order under this section, the court must give persons who hold interests in the cryptoassets a reasonable opportunity to make representations to it.

(5) If cryptoassets held by a person are destroyed following an order under this section, the person is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed.

(6) In this section "appropriate officer" and "relevant seizure power" have the same meaning as in section 41A."

14 (1) Section 67C (sections 67A and 67B: appeals) is amended as follows.

(2) In subsection (1), for "67A" substitute "67ZA(3), 67A(3) or 67AA(2)".

(3) In subsection (2), for "67A" substitute "67ZA(3), 67A(3) or 67AA(2)".

(4) In subsection (3), for "67A(2)(a)" substitute "67ZA(2)(a), 67A(3)(a) or 67AA(2)(a) (as applicable)".

(5) In the heading, for "67A and" substitute "67ZA to".

15 In section 67D (proceeds of realisation), in subsection (1)(b), after "section" insert "67ZA or".

16 For the italic heading before section 67, substitute "Enforcement: money, cryptoassets and personal property".

17 In section 69 (powers of court and receiver etc), after subsection (2) insert—

"(2A) Subsection (2)(a) does not apply to—

(a) the power conferred on a court by paragraph (e) of section 51(2) (which enables the court to give a receiver the power to destroy cryptoassets),

(b) a power conferred on a receiver by virtue of that paragraph, or

(c) the power conferred on a magistrates' court by section 67AA (power to order destruction of cryptoassets)."

Interpretation and miscellaneous provision

18 After section 84 insert—

"84A Cryptoassets etc

(1) "Cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically.

(2) "Crypto wallet" means—

(a) software,

(b) hardware,

(c) a physical item, or

(d) any combination of the things mentioned in paragraphs (a) to (c),

which is used to store the cryptographic private key that allows cryptoassets to be accessed.

(3) "Cryptoasset-related item" has the meaning given in section 47C(5B).

(4) The circumstances in which a cryptoasset is taken to be "destroyed" include circumstances where it is—

(a) disposed of,

(b) transferred, or

(c) otherwise dealt with,

in such a way as to ensure, or to make it virtually certain, that it will not be the subject of any further transactions or be dealt with again in any other way.

(5) The Secretary of State may by regulations amend the definitions of "cryptoasset" and "crypto wallet" in this section."

PART 2

SCOTLAND

Introductory

19 Part 3 of the Proceeds of Crime Act 2002 (confiscation: Scotland) is amended as follows.

Seizure of property

20 In section 127B (conditions for exercise of seizure powers)—

(a) in subsection (2), omit paragraph (b);

(b) in subsection (3), omit paragraph (b).

21 (1) Section 127C (power to seize property) is amended as follows.

(2) In subsection (2), after "not" insert "under subsection (1)".

(3) After subsection (5) insert—

"(5A) On being satisfied as mentioned in section 127B(1) an appropriate officer may seize any free property if the officer has reasonable grounds for suspecting that it is a cryptoasset-related item.

(5B) A "cryptoasset-related item" is an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under subsection (1) of any cryptoasset.

(5C) The circumstances in which a cryptoasset is "seized" for the purposes of subsection (1) include circumstances in which it is transferred into a crypto wallet controlled by the appropriate officer.

(5D) If an appropriate officer is lawfully on any premises, the officer may, for the purpose of—

(a) determining whether any property is a cryptoasset-related item, or

(b) enabling or facilitating the seizure under subsection (1) of any cryptoasset,

require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.

(5E) But subsection (5D) does not authorise an appropriate officer to require a person to produce any items subject to legal privilege (as defined in section 412).

(5F) Where an appropriate officer has seized a cryptoasset-related item under subsection (5A), they may use any information obtained from it for the purpose of—

(a) identifying or gaining access to a crypto wallet, and

(b) by doing so, enabling or facilitating the seizure under subsection (1) of any cryptoassets."

22 In section 127Q (release of property), in subsection (3)(b), at the end insert "or (5A)".

Detention and release of property

23 In section 127K (further detention pending making of restraint order), after subsection (4) insert—

"(5) Exempt property seized under section 127C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(6) In subsection (5)—

"exempt property" has the meaning given in section 127C(4) (reading references there to the accused as references to the person by whom the property is held);

"senior officer" has the meaning given in section 127G(3) (and for this purpose, the powers under subsections (2) and (3) to

detain property are to be treated as exercised by the appropriate officer who seized the property)."

24 In section 127L (further detention pending variation of restraint order), after subsection (3) insert—

"(4) Exempt property seized under section 127C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(5) In subsection (4)—

"exempt property" has the meaning given in section 127C(4) (reading references there to the accused as references to the person by whom the property is held);

"senior officer" has the meaning given in section 127G(3) (and for this purpose, the powers under subsections (2) and (3) to detain property are to be treated as exercised by the appropriate officer who seized the property)."

25 (1) Section 127M (further detention in other cases) is amended as follows.

(2) In subsection (2)(b), omit "(within the meaning of section 127C(4))".

(3) After subsection (2) insert—

"(2A) The sheriff may by order extend the period for which the property may be detained under section 127J if satisfied that—

(a) any of the conditions in section 127B is met (reading references in that section to the officer as references to the sheriff),

(b) the property is free property, and

(c) there are reasonable grounds for suspecting that the property is a cryptoasset-related item.

(2B) An order under subsection (2A) may not be made in respect of exempt property unless the sheriff is satisfied that the person applying for the order is working diligently and expeditiously—

(a) to determine whether the property is a cryptoasset-related item, or

(b) if it has already been determined to be such an item, to seize any related cryptoassets under section 127C(1).

(2C) An order under subsection (2A) may not extend the period for which the property may be detained beyond the period of—

(a) six months beginning with the date of the order, or

(b) in the case of exempt property, 14 days beginning with that date.

This does not prevent the period from being further extended by another order under this section.

(2D) The period of 14 days referred to in subsection (2C)(b) is to be calculated in accordance with section 127H(7) (reading the reference there to 48 hours as a reference to 14 days)."

(4) In subsection (6), after "section" insert "—

"exempt property" has the meaning given in section 127C(4) (reading references there to the accused as references to the person by whom the property is held);".

26 In section 127Q (release of property), after subsection (5) insert—

"(6) If a cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, the appropriate officer may—

(a) retain the item and deal with it as they see fit,

(b) dispose of the item, or

(c) destroy the item.

(7) The powers in subsection (6) may be exercised only—

(a) where the appropriate officer has taken reasonable steps to notify—

(i) the person from whom the item was seized, and

(ii) any other persons who the appropriate officer has reasonable grounds to believe have an interest in the item,

that the item has been released, and

(b) with the approval of a senior officer.

(8) "Senior officer" in subsection (7)(b) has the meaning given in section 127G(3).

(9) Any proceeds of a disposal of the item are to be paid into the Scottish Consolidated Fund."

Property held by persons subject to confiscation orders: destruction, realisation etc

27 (1) Section 128 (enforcement administrators) is amended as follows.

(2) In subsection (6), at the end insert—

"(d) so far as the property consists of cryptoassets, power to destroy the property."

(3) In subsection (11)(a), for "or (c)" substitute ", (c) or (d)".

(4) After subsection (13) insert—

"(13A) The court may confer the power mentioned in subsection (6)(d) only where—

(a) it is not reasonably practicable to realise the cryptoassets in question, or

(b) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(13B) An order conferring that power—

(a) must set out the court's assessment of the market value of the cryptoassets to which it relates;

(b) may confer power to destroy the cryptoassets only to the extent that their market value, as set out in the order, is less than or equal to the amount remaining to be paid under the confiscation order.

(13C) If the administrator destroys any cryptoassets in the exercise of that power, the accused is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed."

28 (1) Section 131ZA (seized money) is amended as follows.

(2) In subsection (1)(b), for "bank or building society" substitute "relevant financial institution".

(3) In subsection (7), for "bank or building society" substitute "relevant financial institution".

(4) In subsection (9)—

(a) in paragraph (a) of the definition of "appropriate person", for the words from "a bank" to the end substitute "a relevant financial institution, the relevant financial institution";

(b) at the appropriate places insert—

""electronic money institution" has the same meaning as in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2 of those Regulations);";

""payment institution" means an authorised payment institution or a small payment institution (each as defined in regulation 2 of the Payment Services Regulations 2017 (S.I. 2017/752));";

""relevant financial institution" means a bank, a building society, an electronic money institution or a payment institution;".

(5) For the heading substitute "Money".

29 After section 131ZA insert—

"131ZB Cryptoassets

(1) This section applies to cryptoassets which—

(a) are held by a person, and

(b) are held in a crypto wallet administered by a UK-connected cryptoasset service provider,

but only so far as the cryptoassets are free property.

(2) Subsection (3) applies if—

(a) a confiscation order is made against a person holding cryptoassets to which this section applies, and

(b) an administrator has not been appointed under section 128 in relation to the cryptoassets.

(3) The sheriff may order the UK-connected cryptoasset service provider which administers the crypto wallet in which the cryptoassets are held—

(a) to realise the cryptoassets, or a portion of the cryptoassets having a specified value,

(b) to pay the proceeds of that realisation to the appropriate clerk of court on account of, and up to a maximum of, the amount payable under the confiscation order, and

(c) to the extent that the proceeds of the realisation exceed the amount payable under the confiscation order, to pay the excess to an appropriate officer identified in the order.

(4) In subsection (3)—

"appropriate clerk of court" means the sheriff clerk of the sheriff court responsible for enforcing the confiscation order under section 211 of the Procedure Act as applied by section 118(1);

"appropriate officer" has the same meaning as in section 120A.

(5) An order under subsection (3) may be made—

(a) on the application of the prosecutor, or

(b) by the sheriff of the sheriff's own accord.

(6) Where a UK-connected cryptoasset service provider—

(a) is required by an order under subsection (3) to realise a portion of cryptoassets having a specified value, but

(b) on realising cryptoassets under the order, obtains proceeds of an amount which differs from that value,

it does not fail to comply with the order solely because of that difference in value, provided that it took reasonable steps to obtain proceeds equal to the value specified.

131ZC Meaning of "UK-connected cryptoasset service provider"

(1) "UK-connected cryptoasset service provider" in section 131ZB means a cryptoasset service provider which—

(a) is acting in the course of business carried on by it in the United Kingdom,

(b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,

(c) holds in the United Kingdom any data relating to the persons to whom it provides services, or

(d) meets the condition in subsection (2).

(2) The condition in this subsection is that—

(a) the cryptoasset service provider has its registered office or, if it does not have one, its head office in the United Kingdom, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

(3) "Cryptoasset service provider" in subsections (1) and (2) includes a cryptoasset exchange provider and a custodian wallet provider; and for this purpose—

"cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole

practitioner does so as creator or issuer of any of the cryptoassets involved—

(a) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets;

(b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another;

(c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;

"custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(a) cryptoassets on behalf of its customers, or

(b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(4) In the definition of "cryptoasset exchange provider" in subsection (3), "cryptoasset" includes a right to, or interest in, a cryptoasset.

(5) The Secretary of State may by regulations amend the definitions in subsection (3) (including by amending subsection (4)).

(6) The Secretary of State must consult the Scottish Ministers before making regulations under subsection (5)."

30 After section 131A insert—

"131AA Destruction of seized cryptoassets

(1) This section applies to cryptoassets which are held by a person and which have been seized by an appropriate officer under a relevant seizure power.

(2) The sheriff may by order authorise an appropriate officer to destroy the cryptoassets if—

(a) a confiscation order is made against the person by whom the cryptoassets are held,

(b) an administrator has not been appointed under section 128 in relation to the cryptoassets, and

(c) either—

(i) it is not reasonably practicable to realise the cryptoassets, or

(ii) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(3) An order under this section may be made—

(a) on the application of the prosecutor, or

(b) by the sheriff of the sheriff's own accord.

(4) An order under this section—

(a) must set out the sheriff's assessment of the market value of the cryptoassets to which it relates;

(b) may authorise the destruction of cryptoassets only to the extent that their market value, as set out in the order, is less than or equal to the amount remaining to be paid under the confiscation order.

(5) Before making an order under this section, the sheriff must give persons who hold interests in the cryptoassets a reasonable opportunity to make representations to it.

(6) If cryptoassets held by a person are destroyed following an order under this section, the person is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed.

(7) In this section "appropriate officer" and "relevant seizure power" have the same meaning as in section 120A."

31 (1) Section 131C (sections 131A and 131B: appeals) is amended as follows.

(2) In subsection (1), for "131A" substitute "131A(3)".

(3) After subsection (1) insert—

"(1A) If a sheriff decides not to make an order under section 131ZB(3) or 131AA(2), the prosecutor may appeal to the Court of Session."

(4) In subsection (2), for "131A" substitute "131ZB(3), 131A(3) or 131AA(2)".

(5) In subsection (3), for "131A(2)(a)" substitute "131ZB(2)(a), 131A(2)(a) or 131AA(2)(a) (as applicable)".

(6) In the heading, for "131A and" substitute "131ZB to".

32 In section 131D (proceeds of realisation), in subsection (1)(b), after "section" insert "131ZB or".

33 For the italic heading before section 131ZA, substitute "Enforcement: money, cryptoassets and personal property".

34 Omit the italic heading before section 131A.

35 In section 132 (powers of court and administrator etc), after subsection (2) insert—

"(2A) Subsection (2)(a) does not apply to—

(a) the power conferred on a court by paragraph (d) of section 128(6) (which enables the court to give an administrator the power to destroy cryptoassets),

(b) a power conferred on an administrator by virtue of that paragraph, or

(c) the power conferred on the sheriff by section 131AA (power to order destruction of cryptoassets)."

Interpretation and miscellaneous provision

36 After section 150 insert—

"150A Cryptoassets etc

(1) "Cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically.

(2) "Crypto wallet" means—
(a) software,
(b) hardware,
(c) a physical item, or
(d) any combination of the things mentioned in paragraphs (a) to (c),
which is used to store the cryptographic private key that allows cryptoassets to be accessed.

(3) "Cryptoasset-related item" has the meaning given in section 127C(5B).

(4) The circumstances in which a cryptoasset is taken to be "destroyed" include circumstances where it is—
(a) disposed of,
(b) transferred, or
(c) otherwise dealt with,
in such a way as to ensure, or to make it virtually certain, that it will not be the subject of any further transactions or be dealt with again in any other way.

(5) The Secretary of State may by regulations amend the definitions of "cryptoasset" and "crypto wallet" in this section.

(6) The Secretary of State must consult the Scottish Ministers before making regulations under subsection (5)."

PART 3

NORTHERN IRELAND

Introductory

37 Part 4 of the Proceeds of Crime Act 2002 (confiscation: Northern Ireland) is amended as follows.

Seizure of property

38 In section 195B (conditions for exercise of seizure powers)—
(a) in subsection (2), omit paragraph (b);
(b) in subsection (3), omit paragraph (b).

39 (1) Section 195C (power to seize property) is amended as follows.

(2) In subsection (2), after "not" insert "under subsection (1)".

(3) After subsection (5) insert—

"(5A) On being satisfied as mentioned in section 195B(1) an appropriate officer may seize any free property if the officer has reasonable grounds for suspecting that it is a cryptoasset-related item.

(5B) A "cryptoasset-related item" is an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under subsection (1) of any cryptoasset.

(5C) The circumstances in which a cryptoasset is "seized" for the purposes of subsection (1) include circumstances in which it is transferred into a crypto wallet controlled by the appropriate officer.

(5D) If an appropriate officer is lawfully on any premises, the officer may, for the purpose of—

(a) determining whether any property is a cryptoasset-related item, or

(b) enabling or facilitating the seizure under subsection (1) of any cryptoasset,

require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.

(5E) But subsection (5D) does not authorise an appropriate officer to require a person to produce information which the person would be entitled to refuse to provide on grounds of legal professional privilege in proceedings in the High Court.

(5F) Where an appropriate officer has seized a cryptoasset-related item under subsection (5A), they may use any information obtained from it for the purpose of—

(a) identifying or gaining access to a crypto wallet, and

(b) by doing so, enabling or facilitating the seizure under subsection (1) of any cryptoassets."

40 In section 195R (release of property), in subsection (3)(b), at the end insert "or (5A)".

Detention and release of property

41 In section 195K (further detention pending making of restraint order), after subsection (4) insert—

"(5) Exempt property seized under section 195C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(6) In subsection (5)—

"exempt property" has the meaning given in section 195C(4) (reading references there to the defendant as references to the person by whom the property is held);

"senior officer" has the meaning given in section 195G(3) (and for this purpose, the powers under subsections (2) and (3) to detain property are to be treated as exercised by the appropriate officer who seized the property)."

42 In section 195L (further detention pending variation of restraint order), after subsection (3) insert—

"(4) Exempt property seized under section 195C(5A) may be detained under subsections (2) and (3) only with the approval of a senior officer.

(5) In subsection (4)—

"exempt property" has the meaning given in section 195C(4) (reading references there to the defendant as references to the person by whom the property is held);

"senior officer" has the meaning given in section 195G(3) (and for this purpose, the powers under subsections (2) and (3) to detain property are to be treated as exercised by the appropriate officer who seized the property)."

43 (1) Section 195M (further detention in other cases) is amended as follows.

(2) In subsection (2)(b), omit "(within the meaning of section 195C(4))".

(3) After subsection (2) insert—

"(2A) A magistrates' court may by order extend the period for which the property may be detained under section 195J if satisfied that—

(a) any of the conditions in section 195B is met (reading references in that section to the officer as references to the court),

(b) the property is free property, and

(c) there are reasonable grounds for suspecting that the property is a cryptoasset-related item.

(2B) An order under subsection (2A) may not be made in respect of exempt property unless the court is satisfied that the person applying for the order is working diligently and expeditiously—

(a) to determine whether the property is a cryptoasset-related item, or

(b) if it has already been determined to be such an item, to seize any related cryptoassets under section 195C(1).

(2C) An order under subsection (2A) may not extend the period for which the property may be detained beyond the period of—

(a) six months beginning with the date of the order, or

(b) in the case of exempt property, 14 days beginning with that date.

This does not prevent the period from being further extended by another order under this section.

(2D) The period of 14 days referred to in subsection (2C)(b) is to be calculated in accordance with section 195H(7) (reading the reference there to 48 hours as a reference to 14 days)."

(4) In subsection (6), after "section" insert "—

"exempt property" has the meaning given in section 195C(4) (reading references there to the defendant as references to the person by whom the property is held);".

44 In section 195R (release of property), after subsection (5) insert—

"(6) If a cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, the appropriate officer may—

(a) retain the item and deal with it as they see fit,

(b) dispose of the item, or

(c) destroy the item.

(7) The powers in subsection (6) may be exercised only—

(a) where the appropriate officer has taken reasonable steps to notify—

(i) the person from whom the item was seized, and

(ii) any other persons who the appropriate officer has reasonable grounds to believe have an interest in the item,

that the item has been released, and

(b) with the approval of a senior officer.

(8) "Senior officer" in subsection (7)(b) has the meaning given in section 195G(3).

(9) Any proceeds of a disposal of the item are to be paid into the Consolidated Fund."

Property held by persons subject to confiscation orders: destruction, realisation etc

45 In section 160A (determination of extent of defendant's interest in property), in subsection (3)(a), after "realisation" insert "or destruction".

46 (1) Section 199 (powers of enforcement receiver) is amended as follows.

(2) In subsection (2), at the end insert—

"(e) so far as the property consists of cryptoassets, power to destroy the property."

(3) In subsection (8)(a), for "or (c)" substitute ", (c) or (e)".

(4) After subsection (9) insert—

"(9A) The court may confer the power mentioned in subsection (2)(e) only where—

(a) it is not reasonably practicable to realise the cryptoassets in question, or

(b) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(9B) An order conferring that power—

(a) must set out the court's assessment of the market value of the cryptoassets to which it relates;

(b) may confer power to destroy the cryptoassets only to the extent that their market value, as set out in the order, is less

than or equal to the amount remaining to be paid under the confiscation order.

(9C) If the receiver destroys any cryptoassets in the exercise of that power, the defendant is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed."

47 (1) Section 215 (seized money) is amended as follows.

(2) In subsection (1)(b), for "bank or a building society" substitute "relevant financial institution".

(3) In subsection (5A)—

(a) for "a bank or building society" substitute "a relevant financial institution";

(b) for "the bank or building society" substitute "the relevant financial institution".

(4) In subsection (6), for "bank or building society" substitute "relevant financial institution".

(5) In subsection (7A), for "bank or building society" substitute "relevant financial institution".

(6) In subsection (8)—

(a) in paragraph (a) of the definition of "appropriate person", for the words from "a bank" to the end substitute "a relevant financial institution, the relevant financial institution";

(b) at the appropriate places insert—

""electronic money institution" has the same meaning as in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2 of those Regulations);";

""payment institution" means an authorised payment institution or a small payment institution (each as defined in regulation 2 of the Payment Services Regulations 2017 (S.I. 2017/752));";

""relevant financial institution" means a bank, a building society, an electronic money institution or a payment institution;".

(7) For the heading substitute "Money".

48 After section 215 insert—

"215ZA Cryptoassets

(1) This section applies to cryptoassets which—

(a) are held by a person, and

(b) are held in a crypto wallet administered by a UK-connected cryptoasset service provider,

but only so far as the cryptoassets are free property.

(2) Subsection (3) applies if—

(a) a confiscation order is made against a person holding cryptoassets to which this section applies, and

(b) a receiver has not been appointed under section 198 in relation to the cryptoassets.

(3) A magistrates' court may order the UK-connected cryptoasset service provider which administers the crypto wallet in which the cryptoassets are held—

(a) to realise the cryptoassets, or a portion of the cryptoassets having a specified value,

(b) to pay the proceeds of that realisation to the appropriate chief clerk on account of, and up to a maximum of, the amount payable under the confiscation order, and

(c) to the extent that the proceeds of the realisation exceed the amount payable under the confiscation order, to pay the excess to an appropriate officer identified in the order.

(4) In subsection (3)—

"appropriate chief clerk" has the same meaning as in section 202(7);

"appropriate officer" has the same meaning as in section 195A.

(5) A person applying for an order under subsection (3) must give notice of the application to the UK-connected cryptoasset service provider.

(6) Where the crypto wallet in which the cryptoassets are held is administered on behalf of someone other than the person against whom the confiscation order is made, a magistrates' court—

(a) may make an order under subsection (3) only if the extent of the person's interest in the money has been determined under section 160A, and

(b) must have regard to that determination in deciding what is the appropriate order to make.

(7) If a UK-connected cryptoasset service provider fails to comply with an order under subsection (3)—

(a) the magistrates' court may order it to pay an amount not exceeding £5,000, and

(b) for the purposes of the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26)) the sum is to be treated as adjudged to be paid by a conviction of the court.

(8) In order to take account of changes in the value of money the Department of Justice in Northern Ireland may by order substitute another sum for the sum for the time being specified in subsection (7)(a).

(9) Where a UK-connected cryptoasset service provider—

(a) is required by an order under subsection (3) to realise a portion of cryptoassets having a specified value, but

(b) on realising cryptoassets under the order, obtains proceeds of an amount which differs from that value,

it does not fail to comply with the order solely because of that difference in value, provided that it took reasonable steps to obtain proceeds equal to the value specified.

215ZB Meaning of "UK-connected cryptoasset service provider"

(1) "UK-connected cryptoasset service provider" in section 215ZA means a cryptoasset service provider which—

(a) is acting in the course of business carried on by it in the United Kingdom,

(b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,

(c) holds in the United Kingdom any data relating to the persons to whom it provides services, or

(d) meets the condition in subsection (2).

(2) The condition in this subsection is that—

(a) the cryptoasset service provider has its registered office or, if it does not have one, its head office in the United Kingdom, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

(3) "Cryptoasset service provider" in subsections (1) and (2) includes a cryptoasset exchange provider and a custodian wallet provider; and for this purpose—

"cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

(a) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets;

(b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another;

(c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;

"custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(a) cryptoassets on behalf of its customers, or

(b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(4) In the definition of "cryptoasset exchange provider" in subsection (3), "cryptoasset" includes a right to, or interest in, a cryptoasset.

(5) The Secretary of State may by regulations amend the definitions in subsection (3) (including by amending subsection (4)).

(6) The Secretary of State must consult the Department of Justice in Northern Ireland before making regulations under subsection (5)."

49 After section 215A insert—

"215AA Destruction of seized cryptoassets

(1) This section applies to cryptoassets which are held by a person and which have been seized by an appropriate officer under a relevant seizure power.

(2) A magistrates' court may by order authorise an appropriate officer to destroy the cryptoassets if—

(a) a confiscation order is made against the person by whom the cryptoassets are held,

(b) a receiver has not been appointed under section 198 in relation to the cryptoassets, and

(c) either—

(i) it is not reasonably practicable to realise the cryptoassets, or

(ii) there are reasonable grounds to believe that the realisation of the cryptoassets would be contrary to the public interest, having regard in particular to how likely it is that the entry of the cryptoassets into general circulation would facilitate criminal conduct by any person.

(3) An order under this section—

(a) must set out the court's assessment of the market value of the cryptoassets to which it relates;

(b) may authorise the destruction of cryptoassets only to the extent that their market value, as set out in the order, is less than or equal to the amount remaining to be paid under the confiscation order.

(4) Before making an order under this section, the court must give persons who hold interests in the cryptoassets a reasonable opportunity to make representations to it.

(5) If cryptoassets held by a person are destroyed following an order under this section, the person is to be treated as having paid, towards satisfaction of the confiscation order, an amount equal to the market value, as set out in the order, of the cryptoassets which have been destroyed.

(6) In this section "appropriate officer" and "relevant seizure power" have the same meaning as in section 190A."

50 (1) Section 215C (sections 215A and 215B: appeals) is amended as follows.

(2) In subsection (1), for "215A" substitute "215ZA(3), 215A(3) or 215AA(2)".

(3) In subsection (2), for "215A" substitute "215ZA(3), 215A(3) or 215AA(2)".

(4) In subsection (3), for "215A(2)(a)" substitute "215ZA(2)(a), 215A(2)(a) or 215AA(2)(a) (as applicable)".

(5) In the heading, for "215A and" substitute "215ZA to".

51 In section 215D (proceeds of realisation), in subsection (1)(b), after "section" insert "215ZA or".

52 For the italic heading before section 215, substitute "Enforcement: money, cryptoassets and personal property".

53 In section 217 (powers of court and receiver etc), after subsection (2) insert—

"(2A) Subsection (2)(a) does not apply to—

(a) the power conferred on a court by paragraph (e) of section 199(2) (which enables the court to give a receiver the power to destroy cryptoassets),

(b) a power conferred on a receiver by virtue of that paragraph, or

(c) the power conferred on a magistrates' court by section 215AA (power to order destruction of cryptoassets)."

Interpretation and miscellaneous provision

54 After section 232 insert—

"232A Cryptoassets etc

(1) "Cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically.

(2) "Crypto wallet" means—

(a) software,

(b) hardware,

(c) a physical item, or

(d) any combination of the things mentioned in paragraphs (a) to (c),

which is used to store the cryptographic private key that allows cryptoassets to be accessed.

(3) "Cryptoasset-related item" has the meaning given in section 195C(5B).

(4) The circumstances in which a cryptoasset is taken to be "destroyed" include circumstances where it is—

(a) disposed of,

(b) transferred, or

(c) otherwise dealt with,

in such a way as to ensure, or to make it virtually certain, that it will not be the subject of any further transactions or be dealt with again in any other way.

(5) The Secretary of State may by regulations amend the definitions of "cryptoasset" and "crypto wallet" in this section.

(6) The Secretary of State must consult the Department of Justice in Northern Ireland before making regulations under subsection (5)."

PART 4

REGULATIONS

55 (1) Section 459 of the Proceeds of Crime Act 2002 is amended as follows.

(2) In subsection (4), after paragraph (a) insert—

"(azza) regulations under—

(i) section 67ZB(5) or 84A(5);

(ii) section 131ZC(5) or 150A(5);

(iii) section 251ZB(5) or 232A(5);".

(3) After subsection (6ZA) insert—

"(6ZAA) No regulations may be made by the Secretary of State under any of the following provisions unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House--

(a) section 67ZB(5) or 84A(5);

(b) section 131ZC(5) or 150A(5);

(c) section 251ZB(5) or 232A(5)."

SCHEDULE 9

Section 180

CRYPTOASSETS: CIVIL RECOVERY

PART 1

AMENDMENTS OF PART 5 OF THE PROCEEDS OF CRIME ACT 2002

1 In Part 5 of the Proceeds of Crime Act 2002 (civil recovery of the proceeds etc of unlawful conduct), after section 303Z19 insert—

"CHAPTER 3C

RECOVERY OF CRYPTOASSETS: SEARCHES, SEIZURE AND DETENTION

Definitions

303Z20 Definitions

(1) In this Part—

(a) "cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;

(b) "crypto wallet" means—

(i) software,

(ii) hardware,

(iii) a physical item, or

(iv) any combination of the things mentioned in sub-paragraphs (i) to (iii),

which is used to store the cryptographic private key that allows cryptoassets to be accessed.

(2) The Secretary of State may by regulations amend the definitions of "cryptoasset" and "crypto wallet" in this section.

(3) The Secretary of State must consult the Scottish Ministers and the Department of Justice before making regulations under subsection (2).

(4) In this Chapter—

(a) "enforcement officer" means—

(i) an officer of Revenue and Customs,

(ii) a constable,

(iii) an SFO officer, or

(iv) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453;

(b) "senior officer" means—

(i) an officer of Revenue and Customs of a rank designated by the Commissioners for His Majesty's Revenue and Customs as equivalent to that of a senior police officer of at least the rank of inspector,

(ii) a senior police officer of at least the rank of inspector,

(iii) the Director of the Serious Fraud Office,

(iv) the Director General of the National Crime Agency or any other National Crime Agency officer authorised by the Director General (whether generally or specifically) for this purpose, or

(v) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453.

Searches

303Z21 Searches

(1) If an enforcement officer—

(a) is lawfully on any premises, and

(b) has reasonable grounds for suspecting that there is on the premises a cryptoasset-related item,

the enforcement officer may search for the cryptoasset-related item there.

(2) For the purposes of this Chapter, a "cryptoasset-related item" is an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under this Part of cryptoassets that—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(3) The powers conferred by subsection (6) are exercisable by an enforcement officer if—

(a) the enforcement officer has reasonable grounds for suspecting that there is a cryptoasset-related item in a vehicle,

(b) it appears to the officer that the vehicle is under the control of a person (the suspect) who is in or in the vicinity of the vehicle, and

(c) the vehicle is in a place falling within subsection (4).

(4) The places referred to in subsection (3)(c) are—

(a) a 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, and

(b) any other place to which at that time people have ready access but which is not a dwelling.

(5) But if the vehicle is in a garden or yard or other land occupied with and used for the purposes of a dwelling, the enforcement officer may exercise the powers conferred by subsection (6) only if the enforcement 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.

(6) The powers conferred by this subsection are—

(a) power to require the suspect to permit entry to the vehicle;

(b) power to require the suspect to permit a search of the vehicle.

(7) If an enforcement officer has reasonable grounds for suspecting that a person (the suspect) is carrying a cryptoasset-related item, the enforcement officer may require the suspect—

(a) to permit a search of any article the suspect has with them;

(b) to permit a search of the suspect's person.

(8) The powers conferred by subsections (6) and (7) are exercisable only so far as the enforcement officer thinks it necessary or expedient.

(9) An enforcement officer may—

(a) in exercising powers conferred by subsection (6), detain the vehicle for so long as is necessary for their exercise;

(b) in exercising powers conferred by subsection (7)(b), detain the suspect for so long as is necessary for their exercise.

(10) The powers conferred by this section are exercisable by an SFO officer or an accredited financial investigator only in relation to the following—

(a) premises in England, Wales or Northern Ireland (in the case of subsection (1));

(b) vehicles and suspects in England, Wales or Northern Ireland (in the case of subsection (6));

(c) suspects in England, Wales or Northern Ireland (in the case of subsection (7)).

303Z22 Searches: supplemental provision

(1) The powers conferred by section 303Z21 are exercisable only so far as reasonably required for the purpose of finding a cryptoasset-related item.

(2) Section 303Z21 does not require a person to submit to an intimate search or strip search (within the meaning of section 164 of the Customs and Excise Management Act 1979).

303Z23 Prior approval

(1) The powers conferred by section 303Z21 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 judicial officer or (if that is not practicable in any case) the approval of a senior officer.

(3) A judicial officer means—
(a) in relation to England and Wales and Northern Ireland, a justice of the peace;
(b) in relation to Scotland, the sheriff.

(4) If the powers are exercised without the approval of a judicial officer in a case where—
(a) no property is seized by virtue of section 303Z26, or
(b) any property so seized is not detained for more than 48 hours (calculated in accordance with section 303Z27),
the relevant officer who exercised the power must give a written report to the appointed person.

(5) But the duty in subsection (4) does not apply if, during the course of exercising the powers conferred by section 303Z21, the enforcement officer seizes cash by virtue of section 294 or property by virtue of section 303J and the cash or property so seized is detained for more than 48 hours (calculated in accordance with section 295(1B) or 303K(5)).

(6) A report under subsection (4) must give particulars of the circumstances which led the relevant officer to believe that—
(a) the powers were exercisable, and
(b) it was not practicable to obtain the approval of a judicial officer.

(7) In this section and in section 303Z24 the appointed person means—
(a) in relation to England and Wales, a person appointed by the Secretary of State;
(b) in relation to Scotland, a person appointed by the Scottish Ministers;
(c) in relation to Northern Ireland, a person appointed by the Department of Justice.

(8) The appointed person must not be a person employed under or for the purposes of a government department or of the Scottish Administration; and the terms and conditions of the person's appointment, including any remuneration or expenses to be paid to

the person, are to be determined by the person making the appointment.

303Z24 Report on exercise of powers

(1) As soon as possible after the end of each financial year, the appointed person must prepare a report for that year.

(2) "Financial year" means—

(a) the period beginning with the day on which this section came into force and ending with the next 31 March (which is the first financial year), and

(b) each subsequent period of 12 months beginning with 1 April.

(3) The report must give the appointed person's opinion as to the circumstances and manner in which the powers conferred by section 303Z21 are being exercised in cases where the enforcement officer who exercised them is required to give a report under section 303Z23(4).

(4) In the report, the appointed person may make any recommendations they consider appropriate.

(5) The appointed person must send a copy of the report to whichever of the Secretary of State, the Scottish Ministers or the Department of Justice appointed the person.

(6) The Secretary of State must lay a copy of any report the Secretary of State receives under this section before Parliament and arrange for it to be published.

(7) The Scottish Ministers must lay a copy of any report they receive under this section before the Scottish Parliament and arrange for it to be published.

(8) The Department of Justice must lay a copy of any report it receives under this section before the Northern Ireland Assembly and arrange for it to be published.

(9) Section 41(3) of the Interpretation Act (Northern Ireland) 1954 applies for the purposes of subsection (8) in relation to the laying of a copy of a report as it applies in relation to the laying of a statutory document under an enactment.

303Z25 Codes of practice

(1) The requirements to make codes of practice set out in sections 303G, 303H and 303I apply in relation to the powers conferred by section 303Z21 as they apply in relation to the powers conferred by section 303C.

(2) A requirement in section 303G(2), 303H(2) or 303I(2), as applied by subsection (1), to carry out a relevant action may be satisfied by the carrying out of that action before this section comes into force.

(3) In subsection (2) "relevant action" means any of the following—

(a) publishing a draft code of practice;

(b) considering any representations made about the draft;

(c) modifying the draft in light of any such representations.

(4) The requirement in section 303G(3), as applied by subsection (1), to consult the Attorney General may be satisfied by consultation carried out before this section comes into force.

Seizure and detention of cryptoasset-related items

303Z26 Seizure of cryptoasset-related items

(1) An enforcement officer may seize any item of property if the enforcement officer has reasonable grounds for suspecting that the item is a cryptoasset-related item.

(2) If an enforcement officer is lawfully on any premises, the officer may, for the purpose of—

(a) determining whether any property is a cryptoasset-related item, or

(b) enabling or facilitating the seizure under this Chapter of any cryptoasset,

require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.

(3) But subsection (2) does not authorise an enforcement officer to require a person to produce privileged information.

(4) In this section "privileged information" means information which a person would be entitled to refuse to provide—

(a) in England and Wales and Northern Ireland, on grounds of legal professional privilege in proceedings in the High Court;

(b) in Scotland, on grounds of legal privilege as defined by section 412.

(5) Where an enforcement officer has seized a cryptoasset-related item under subsection (1), the officer may use any information obtained from the item for the purpose of—

(a) identifying or gaining access to a crypto wallet, and

(b) by doing so, enabling or facilitating the seizure under this Chapter of any cryptoassets.

(6) This section does not authorise the seizure by an SFO officer or an accredited financial investigator of an item found in Scotland.

303Z27 Initial detention of seized cryptoasset-related items

(1) Property seized under section 303Z26 may be detained for an initial period of 48 hours.

(2) Subsection (1) authorises the detention of property only for so long as an enforcement officer continues to have reasonable grounds for suspicion in relation to that property as described in section 303Z26(1).

(3) In calculating a period of 48 hours for the purposes of this section, no account is to 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 1971 in the part of the United Kingdom within which the property is seized, or
(e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.

303Z28 Further detention of seized cryptoasset-related items

(1) The period for which property seized under section 303Z26 may be detained may be extended by an order made—
(a) in England and Wales or Northern Ireland, by a magistrates' court;
(b) in Scotland, by the sheriff.

(2) An order under subsection (1) may not authorise the detention of any property—
(a) beyond the end of the period of 6 months beginning with the date of the order, and
(b) in the case of any further order under this section, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to subsection (4).

(3) A justice of the peace may also exercise the power of a magistrates' court to make the first order under subsection (1).

(4) The court or sheriff may make an order for the period of 2 years in subsection (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.

(5) An application for an order under subsection (1) or (4) may be made—
(a) in relation to England and Wales and Northern Ireland, by—
(i) the Commissioners for His Majesty's Revenue and Customs,
(ii) a constable,
(iii) an SFO officer, or
(iv) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453;
(b) in relation to Scotland, by the Scottish Ministers in connection with their functions under section 303Z41 or by a procurator fiscal.

(6) The court, sheriff or justice may make an order under subsection (1) if satisfied, in relation to the item of property to be further detained, that—
(a) there are reasonable grounds for suspecting that it is a cryptoasset-related item, and
(b) its continued detention is justified.

(7) The court or sheriff may make an order under subsection (4) if satisfied that a request for assistance is outstanding in relation to the item of property to be further detained.

(8) A "request for assistance" in subsection (7) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the property to be further detained, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Part, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A (evidence overseas).

(9) An order under subsection (1) must provide for notice to be given to persons affected by the order.

303Z29 Seizure of cryptoassets

(1) An enforcement officer may seize cryptoassets if the enforcement officer has reasonable grounds for suspecting that the cryptoassets are recoverable property or intended by any person for use in unlawful conduct.

(2) The circumstances in which a cryptoasset is "seized" for the purposes of subsection (1) include circumstances in which it is transferred into a crypto wallet controlled by the enforcement officer.

(3) This section does not authorise the seizure by an SFO officer or an accredited financial investigator of cryptoassets as a result of information obtained from a cryptoasset-related item found in Scotland.

303Z30 Prior authorisation for detention of cryptoassets

(1) Where an order is made under section 303Z28 in respect of a cryptoasset-related item, the court, sheriff or justice making the order may, at the same time, make an order to authorise the detention of any cryptoassets that may be seized as a result of information obtained from that item.

(2) An application for an order under this section may be made, by a person mentioned in section 303Z28(5), at the same time as an application for an order under section 303Z28 is made by that person.

(3) The court, sheriff or justice may make an order under this section if satisfied that there are reasonable grounds for suspecting that the cryptoassets that may be seized are recoverable property or intended by any person for use in unlawful conduct.

(4) An order under this section authorises detention of the cryptoassets for the same period of time as the order under section 303Z28 authorises detention in respect of the cryptoasset-related item to which those cryptoassets relate.

303Z31 Initial detention of seized cryptoassets

(1) Cryptoassets seized under section 303Z29 may be detained for an initial period of 48 hours.

(2) Subsection (1) authorises the detention of property only for so long as an enforcement officer continues to have reasonable grounds for suspicion in relation to those cryptoassets as described in section 303Z29(1).

(3) In calculating a period of 48 hours for the purposes of this section, no account is to 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 1971 in the part of the United Kingdom within which the property is seized, or

(e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.

(4) This section is subject to section 303Z30.

303Z32 Further detention of seized cryptoassets

(1) The period for which cryptoassets seized under section 303Z29 may be detained may be extended by an order made—

(a) in England and Wales or Northern Ireland, by a magistrates' court;

(b) in Scotland, by the sheriff.

(2) An order under subsection (1) may not authorise the detention of any cryptoassets—

(a) beyond the end of the period of 6 months beginning with the date of the order, and

(b) in the case of any further order under this section, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to subsection (4).

(3) A justice of the peace may also exercise the power of a magistrates' court to make the first order under subsection (1).

(4) The court or sheriff may make an order for the period of 2 years in subsection (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.

(5) An application for an order under subsection (1) or (4) may be made—

(a) in relation to England and Wales and Northern Ireland, by—

(i) the Commissioners for His Majesty's Revenue and Customs,

(ii) a constable,

(iii) an SFO officer, or

(iv) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453,

(b) in relation to Scotland, by the Scottish Ministers in connection with their functions under section 303Z41 or by a procurator fiscal.

(6) The court, sheriff or justice may make an order under subsection (1) if satisfied, in relation to the cryptoassets to be further detained, that there are reasonable grounds for suspecting that the cryptoassets are recoverable property or intended by any person for use in unlawful conduct.

(7) The court or sheriff may make an order under subsection (4) if satisfied that a request for assistance is outstanding in relation to the cryptoassets to be further detained.

(8) A "request for assistance" in subsection (7) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets to be further detained, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Part, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A (evidence overseas).

(9) An order under subsection (1) must provide for notice to be given to persons affected by the order.

303Z33 Safekeeping of cryptoassets and cryptoasset-related items

(1) An enforcement officer must arrange for any item of property seized under section 303Z26 to be safely stored throughout the period during which it is detained under this Chapter.

(2) An enforcement officer must arrange for any cryptoassets seized under section 303Z29 to be safely stored throughout the period during which they are detained under this Chapter.

303Z34 Release of cryptoassets and cryptoasset-related items

(1) This section applies while any cryptoasset or other item of property is detained under this Chapter.

(2) A magistrates' court or (in Scotland) the sheriff may direct the release of the whole or any part of the property if the following condition is met.

(3) The condition is that the court or sheriff is satisfied, on an application by the person from whom the property was seized, that the conditions for the detention of the property in this Chapter are no longer met in relation to the property to be released.

(4) A person within subsection (5) may, after notifying the magistrates' court, sheriff or justice under whose order property is being detained, release the whole or any part of the property if satisfied that the detention of the property to be released is no longer justified.

(5) The following persons are within this subsection—

(a) in relation to England and Wales and Northern Ireland, an enforcement officer;

(b) in relation to Scotland—

(i) the Scottish Ministers,

(ii) an officer of Revenue and Customs,

(iii) a constable, and

(iv) a procurator fiscal.

(6) If any cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, an enforcement officer may—

(a) retain the item and deal with it as they see fit,

(b) dispose of the item, or

(c) destroy the item.

(7) The powers in subsection (6) may be exercised only—

(a) where the enforcement officer has taken reasonable steps to notify—

(i) the person from whom the item was seized, and

(ii) any other persons who the enforcement officer has reasonable grounds to believe have an interest in the item,

that the item has been released, and

(b) with the approval of a senior officer.

(8) Any proceeds of a disposal of the item are to be paid—

(a) into the Consolidated Fund if—

(i) the item was directed to be released by a magistrates' court, or

(ii) a magistrates' court or justice was notified under subsection (4) of the release;

(b) into the Scottish Consolidated Fund if—

(i) the item was directed to be released by the sheriff, or

(ii) the sheriff was notified under subsection (4) of the release.

CHAPTER 3D

RECOVERY OF CRYPTOASSETS: FREEZING ORDERS

Definitions

303Z35 Definitions

(1) In this Chapter—

(a) "cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

(i) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,

(ii) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or

(iii) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;

(b) "custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(i) cryptoassets on behalf of its customers, or

(ii) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets;

(c) "cryptoasset service provider" includes cryptoasset exchange provider and custodian wallet provider.

(2) For the purposes of subsection (1)(a), "money" means—

(a) money in sterling,

(b) money in any other currency, or

(c) money in any other medium of exchange,

but does not include a cryptoasset.

(3) In the definition of "cryptoasset exchange provider" in subsection (1), "cryptoasset" includes a right to, or interest in, a cryptoasset.

(4) The Secretary of State may by regulations amend the definitions in this section.

(5) The Secretary of State must consult the Scottish Ministers and the Department of Justice before making regulations under subsection (4).

Freezing of crypto wallets

303Z36 Application for crypto wallet freezing order

(1) This section applies if an enforcement officer has reasonable grounds for suspecting that cryptoassets held in a crypto wallet administered by a UK-connected cryptoasset service provider—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(2) Where this section applies (but subject to subsection (3)) the enforcement officer may apply to the relevant court for a crypto wallet freezing order in relation to the crypto wallet in which the cryptoassets are held.

(3) An enforcement officer may not apply for a crypto wallet freezing order unless the officer is a senior officer or is authorised to do so by a senior officer.

(4) For the purposes of this Chapter—

(a) a crypto wallet freezing order is an order that, subject to any exclusions (see section 303Z39), prohibits each person by or for whom the crypto wallet to which the order applies is administered from—

(i) making withdrawals or payments from the crypto wallet, or

(ii) using the crypto wallet in any other way;

(b) a crypto wallet is administered by or for a person if the person is the person to whom services are being provided by a cryptoasset service provider in relation to that crypto wallet.

(5) An application for a crypto wallet freezing order may be made without notice if the circumstances of the case are such that notice of the application would prejudice the taking of any steps under this Part to forfeit cryptoassets that are recoverable property or intended by any person for use in unlawful conduct.

(6) An application for a crypto wallet freezing order under this section may be combined with an application for an account freezing order under section 303Z1 where a single entity—

(a) is both a relevant financial institution for the purposes of section 303Z1 and a cryptoasset service provider for the purposes of this section, and

(b) operates or administers, for the same person, both an account holding money (above the minimum amount specified in section 303Z8) and a crypto wallet.

(7) An application for a crypto wallet freezing order may not be made by an SFO officer, or an accredited financial investigator, in relation to a UK-connected cryptoasset service provider where—

(a) the provider has its registered office, or if it does not have one, its head office in Scotland, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in Scotland.

(8) In this Chapter—

"enforcement officer" has the meaning given by section 303Z20;

"relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court, and

(b) in Scotland, the sheriff;

"senior officer" has the meaning given by section 303Z20;

"UK-connected cryptoasset service provider" means a cryptoasset service provider which—

(a) is acting in the course of business carried on by it in the United Kingdom,

(b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,

(c) holds, in the United Kingdom, any data relating to the persons to whom it provides services, or

(d) meets the condition in subsection (9).

(9) The condition in this subsection is that—

(a) the cryptoasset service provider has its registered office, or if it does not have one, its head office in the United Kingdom, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

303Z37 Making of a crypto wallet freezing order

(1) This section applies where an application for a crypto wallet freezing order is made under section 303Z36 in relation to a crypto wallet.

(2) The relevant court may make the order if satisfied that there are reasonable grounds for suspecting that some or all of the cryptoassets held in the crypto wallet—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(3) A crypto wallet freezing order ceases to have effect at the end of the period specified in the order (which may be varied under section 303Z38) unless it ceases to have effect at an earlier or later time in accordance with this Chapter or Chapter 3E or 3F.

(4) The period specified by the relevant court for the purposes of subsection (3) (whether when the order is first made or on a variation under section 303Z38) may not exceed the period of 2 years, beginning with the day on which the crypto wallet freezing order is (or was) made; but this is subject to subsection (5).

(5) The relevant court may make an order for the period of 2 years in subsection (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order is (or was) made.

(6) The relevant court may make an order under subsection (5) if satisfied that a request for assistance is outstanding in relation to some or all of the cryptoassets held in the crypto wallet.

(7) A "request for assistance" in subsection (6) means a request for assistance in obtaining evidence (including information in any form or article) in connection with some or all of the cryptoassets held in the crypto wallet, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Part, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A (evidence overseas).

(8) A crypto wallet freezing order must provide for notice to be given to persons affected by the order.

303Z38 Variation and setting aside of crypto wallet freezing order

(1) The relevant court may at any time vary or set aside a crypto wallet freezing order on an application made by—

(a) an enforcement officer, or

(b) any person affected by the order.

(2) But an enforcement officer may not make an application under subsection (1) unless the officer is a senior officer or is authorised to do so by a senior officer.

(3) Before varying or setting aside a crypto wallet 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.

(4) In relation to Scotland, the references in this section to setting aside an order are to be read as references to recalling it.

303Z39 Exclusions

(1) The power to vary a crypto wallet freezing order includes (amongst other things) power to make exclusions from the prohibition on making withdrawals or payments from the crypto wallet to which the order applies.

(2) Exclusions from the prohibition may also be made when the order is made.

(3) An exclusion may (amongst other things) make provision for the purpose of enabling a person by or for whom the crypto wallet is administered—

(a) to meet the person's 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 a magistrates' court exercises the power to make an exclusion for the purpose of enabling a person to meet legal expenses that the person 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 the person 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 same conditions as would be the required conditions (see section 286A) if the order had been made under section 245A (in addition to any conditions imposed under subsection (4)).

(6) A magistrates' court, in deciding whether to make an exclusion for the purpose of enabling a person to meet legal expenses in respect of proceedings under this Part—

(a) must have regard to the desirability of the person being represented in any proceedings under this Part in which the person is a participant, and

(b) must disregard the possibility that legal representation of the person in any such proceedings might, were an exclusion not made—

(i) be made available under arrangements made for the purposes of Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, or

(ii) be funded by the Department of Justice.

(7) The sheriff's power to make exclusions may not be exercised for the purpose of enabling any person to meet any legal expenses in respect of proceedings under this Part.

(8) The power to make exclusions must, subject to subsection (6), be exercised with a view to ensuring, so far as practicable, that there is not undue prejudice to the taking of any steps under this Part to forfeit cryptoassets that are recoverable property or intended by any person for use in unlawful conduct.

303Z40 Restrictions on proceedings and remedies

(1) If a court in which proceedings are pending in respect of a crypto wallet administered by a UK-connected cryptoasset service provider is satisfied that a crypto wallet freezing order has been applied for or made in respect of the crypto wallet, it may either stay the proceedings or allow them to continue on any terms it thinks fit.

(2) Before exercising the power conferred by subsection (1), 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.

(3) In relation to Scotland, the reference in subsection (1) to staying the proceedings is to be read as a reference to sisting the proceedings.

CHAPTER 3E

FORFEITURE OF CRYPTOASSETS FOLLOWING DETENTION OR FREEZING ORDER

Forfeiture orders

303Z41 Forfeiture order

(1) This section applies—

(a) while any cryptoassets are detained under Chapter 3C, or

(b) while a crypto wallet freezing order made under section 303Z37 has effect.

(2) An application for the forfeiture of some or all of the cryptoassets that are detained or held in the crypto wallet that is subject to the crypto wallet freezing order may be made—

(a) to a magistrates' court by a person within subsection (3), or

(b) to the sheriff by the Scottish Ministers.

(3) The following persons are within this subsection—

(a) the Commissioners for His Majesty's Revenue and Customs,

(b) a constable,

(c) an SFO officer, and

(d) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453.

(4) The court or sheriff may order the forfeiture of some or all of the cryptoassets if satisfied that the cryptoassets—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(5) An order under subsection (4) made by a magistrates' court may provide for payment under section 303Z49 of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—

(a) the proceedings in which the order is made, or

(b) any related proceedings under this Chapter.

(6) A sum in respect of a relevant item of expenditure is not payable under section 303Z49 in pursuance of provision under subsection (5) unless—

(a) the person who applied for the order under subsection (4) agrees to its payment, or

(b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.

(7) For the purposes of subsection (6)—

(a) a "relevant item of expenditure" is an item of expenditure to which regulations under section 286B would apply if the order under subsection (4) had instead been a recovery order;

(b) an amount is "allowed" in respect of a relevant item of expenditure if it would have been allowed by those regulations;

(c) if the person who applied for the order under subsection (4) was a constable, an SFO officer or an accredited financial investigator, that person may not agree to the payment of a sum unless the person is a senior officer or is authorised to do so by a senior officer.

(8) Subsection (4) ceases to apply on the transfer of an application made under this section in accordance with section 303Z45(1).

(9) In this Chapter—

"crypto wallet freezing order" has the same meaning as in Chapter 3D (see section 303Z36);

"enforcement officer" has the meaning given by section 303Z20;

"senior officer" has the meaning given by section 303Z20.

(10) Section 303Z36(4)(b) applies in relation to this Chapter as it applies in relation to Chapter 3D.

303Z42 Forfeiture order: supplementary

(1) Subsection (2) applies where an application is made under section 303Z41 for the forfeiture of any cryptoassets detained under Chapter 3C.

(2) The cryptoassets are to continue to be detained under Chapter 3C (and may not be released under any power conferred by this Part) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.
This subsection is subject to Chapter 3F (conversion to money).

(3) Where an application is made under section 303Z41 in relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order—
(a) subsections (4) and (5) apply, and
(b) the crypto wallet freezing order is to continue to have effect until the time referred to in subsection (4)(b) or (5).

(4) Where the cryptoassets are ordered to be forfeited under section 303Z41(4) or 303Z45(3)—
(a) the cryptoasset service provider that administers the crypto wallet must transfer the cryptoassets into a crypto wallet nominated by an enforcement officer, and
(b) immediately after the transfer has been made, the freezing order ceases to have effect.

(5) Where the application is determined or otherwise disposed of other than by the making of an order under section 303Z41(4) or 303Z45(3), the crypto wallet freezing order ceases to have effect immediately after that determination or other disposal.

(6) Subsections (4)(b) and (5) are subject to section 303Z46 and Chapter 3F.

(7) The Secretary of State may by regulations amend this section to make provision about the forfeiture of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order.

(8) Regulations under subsection (7) may in particular make provision about—
(a) the process for the forfeiture of cryptoassets;
(b) the realisation of forfeited cryptoassets;
(c) the application of the proceeds of such realisation.

(9) Regulations under subsection (7) may make consequential amendments of this Chapter.

(10) The Secretary of State may not make regulations under subsection (7) unless the Secretary of State has—
(a) consulted the Scottish Ministers and the Department of Justice, and

(b) given a notice containing the relevant information to the Scottish Ministers and the Department of Justice.

(11) Consultation under subsection (10)(a) must include consultation about any effects that the Secretary of State considers the regulations may have on—

(a) a person in Scotland or Northern Ireland (as the case may be) applying for the forfeiture of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order, and

(b) a sheriff or court in Scotland or a court in Northern Ireland (as the case may be) considering such an application or making an order for such forfeiture.

(12) In subsection (10)(b) "relevant information" means—

(a) a description of—

(i) the process undertaken in order to comply with subsection (10)(a) in relation to the Scottish Ministers or the Department of Justice (as the case may be), and

(ii) any agreement, objection or other views expressed as part of that process by the Scottish Ministers or the Department of Justice (as the case may be), and

(b) an explanation of whether and how such views have been taken into account in the regulations (including, in a case where the Secretary of State proposes to make the regulations despite an objection, an explanation of the reasons for doing so).

303Z43 Associated and joint property

(1) Sections 303Z44 and 303Z45 apply if—

(a) an application is made under section 303Z41 in respect of cryptoassets,

(b) the court or sheriff is satisfied that some or all of the cryptoassets are recoverable property or are intended by any person for use in unlawful conduct, and

(c) there exists property that is associated with the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in paragraph (b).

(2) Sections 303Z44 and 303Z45 also apply in England and Wales and Northern Ireland if—

(a) an application is made under section 303Z41 in respect of cryptoassets,

(b) the court is satisfied that some or all of the cryptoassets are recoverable property, and

(c) the cryptoassets in relation to which the court is satisfied as mentioned in paragraph (b) belong to joint tenants and one of the tenants is an excepted joint owner.

(3) In this section and sections 303Z44 and 303Z45 "associated property" means property of any of the following descriptions that is not itself the forfeitable property—

(a) any interest in the forfeitable property;

(b) any other interest in the property in which the forfeitable property subsists;

(c) if the forfeitable property is part of a larger property, but not a separate part, the remainder of that property.

References to property being associated with forfeitable property are to be read accordingly.

(4) In this section and sections 303Z44 and 303Z45, the "forfeitable property" means the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in subsection (1)(b) or (2)(b) (as the case may be).

303Z44 Agreements about associated and joint property

(1) Where—

(a) this section applies, and

(b) the person who applied for the order under section 303Z41 (on the one hand) and the person who holds the associated property or who is the excepted joint owner (on the other hand) agree,

the magistrates' court or sheriff may, instead of making an order under section 303Z41(4), make an order requiring the person who holds the associated property or who is the excepted joint owner to make a payment to a person identified in the order.

(2) The amount of the payment is (subject to subsection (3)) to be the amount which the persons referred to in subsection (1)(b) agree represents—

(a) in a case where this section applies by virtue of section 303Z43(1), the value of the forfeitable property;

(b) in a case where this section applies by virtue of section 303Z43(2), the value of the forfeitable property less the value of the excepted joint owner's share.

(3) The amount of the payment may be reduced if the person who applied for the order under section 303Z41 agrees that the other party to the agreement has suffered loss as a result of—

(a) the seizure of the forfeitable property under section 303Z29 and its subsequent detention, or

(b) the making of a crypto wallet freezing order under section 303Z37.

(4) The reduction that is permissible by virtue of subsection (3) is such amount as the parties to the agreement agree is reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) An order under subsection (1) may, so far as required for giving effect to the agreement, include provision for vesting, creating or extinguishing any interest in property.

(6) An order under subsection (1) made by a magistrates' court may provide for payment under subsection (12) of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—

(a) the proceedings in which the order is made, or

(b) any related proceedings under this Chapter.

(7) A sum in respect of a relevant item of expenditure is not payable under subsection (12) in pursuance of provision under subsection (6) unless—

(a) the person who applied for the order under section 303Z41 agrees to its payment, or

(b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.

(8) For the purposes of subsection (7)—

(a) a "relevant item of expenditure" is an item of expenditure to which regulations under section 286B would apply if the order under subsection (1) had instead been a recovery order;

(b) an amount is "allowed" in respect of a relevant item of expenditure if it would have been allowed by those regulations.

(9) For the purposes of section 308(2), on the making of an order under subsection (1), the forfeitable property is to be treated as if it had been forfeited.

(10) If there is more than one item of associated property or more than one excepted joint owner, the total amount to be paid under subsection (1), 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 person who applied for the order under section 303Z41.

(11) If the person who applied for the order under section 303Z41 was a constable, an SFO officer or an accredited financial investigator, that person may enter into an agreement for the purposes of any provision of this section only if the person is a senior officer or is authorised to do so by a senior officer.

(12) An amount received under an order under subsection (1) must be applied as follows—

(a) first, it must be applied in making any payment of legal expenses which, after giving effect to subsection (7), are payable under this subsection in pursuance of provision under subsection (6);

(b) second, it must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the forfeitable property and any associated property whilst detained under this Part;

(c) third, it must be paid—

(i) if the order was made by a magistrates' court, into the Consolidated Fund;

(ii) if the order was made by the sheriff, into the Scottish Consolidated Fund.

303Z45 Associated and joint property: default of agreement

(1) Where this section applies and there is no agreement under section 303Z44, the magistrates' court or sheriff may transfer the application made under section 303Z41 to the appropriate court.

(2) The "appropriate court" is—

(a) the High Court, where the application under section 303Z41 was made to a magistrates' court;

(b) the Court of Session, where the application under section 303Z41 was made to the sheriff.

(3) Where (under subsection (1)) an application made under section 303Z41 is transferred to the appropriate court, the appropriate court may order the forfeiture of the property to which the application relates, or any part of that property, if satisfied that what is to be forfeited is recoverable property or intended by any person for use in unlawful conduct.

(4) An order under subsection (3) made by the High Court may include provision of the type that may be included in an order under section 303Z41(4) made by a magistrates' court by virtue of section 303Z41(5).

(5) If provision is included in an order of the High Court by virtue of subsection (4) of this section, section 303Z41(6) and (7) apply with the necessary modifications.

(6) The appropriate court may, as well as making an order under subsection (3), make an order—

(a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or

(b) providing for the excepted joint owner's interest to be severed.

(7) Where (under subsection (1)) the magistrates' court or sheriff decides not to transfer an application made under section 303Z41 to the appropriate court, the magistrates' court or sheriff may, as well as making an order under section 303Z41(4), make an order—

(a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or

(b) providing for the excepted joint owner's interest to be severed.

(8) An order under subsection (6) or (7) may be made only if the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks it just and equitable to do so.

(9) An order under subsection (6) or (7) must provide for the payment of an amount to the person who holds the associated property or who is an excepted joint owner.

(10) In making an order under subsection (6) or (7), and including provision in it by virtue of subsection (9), the appropriate court, the magistrates' court or the sheriff (as the case may be) 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 that person of that property or (as the case may be) of that person's share (including any value that cannot be assessed in terms of money), and

(b) the interest of the person who applied for the order under section 303Z41 in realising the value of the forfeitable property.

(11) If the appropriate court, the magistrates' court or the sheriff (as the case may be) is satisfied that—

(a) the person who holds the associated property or who is an excepted joint owner has suffered loss as a result of—

(i) the seizure of the forfeitable property under section 303Z29 and its subsequent detention, or

(ii) the making of the crypto wallet freezing order under section 303Z37, and

(b) the circumstances are exceptional,

an order under subsection (6) or (7) may require the payment of compensation to that person.

(12) The amount of compensation to be paid by virtue of subsection (11) is the amount the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(13) Compensation to be paid by virtue of subsection (11) is to be paid in the same way that compensation is to be paid under section 303Z52.

303Z46 Continuation of crypto wallet freezing order pending appeal

(1) This section applies where, on an application under section 303Z41 in relation to a crypto wallet to which a crypto wallet freezing order applies—

(a) the magistrates' court or sheriff decides—

(i) to make an order under section 303Z41(4) in relation to some but not all of the cryptoassets to which the application related, or

(ii) not to make an order under section 303Z41(4), or

(b) if the application is transferred in accordance with section 303Z45(1), the High Court or Court of Session decides—

(i) to make an order under section 303Z45(3) in relation to some but not all of the cryptoassets to which the application related, or

(ii) not to make an order under section 303Z45(3).

(2) The person who made the application under section 303Z41 may apply without notice to the court or sheriff that made the decision referred to in subsection (1) for an order that the crypto wallet freezing order is to continue to have effect.

(3) Where the court or sheriff makes an order under subsection (2) the crypto wallet freezing order is to continue to have effect until—

(a) the end of the period of 48 hours starting with the making of the order under subsection (2), or

(b) if within that period of 48 hours an appeal is brought (whether under section 303Z47 or otherwise) against the decision referred to in subsection (1), the time when the appeal is determined or otherwise disposed of.

(4) Subsection (3) of section 303Z31 applies for the purposes of subsection (3) as it applies for the purposes of that section.

303Z47 Sections 303Z41 to 303Z45: appeals

(1) Any party to proceedings for an order for the forfeiture of cryptoassets under section 303Z41 may appeal against—
(a) the making of an order under section 303Z41;
(b) the making of an order under section 303Z45(7);
(c) a decision not to make an order under section 303Z41 unless the reason that no order was made is that an order was instead made under section 303Z44;
(d) a decision not to make an order under section 303Z45(7).

Paragraphs (c) and (d) do not apply if the application for the order under section 303Z41 was transferred in accordance with section 303Z45(1).

(2) Where an order under section 303Z44 is made by a magistrates' court, any party to the proceedings for the order (including any party to the proceedings under section 303Z41 that preceded the making of the order) may appeal against a decision to include, or not to include, provision in the order under section 303Z44(6).

(3) An appeal under this section lies—
(a) in relation to England and Wales, to the Crown Court;
(b) in relation to Scotland, to the Sheriff Appeal Court;
(c) in relation to Northern Ireland, to a county court.

(4) An appeal under this section must be made before the end of the period of 30 days starting with the day on which the court or sheriff makes the order or decision.

(5) The court hearing the appeal may make any order it thinks appropriate.

(6) If the court upholds an appeal against an order forfeiting any cryptoasset or other item of property, it may order the release of the whole or any part of the property.

303Z48 Realisation or destruction of forfeited cryptoassets etc

(1) This section applies where any cryptoasset or other item of property is forfeited under this Chapter.

(2) An enforcement officer must—
(a) realise the property, or
(b) make arrangements for its realisation.

This is subject to subsections (3) to (5).

(3) The property is not to be realised—
(a) before the end of the period within which an appeal may be made (whether under section 303Z47 or otherwise), or
(b) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.

(4) The realisation of property under subsection (2) must be carried out, so far as practicable, in the manner best calculated to maximise the amount obtained for the property.

(5) Where an enforcement officer is satisfied that—

(a) it is not reasonably practicable to realise any cryptoasset, or

(b) there are reasonable grounds to believe that the realisation of any cryptoasset would be contrary to the public interest,

the enforcement officer may destroy the cryptoasset.

(6) But—

(a) the enforcement officer may destroy the cryptoasset only if the officer is a senior officer or is authorised to do so by a senior officer, and

(b) the cryptoasset is not to be destroyed—

(i) before the end of the period within which an appeal may be made (whether under section 303Z47 or otherwise), or

(ii) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.

(7) The question of whether the realisation of the cryptoasset would be contrary to the public interest is to be determined with particular reference to how likely it is that the entry of the cryptoasset into general circulation would facilitate criminal conduct by any person.

303Z49 Proceeds of realisation

(1) This section applies where any cryptoasset or other item of property is realised under section 303Z48.

(2) The proceeds of the realisation must be applied as follows—

(a) first, they must be applied in making any payment required to be made by virtue of section 303Z45(9);

(b) second, they must be applied in making any payment of legal expenses which, after giving effect to section 303Z41(6) (including as applied by section 303Z45(5)), are payable under this subsection in pursuance of provision under section 303Z41(5) or, as the case may be, 303Z45(4);

(c) third, they must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the property whilst detained under this Part and in realising the property;

(d) fourth, they must be paid—

(i) if the property was forfeited by a magistrates' court or the High Court, into the Consolidated Fund;

(ii) if the property was forfeited by the sheriff or the Court of Session, into the Scottish Consolidated Fund.

(3) If what is realised under section 303Z48 represents part only of an item of property, the reference in subsection (2)(c) to costs incurred in storing or insuring the property is to be read as a reference to costs incurred in storing or insuring the whole of the property.

Supplementary

303Z50 Victims and other owners: detained cryptoassets

(1) A person who claims that any cryptoassets detained under this Part belong to the person may apply for some or all of the cryptoassets to be released.

(2) An application under subsection (1) is to be made—
  (a) in England and Wales or Northern Ireland, to a magistrates' court;
  (b) in Scotland, to the sheriff.

(3) The application may be made in the course of proceedings under section 303Z32 or 303Z41 or at any other time.

(4) The court or sheriff may order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—
  (a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by unlawful conduct,
  (b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, recoverable property, and
  (c) the cryptoassets belong to the applicant.

(5) If subsection (6) applies, the court or sheriff may order the cryptoassets to which the application relates to be released to the applicant or to the person from whom they were seized.

(6) This subsection applies where—
  (a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,
  (b) it appears to the court or sheriff that those cryptoassets belong to the applicant,
  (c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and
  (d) no objection to the making of an order under subsection (5) has been made by the person from whom those cryptoassets were seized.

(7) The release condition is met—
  (a) if the conditions in Chapter 3C for the detention of the cryptoassets are no longer met, or
  (b) in relation to cryptoassets which are subject to an application for forfeiture under section 303Z41, if the court or sheriff decides not to make an order under that section in relation to the cryptoassets.

303Z51 Victims and other owners: crypto wallet freezing orders

(1) A person who claims that any cryptoassets held in a crypto wallet in respect of which a crypto wallet freezing order has effect belong to the person may apply for some or all of the cryptoassets to be released.

(2) An application under subsection (1) is to be made—
  (a) in England and Wales or Northern Ireland, to a magistrates' court;
  (b) in Scotland, to the sheriff.

(3) The application may be made in the course of proceedings under section 303Z37 or 303Z41 or at any other time.

(4) The court or sheriff may, subject to subsection (8), order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—
  (a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by unlawful conduct,
  (b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, recoverable property, and
  (c) the cryptoassets belong to the applicant.

(5) If subsection (6) applies, the court or sheriff may, subject to subsection (8), order the cryptoassets to which the application relates to be released to the applicant.

(6) This subsection applies where—
  (a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,
  (b) it appears to the court or sheriff that those cryptoassets belong to the applicant,
  (c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and
  (d) no objection to the making of an order under subsection (5) has been made by the person from whom those cryptoassets were seized.

(7) The release condition is met—
  (a) if the conditions for the making of the crypto wallet freezing order are no longer met in relation to the cryptoassets to which the application relates, or
  (b) in relation to cryptoassets held in a crypto wallet subject to a crypto wallet freezing order which are subject to an application for forfeiture under section 303Z41, if the court or sheriff decides not to make an order under that section in relation to the cryptoassets.

(8) If an application under section 303Z41 is made for the forfeiture of the cryptoassets, the cryptoassets are not to be released under this section until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.

(9) In relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order, references in this section to a person from whom cryptoassets were seized include a reference to a person by or for whom the crypto wallet was administered immediately before the crypto wallet freezing order was made.

303Z52 Compensation

(1) This section applies if no order is made under section 303Z41, 303Z44 or 303Z45 in respect of cryptoassets detained under this Part or held in a crypto wallet that is subject to a crypto wallet freezing order under section 303Z37.

(2) Where this section applies, the following may make an application to the relevant court for compensation—

(a) a person to whom the cryptoassets belong or from whom they were seized, or

(b) a person by or for whom a crypto wallet to which the crypto wallet freezing order applies is administered.

(3) If the relevant court is satisfied that the applicant has suffered loss as a result of the detention of the cryptoassets or the making of the crypto wallet freezing order and that the circumstances are exceptional, the relevant court may order compensation to be paid to the applicant.

(4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.

(6) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—

(a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;

(b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;

(c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(7) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an SFO officer, the compensation is to be paid by the Director of the Serious Fraud Office.

(8) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a National Crime Agency officer, the compensation is to be paid by the National Crime Agency.

(9) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an accredited financial investigator who was not an officer of Revenue and Customs, a constable, an SFO officer or a National Crime Agency officer, the compensation is to be paid as follows—

(a) in the case of an investigator who was—

(i) a member of the civilian staff of a police force (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or

(ii) a member of staff of the City of London police force,

it is to be paid out of the police fund from which the expenses of the police force are met,

(b) in the case of an investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland,

(c) in the case of an investigator who was a member of staff of a department of the Government of the United Kingdom, it is to be paid by the Minister of the Crown in charge of the department or by the department,

(d) in the case of an investigator who was a member of staff of a Northern Ireland department, it is to be paid by the department,

(e) in the case of an investigator who was exercising a function of the Welsh Revenue Authority, it is to be paid by the Welsh Revenue Authority, and

(f) in any other case, it is to be paid by the employer of the investigator.

(10) The Secretary of State may by regulations amend subsection (9).

(11) The power in subsection (10) is exercisable by the Department of Justice (and not by the Secretary of State) so far as it may be used to make provision that—

(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.

(12) If an order under section 303Z37, 303Z41, 303Z44 or 303Z45 is made in respect of some of the cryptoassets detained or held, this section has effect in relation to the remainder.

(13) In this section "relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court, and

(b) in Scotland, the sheriff.

303Z53 Powers for prosecutors to appear in proceedings

(1) The Director of Public Prosecutions or the Director of Public Prosecutions for Northern Ireland may appear for a constable or an accredited financial investigator in proceedings under this Chapter if the Director—

(a) is asked by, or on behalf of, a constable or (as the case may be) an accredited financial investigator to do so, and

(b) considers it appropriate to do so.

(2) The Director of Public Prosecutions may appear for the Commissioners for His Majesty's Revenue and Customs or an officer of Revenue and Customs in proceedings under this Chapter if the Director—

(a) is asked by, or on behalf of, the Commissioners for His Majesty's Revenue and Customs or (as the case may be) an officer of Revenue and Customs to do so, and

(b) considers it appropriate to do so.

(3) The Directors may charge fees for the provision of services under this section.

(4) The references in subsection (1) to an accredited financial investigator do not include an accredited financial investigator who is an officer of Revenue and Customs but the references in subsection (2) to an officer of Revenue and Customs do include an accredited financial investigator who is an officer of Revenue and Customs.

CHAPTER 3F

CONVERSION OF CRYPTOASSETS

Conversion

303Z54 Detained cryptoassets: conversion

(1) Subsection (2) applies while any cryptoassets are detained in pursuance of an order under section 303Z30 or 303Z32 (including where cryptoassets are subject to forfeiture proceedings).

(2) A person within subsection (3) may apply to the relevant court for an order requiring all of the cryptoassets detained pursuant to the order to be converted into money.

(3) The following persons are within this subsection—

(a) an enforcement officer;

(b) a person from whom the cryptoassets were seized.

(4) In deciding whether to make an order under this section, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before they are released or forfeited (including the period during which an appeal against an order for forfeiture may be made).

(5) Before making an order under this section the court must give an opportunity to be heard to—

(a) the parties to the proceedings, and

(b) any other person who may be affected by its decision.

(6) As soon as practicable after an order is made under this section, an enforcement officer must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.

(7) The conversion of cryptoassets under subsection (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.

(8) At the first opportunity after the cryptoassets are converted, the enforcement officer must arrange for the amount of money obtained for the cryptoassets to be paid into an interest-bearing account and held there.

(9) Interest accruing on the amount is to be added to it on its forfeiture or release.

(10) Where cryptoassets are converted into money in accordance with an order made under this section—

(a) the cryptoassets are no longer to be treated as being detained in pursuance of an order under section 303Z30 or 303Z32, and

(b) any application made under section 303Z41(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under section 303Z44 or 303Z45) is to be treated as if it were an application made under section 303Z60(2) in relation to the converted cryptoassets.

(11) An order made under this section must provide for notice to be given to persons affected by the order.

(12) No appeal may be made against an order made under this section.

303Z55 Frozen crypto wallet: conversion

(1) This section applies while a crypto wallet freezing order under section 303Z37 has effect (including where cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order are subject to forfeiture proceedings).

(2) A person within subsection (3) may apply to the relevant court for an order requiring all of the cryptoassets held in the crypto wallet to be converted into money.

(3) The following persons are within this subsection—

(a) an enforcement officer;

(b) a person by or for whom the crypto wallet is administered.

(4) In deciding whether to make an order under this section, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before—

(a) the crypto wallet freezing order ceases to have effect, or

(b) the cryptoassets are forfeited (including the period during which an appeal against an order for forfeiture may be made).

(5) Before making an order under this section the court must give an opportunity to be heard to—

(a) the parties to the proceedings, and

(b) any other person who may be affected by its decision.

(6) As soon as practicable after an order is made under this section, the UK-connected cryptoasset service provider that administers the

crypto wallet must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.

(7) The conversion of cryptoassets under subsection (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.

(8) At the first opportunity after the cryptoassets are converted, the UK-connected cryptoasset service provider must arrange for the amount of money obtained for the cryptoassets to be paid into an interest-bearing account nominated by an enforcement officer and held there.

(9) But—

(a) the UK-connected cryptoasset service provider may deduct any reasonable expenses incurred by the provider in connection with the conversion of the cryptoassets, and

(b) the amount to be treated as the proceeds of the conversion of the cryptoassets is to be reduced accordingly.

(10) Interest accruing on the amount obtained for the cryptoassets is to be added to it on its forfeiture or release.

(11) Where cryptoassets are converted in accordance with an order made under this section—

(a) the crypto wallet freezing order ceases to have effect,

(b) any application made under section 303Z41(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under section 303Z44 or 303Z45) is to be treated as if it were an application made under section 303Z60(2) in relation to the converted cryptoassets, and

(c) any application made under section 303Z46(2) in relation to the crypto wallet which has not yet been determined or otherwise disposed of may not be proceeded with.

(12) An order made under this section must provide for notice to be given to persons affected by the order.

(13) No appeal may be made against an order made under this section.

303Z56 Conversion: existing forfeiture proceedings

(1) Where—

(a) cryptoassets are forfeited under section 303Z41 or 303Z45, and

(b) before the cryptoassets are realised or destroyed in accordance with section 303Z48, an order is made under section 303Z54 requiring the cryptoassets to be converted into money,

section 303Z62(1) applies in relation to the converted cryptoassets as if they had been detained under section 303Z57 and forfeited under section 303Z60 (and accordingly section 303Z48 ceases to apply).

(2) Where—

(a) cryptoassets are forfeited under section 303Z41 or 303Z45, and

(b) before the cryptoassets are realised or destroyed in accordance with section 303Z48, an order is made under section 303Z55 requiring the cryptoassets to be converted into money,

section 303Z62(2) applies in relation to the converted cryptoassets as if they had been detained under section 303Z58 and forfeited under section 303Z60 (and accordingly section 303Z48 ceases to apply).

(3) Where—

(a) an appeal may be made under section 303Z47(1) or (2) in relation to the determination of an application under section 303Z41(2) for the forfeiture of cryptoassets (including where section 303Z44 or 303Z45 applies), and

(b) an order is made under section 303Z54 or 303Z55 requiring the cryptoassets to be converted into money,

the appeal may instead be made under section 303Z61 (within the time allowed by section 303Z47(4)) as if it were an appeal against the determination of an application under section 303Z60.

(4) Where—

(a) an appeal is made under section 303Z47(1) or (2) in relation to the determination of an application under section 303Z41(2) for the forfeiture of cryptoassets (including where section 303Z44 or 303Z45 applies), and

(b) before the appeal is determined or otherwise disposed of, an order is made under section 303Z54 or 303Z55 requiring the cryptoassets to be converted into money,

the appeal is to be treated as if it had been made under section 303Z61(1) in relation to the determination of an application under section 303Z60 for the forfeiture of the converted cryptoassets.

Detention

303Z57 Detained cryptoassets: detention of proceeds of conversion

(1) This section applies where cryptoassets are converted into money in accordance with an order under section 303Z54.

(2) The proceeds of the conversion (the "converted cryptoassets") may be detained initially until the end of the period that the cryptoassets could, immediately before the conversion, have been detained under Chapter 3C (ignoring the possibility of any extension of that period).

(3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.

(4) An order under subsection (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the relevant date; but this is subject to subsection (5).

(5) The relevant court may make an order for the period of 2 years in subsection (4) to be extended to a period of up to 3 years beginning with the relevant date.

(6) In subsections (4) and (5) "the relevant date" means the date on which the first order under section 303Z30 or 303Z32 (as the case may be) was made in relation to the cryptoassets.

(7) An application for an order under subsection (3) or (5) may be made—

(a) in relation to England and Wales and Northern Ireland, by—

(i) the Commissioners for His Majesty's Revenue and Customs,

(ii) a constable,

(iii) an SFO officer, or

(iv) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453, and

(b) in relation to Scotland, by the Scottish Ministers in connection with their functions under section 303Z41 or by a procurator fiscal.

(8) The relevant court may make an order under subsection (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(9) The relevant court may make an order under subsection (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in subsection (1).

(10) A "request for assistance" in subsection (9) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Part, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A (evidence overseas).

303Z58 Frozen crypto wallets: detention of proceeds of conversion

(1) This section applies where cryptoassets held in a crypto wallet subject to a crypto wallet freezing order are converted into money in accordance with an order under section 303Z55.

(2) The proceeds of the conversion (the "converted cryptoassets") may be detained initially until the end of the period that the crypto wallet freezing order was, immediately before the conversion, due to have effect under Chapter 3D (ignoring the possibility of any extension of that period).

(3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.

(4) An order under subsection (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the day on which the crypto wallet freezing order was made; but this is subject to subsection (5).

(5) The relevant court may make an order for the period of 2 years in subsection (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order was made.

(6) An application for an order under subsection (3) or (5) may be made—

(a) in relation to England and Wales and Northern Ireland, by—

(i) the Commissioners for His Majesty's Revenue and Customs,

(ii) a constable,

(iii) an SFO officer, or

(iv) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453, and

(b) in relation to Scotland, by the Scottish Ministers in connection with their functions under section 303Z41 or by a procurator fiscal.

(7) The relevant court may make an order under subsection (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(8) The relevant court may make an order under subsection (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in subsection (1).

(9) A "request for assistance" in subsection (8) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Part, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A (evidence overseas).

Release

303Z59 Release of detained converted cryptoassets

(1) This section applies while any converted cryptoassets are detained under section 303Z57 or 303Z58.

(2) The relevant court may direct the release of the whole or any part of the converted cryptoassets if the following condition is met.

(3) The condition is that, on an application by the relevant person, the court is not satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be released—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(4) In subsection (3) "the relevant person" means—

(a) in the case of converted cryptoassets detained under section 303Z57, the person from whom the cryptoassets mentioned in subsection (1) of that section were seized, and

(b) in the case of converted cryptoassets detained under section 303Z58, any person affected by the crypto wallet freezing order mentioned in subsection (1) of that section.

(5) A person within subsection (6) may, after notifying the magistrates' court or sheriff under whose order converted cryptoassets are being detained, release the whole or any part of the converted cryptoassets if satisfied that the detention is no longer justified.

(6) The following persons are within this subsection—

(a) in relation to England and Wales or Northern Ireland, an enforcement officer;

(b) in relation to Scotland—

(i) the Scottish Ministers,

(ii) an officer of Revenue and Customs,

(iii) a constable, and

(iv) a procurator fiscal.

Forfeiture

303Z60 Forfeiture order

(1) This section applies while any converted cryptoassets are detained under section 303Z57 or 303Z58.

(2) An application for the forfeiture of some or all of the converted cryptoassets may be made—

(a) to a magistrates' court by a person within subsection (3), or

(b) to the sheriff by the Scottish Ministers.

(3) The following persons are within this subsection—

(a) the Commissioners for His Majesty's Revenue and Customs,

(b) a constable,

(c) an SFO officer, and

(d) an accredited financial investigator who falls within a description specified in an order made for the purposes of this Chapter by the Secretary of State or the Welsh Ministers under section 453.

(4) The court or sheriff may order the forfeiture of some or all of the converted cryptoassets if satisfied that the converted cryptoassets to be forfeited—

(a) are recoverable property, or

(b) are intended by any person for use in unlawful conduct.

(5) 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.

(6) Where an application for forfeiture is made under this section, the converted cryptoassets are to continue to be detained under section 303Z57 or 303Z58 (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.

303Z61 Appeal against decision under section 303Z60

(1) Any party to proceedings for an order for the forfeiture of converted cryptoassets under section 303Z60 who is aggrieved by an order under that section or by the decision of the court not to make such an order may appeal—

(a) from an order or decision of a magistrates' court in England and Wales, to the Crown Court;

(b) from an order or decision of the sheriff, to the Sheriff Appeal Court;

(c) from an order or decision of a magistrates' court in Northern Ireland, to a county court.

(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 converted cryptoassets, it may order the release of some or all of the converted cryptoassets.

303Z62 Application of forfeited converted cryptoassets

(1) Converted cryptoassets detained under section 303Z57 and forfeited under section 303Z60, and any accrued interest on them, must be applied as follows—

(a) first, they must be applied in making any payment of reasonable expenses incurred by an enforcement officer in connection with the safe storage of the cryptoassets mentioned in section 303Z57(1) during the period the cryptoassets were detained under Chapter 3C;

(b) second, they must be applied in making any payment of reasonable expenses incurred by an enforcement officer in connection with the conversion of those cryptoassets under section 303Z54(6);

(c) third, they must be applied in making any payment of reasonable expenses incurred by an enforcement officer in connection with the detention of the converted cryptoassets under this Chapter;

(d) fourth, they must be paid—

(i) if forfeited by a magistrates' court in England and Wales or Northern Ireland, into the Consolidated Fund, and

(ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.

(2) Converted cryptoassets detained under section 303Z58 and forfeited under section 303Z60, and any accrued interest on them, must be applied as follows—

(a) first, they must be applied in making any payment of reasonable expenses incurred by an enforcement officer in connection with the detention of the converted cryptoassets under this Chapter;

(b) second, they must be paid—

(i) if forfeited by a magistrates' court in England and Wales or Northern Ireland, into the Consolidated Fund, and

(ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.

(3) But converted cryptoassets are not to be applied or paid under subsection (1) or (2)—

(a) before the end of the period within which an appeal under section 303Z61 may be made, or

(b) if a person appeals under that section, before the appeal is determined or otherwise disposed of.

Supplementary

303Z63 Victims and other owners

(1) This section applies where converted cryptoassets are detained under this Chapter.

(2) Where this section applies, a person ("P") who claims that the relevant cryptoassets belonged to P immediately before—

(a) the relevant cryptoassets were seized, or

(b) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,

may apply to the relevant court for some or all of the converted cryptoassets to be released to P.

(3) The application may be made in the course of proceedings under section 303Z57, 303Z58 or 303Z60 or at any other time.

(4) The relevant court may order the converted cryptoassets to which the application relates to be released to the applicant if it appears to the relevant court that the condition in subsection (5) is met.

(5) The condition in this subsection is that—

(a) the applicant was deprived of the relevant cryptoassets, or of property which they represent, by unlawful conduct,

(b) the relevant cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, recoverable property, and

(c) the relevant cryptoassets belonged to the applicant immediately before—

(i) the relevant cryptoassets were seized, or

(ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held.

(6) If subsection (7) applies, the relevant court may order the converted cryptoassets to which the application relates to be released to the applicant or to the person from whom the relevant cryptoassets were seized.

(7) This subsection applies where—

(a) the applicant is not the person from whom the relevant cryptoassets were seized,

(b) it appears to the relevant court that the relevant cryptoassets belonged to the applicant immediately before—

(i) the relevant cryptoassets were seized, or

(ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,

(c) the relevant court is satisfied that the release condition is met in relation to the converted cryptoassets, and

(d) no objection to the making of an order under subsection (6) has been made by the person from whom the relevant cryptoassets were seized.

(8) The release condition is met—

(a) if the conditions in this Chapter for the detention of the converted cryptoassets are no longer met, or

(b) in relation to converted cryptoassets which are subject to an application for forfeiture under section 303Z60, if the court or sheriff decides not to make an order under that section in relation to the converted cryptoassets.

(9) Where subsection (2)(b) applies, references in this section to a person from whom relevant cryptoassets were seized include a reference to a person by or for whom the crypto wallet mentioned in that provision was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.

(10) In this section "the relevant cryptoassets" means—

(a) in relation to converted cryptoassets detained under section 303Z57, some or all of the cryptoassets mentioned in subsection (1) of that section, and

(b) in relation to converted cryptoassets detained under section 303Z58, some or all of the cryptoassets mentioned in subsection (1) of that section.

303Z64 Compensation

(1) This section applies if no order is made under section 303Z60 in respect of converted cryptoassets detained under this Chapter.

(2) Where this section applies, the following may make an application to the relevant court for compensation—

(a) a person to whom the relevant cryptoassets belonged immediately before they were seized;
(b) a person from whom the relevant cryptoassets were seized;
(c) a person by or for whom the crypto wallet mentioned in section 303Z58(1) was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.

(3) If the relevant court is satisfied that—
(a) the applicant has suffered loss as a result of—
(i) the conversion of the relevant cryptoassets into money, or
(ii) the detention of the converted cryptoassets, and
(b) the circumstances are exceptional,
the relevant court may order compensation to be paid to the applicant.

(4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.

(6) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—
(a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;
(b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;
(c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(7) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an SFO officer, the compensation is to be paid by the Director of the Serious Fraud Office.

(8) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a National Crime Agency officer, the compensation is to be paid by the National Crime Agency.

(9) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an accredited financial investigator who was not an officer of Revenue and Customs, a constable, an SFO officer or a National Crime Agency officer, the compensation is to be paid as follows—
(a) in the case of an investigator who was—
(i) a member of the civilian staff of a police force (including the metropolitan police force), within the

meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or

(ii) a member of staff of the City of London police force,

it is to be paid out of the police fund from which the expenses of the police force are met,

(b) in the case of an investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland,

(c) in the case of an investigator who was a member of staff of a department of the Government of the United Kingdom, it is to be paid by the Minister of the Crown in charge of the department or by the department,

(d) in the case of an investigator who was a member of staff of a Northern Ireland department, it is to be paid by the department,

(e) in the case of an investigator who was exercising a function of the Welsh Revenue Authority, it is to be paid by the Welsh Revenue Authority, and

(f) in any other case, it is to be paid by the employer of the investigator.

(10) The Secretary of State may by regulations amend subsection (9).

(11) The power in subsection (10) is exercisable by the Department of Justice (and not by the Secretary of State) so far as it may be used to make provision that—

(a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

(b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.

(12) In this section—

"the relevant cryptoassets" means—

(a) in relation to converted cryptoassets detained under section 303Z57, the cryptoassets mentioned in subsection (1) of that section;

(b) in relation to converted cryptoassets detained under section 303Z58, the cryptoassets mentioned in subsection (1) of that section;

"the relevant crypto wallet freezing order", in relation to converted cryptoassets detained under section 303Z58, means the crypto wallet freezing order mentioned in subsection (1) of that section.

303Z65 Powers for prosecutors to appear in proceedings

(1) The Director of Public Prosecutions or the Director of Public Prosecutions for Northern Ireland may appear for a constable or an accredited financial investigator in proceedings under this Chapter if the Director—

(a) is asked by, or on behalf of, a constable or (as the case may be) an accredited financial investigator to do so, and

(b) considers it appropriate to do so.

(2) The Director of Public Prosecutions may appear for the Commissioners for His Majesty's Revenue and Customs or an officer of Revenue and Customs in proceedings under this Chapter if the Director—

(a) is asked by, or on behalf of, the Commissioners for His Majesty's Revenue and Customs or (as the case may be) an officer of Revenue and Customs to do so, and

(b) considers it appropriate to do so.

(3) The Directors may charge fees for the provision of services under this section.

(4) The references in subsection (1) to an accredited financial investigator do not include an accredited financial investigator who is an officer of Revenue and Customs but the references in subsection (2) to an officer of Revenue and Customs do include an accredited financial investigator who is an officer of Revenue and Customs.

Interpretation

303Z66 Interpretation

(1) In this Chapter—

"converted cryptoassets" is to be read in accordance with sections 303Z57 and 303Z58;

"crypto wallet freezing order" has the same meaning as in Chapter 3D (see section 303Z36);

"enforcement officer" has the meaning given by section 303Z20;

"relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court, and

(b) in Scotland, the sheriff;

"relevant financial institution" has the meaning given by section 303Z1(6);

"UK-connected cryptoasset service provider" has the meaning given by section 303Z36.

(2) Section 303Z36(4)(b) applies in relation to this Chapter as it applies in relation to Chapter 3D.

(3) In this Chapter references to the conversion of cryptoassets into money are references to the conversion of cryptoassets into—

(a) cash, or

(b) money held in an account maintained with a relevant financial institution."

PART 2

CONSEQUENTIAL AND OTHER AMENDMENTS

Amendments to the Proceeds of Crime Act 2002

2 In section 2C(3A) of the Proceeds of Crime Act 2002 (prosecuting authorities), for "or 303Z19" substitute ", 303Z19, 303Z53 or 303Z65".

3 (1) Part 2 of the Proceeds of Crime Act 2002 (confiscation: England and Wales) is amended as follows.

(2) In section 7 (recoverable amount)—

(a) in subsection (4)(c), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (4)(d), after "303Q(1)" insert "or 303Z44(1)".

(3) In section 82 (free property)—

(a) in subsection (2)—

(i) in paragraph (ea), for "or 10Z2(3)" substitute ", 10Z2(3), 10Z7AG(1), 10Z7BB(2), 10Z7CA(3), 10Z7CE(3) or 10Z7DG(3)";

(ii) in paragraph (f), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z32(1), 303Z37(2), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (3)—

(i) after paragraph (b) insert—

"(ba) it is detained under section 303Z30, 303Z31 or 303Z32 in a case where section 303Z42(2) applies;

(bb) it is detained under section 303Z57 or 303Z58 in a case where section 303Z60(6) applies;";

(ii) in paragraph (c), after "303Q(1)" insert "or 303Z44(1)";

(iii) after paragraph (e) insert—

"(ea) it is detained under paragraph 10Z7AE, 10Z7AF or 10Z7AG of that Schedule in a case where paragraph 10Z7CB(2) of that Schedule applies;

(eb) it is detained under paragraph 10Z7DD or 10Z7DE of that Schedule in a case where paragraph 10Z7DG(5) of that Schedule applies;";

(iv) in paragraph (f), after "10I(1)" insert "or 10Z7CD(1)".

4 (1) Part 3 of the Proceeds of Crime Act 2002 (confiscation: Scotland) is amended as follows.

(2) In section 93 (recoverable amount)—

(a) in subsection (4)(c), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (4)(d), after "303Q(1)" insert "or 303Z44(1)".

(3) In section 148 (free property)—

(a) in subsection (2)—

(i) in paragraph (ea), for "or 10Z2(3)" substitute ", 10Z2(3), 10Z7AG(1), 10Z7BB(2), 10Z7CA(3), 10Z7CE(3) or 10Z7DG(3)";

(ii) in paragraph (f), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z32(1), 303Z37(2), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (3)—

(i) after paragraph (b) insert—

"(ba) it is detained under section 303Z30, 303Z31 or 303Z32 in a case where section 303Z42(2) applies;

(bb) it is detained under section 303Z57 or 303Z58 in a case where section 303Z60(6) applies;";

(ii) in paragraph (c), after "303Q(1)" insert "or 303Z44(1)";

(iii) after paragraph (e) insert—

"(ea) it is detained under paragraph 10Z7AE, 10Z7AF or 10Z7AG of that Schedule in a case where paragraph 10Z7CB(2) of that Schedule applies;

(eb) it is detained under paragraph 10Z7DD or 10Z7DE of that Schedule in a case where paragraph 10Z7DG(5) of that Schedule applies;";

(iv) in paragraph (f), after "10I(1)" insert "or 10Z7CD(1)".

5 (1) Part 4 of the Proceeds of Crime Act 2002 (confiscation: Northern Ireland) is amended as follows.

(2) In section 157 (recoverable amount)—

(a) in subsection (4)(c), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (4)(d), after "303Q(1)" insert "or 303Z44(1)".

(3) In section 230 (free property)—

(a) in subsection (2)—

(i) in paragraph (ea), for "or 10Z2(3)" substitute ", 10Z2(3), 10Z7AG(1), 10Z7BB(2), 10Z7CA(3), 10Z7CE(3) or 10Z7DG(3)";

(ii) in paragraph (f), for "or 303Z14(4)" substitute ", 303Z14(4), 303Z32(1), 303Z37(2), 303Z41(4), 303Z45(3) or 303Z60(4)";

(b) in subsection (3)—

(i) after paragraph (b) insert—

"(ba) it is detained under section 303Z30, 303Z31 or 303Z32 in a case where section 303Z42(2) applies;

(bb) it is detained under section 303Z57 or 303Z58 in a case where section 303Z60(6) applies;";

(ii) in paragraph (c), after "303Q(1)" insert "or 303Z44(1)";

(iii) after paragraph (e) insert—

"(ea) it is detained under paragraph 10Z7AE, 10Z7AF or 10Z7AG of that Schedule in a case where paragraph 10Z7CB(2) of that Schedule applies;

(eb) it is detained under paragraph 10Z7DD or 10Z7DE of that Schedule in a case where paragraph 10Z7DG(5) of that Schedule applies;";

(iv) in paragraph (f), after "10I(1)" insert "or 10Z7CD(1)".

6 (1) Part 5 of the Proceeds of Crime Act 2002 (civil recovery of the proceeds etc of unlawful conduct) is amended as follows.

(2) In section 278 (limit on recovery)—

(a) in subsection (7)(a), for "or 303Z14" substitute ", 303Z14, 303Z41, 303Z45 or 303Z60";

(b) after subsection (7A) insert—

"(7B) If—

(a) an order is made under section 303Z44 instead of an order being made under section 303Z41 for the forfeiture of recoverable property, and

(b) the enforcement authority subsequently seeks a recovery order in respect of related property,

the order under section 303Z44 is to be treated for the purposes of this section as if it were a recovery order obtained by the enforcement authority in respect of the property that was the forfeitable property in relation to the order under section 303Z44."

(3) In section 290 (prior approval - cash), in subsection (6A)—

(a) after "section 303J" insert ", 303Z26 or 303Z29";

(b) after "section 303K(5)" insert ", 303Z27(3) or (as the case may be) 303Z31(3)".

(4) In section 303E (prior approval - listed assets), in subsection (7)—

(a) after "section 294" insert "or property by virtue of section 303Z26 or 303Z29";

(b) after "cash", in the second place it occurs, insert "or property";

(c) after "section 295(1B)" insert ", 303Z27(3) or (as the case may be) 303Z31(3)".

(5) Before section 303Z18 (but after the italic heading "Supplementary") insert—

"303Z17A Victims and other owners

(1) A person who claims that money in respect of which an account freezing order has effect belongs to them may apply for the money to be released.

(2) An application under subsection (1) is to be made—

(a) in England and Wales or Northern Ireland, to a magistrates' court;

(b) in Scotland, to the sheriff.

(3) The application may be made in the course of proceedings under section 303Z3 or 303Z14 or at any other time.

(4) The court or sheriff may, subject to subsection (8), order the money to which the application relates to be released to the applicant if it appears to the court or sheriff that—

(a) the applicant was deprived of the money to which the application relates, or of property which it represents, by unlawful conduct,

(b) the money the applicant was deprived of was not, immediately before the applicant was deprived of it, recoverable property, and

(c) the money belongs to the applicant.

(5) If subsection (6) applies, the court or sheriff may, subject to subsection (8), order the money to which the application relates to be released to the applicant.

(6) This subsection applies where—

(a) the applicant is not the person from whom the money to which the application relates was seized,

(b) it appears to the court or sheriff that the money belongs to the applicant,

(c) the court or sheriff is satisfied that the release condition is met in relation to the money, and

(d) no objection to the making of an order under subsection (5) has been made by the person from whom the money was seized.

(7) The release condition is met—

(a) in relation to money held in a frozen account, if the conditions for making an order under section 303Z3 in relation to the money are no longer met, or

(b) in relation to money held in a frozen account which is subject to an application for forfeiture under section 303Z14, if the court or sheriff decides not to make an order under that section in relation to the money.

(8) Money is not to be released under this section—

(a) if an account forfeiture notice under section 303Z9 is given in respect of the money, until any proceedings in pursuance of the notice (including any proceedings on appeal) are concluded;

(b) if an application for its forfeiture under section 303Z14 is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.

(9) In relation to money held in an account that is subject to an account freezing order, references in this section to a person from whom money was seized include a reference to a person by or for whom the account was operated immediately before the account freezing order was made."

(6) After section 311 insert—

"Chapters 3C to 3F: supplementary

311A Financial investigators

(1) This section applies where an accredited financial investigator of a particular description—

(a) applies for an order under section 303Z28, 303Z32, 303Z57 or 303Z58 (further detention of cryptoassets etc),

(b) applies for forfeiture under section 303Z41 or 303Z60 (forfeiture of cryptoassets etc), or

(c) brings an appeal under, or relating to, Chapter 3E or 3F (cryptoassets etc).

(2) Any subsequent step in the application or appeal, or any further application or appeal relating to the same matter, may be taken, made or brought by a different accredited financial investigator of the same description."

(7) In section 312(2) (performance of functions by Scottish Ministers)—

(a) in paragraph (c), for "271(3) and (4)" substitute "271", and

(b) after paragraph (p) insert—

"(q) section 303Z20(3) (cryptoassets);

(r) section 303Z25 (codes of practice);

(s) section 303Z28(5)(b) (further detention of seized cryptoasset-related items);

(t) section 303Z32(5)(b) (further detention of seized cryptoassets);

(u) section 303Z34(4) and (5)(b)(i) (release of cryptoassets and cryptoasset-related items);

(v) section 303Z35(5) (crypto wallets);

(w) section 303Z41(2)(b) (forfeiture of cryptoassets);

(x) section 303Z42(10) (forfeiture of cryptoassets: supplementary);

(y) section 303Z44 (agreements about associated and joint property);

(z) section 303Z45(10) (associated and joint property: default of agreement);

(z1) section 303Z46(2) (continuation of crypto wallet freezing order pending appeal);

(z2) section 303Z47(1) (sections 303Z41 to 303Z45: appeals);

(z3) section 303Z57(7)(b) (detained cryptoassets: detention of proceeds of conversion);

(z4) section 303Z58(6)(b) (frozen crypto wallets: detention of proceeds of conversion);

(z5) section 303Z60(2) (forfeiture of converted cryptoassets);

(z6) section 303Z61(1) (appeal against decision under section 303Z60)."

7 In section 316(1) (general interpretation)—

(a) in the definition of "the court", for "and 3B" substitute ", 3B, 3C, 3D, 3E and 3F";

(b) at the appropriate places insert—

""cryptoasset" has the meaning given by section 303Z20;";

""crypto wallet" has the meaning given by section 303Z20;";

""justice of the peace", in relation to Northern Ireland, means lay magistrate;".

8 (1) Part 8 of the Proceeds of Crime Act 2002 (investigations) is amended as follows.

(2) In section 341 (investigations), after subsection (3C) insert—

"(3D) For the purposes of this Part a cryptoasset investigation is an investigation for the purposes of Chapter 3C, 3D, 3E or 3F of Part 5 and includes investigation into—

(a) the derivation of cryptoassets detained under Chapter 3C (including where the cryptoassets have been converted into money in accordance with Chapter 3F),

(b) whether cryptoassets or converted cryptoassets detained under Chapter 3C or 3F are intended by any person to be used in unlawful conduct,

(c) the derivation of cryptoassets held in a crypto wallet in relation to which a crypto wallet freezing order made under section 303Z37 has effect (including where the cryptoassets have been converted into money in accordance with Chapter 3F), or

(d) whether cryptoassets held in such a wallet are intended by any person to be used in unlawful conduct."

(3) In section 342 (offences of prejudicing investigation), in subsection (1) after "frozen funds investigation" insert ", a cryptoasset investigation".

(4) In section 343 (judges), in subsection (2) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(5) In section 344 (courts), in paragraph (a) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(6) In section 345 (production orders), in subsection (2)(b) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(7) In section 346 (requirements for making of production order), in subsection (2), after paragraph (bf) insert—

"(bg) in the case of a cryptoasset investigation into the derivation of cryptoassets, the cryptoassets the application for the order specifies as being subject to the investigation (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are recoverable property;

(bh) in the case of a cryptoasset investigation into the intended use of cryptoassets, the cryptoassets the application for the order specifies as being subject to the investigation (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are intended by any person to be used in unlawful conduct."

(8) In section 350 (Government departments), in subsection (5)(a) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(9) In section 352 (search and seizure warrants), in subsection (2)(b) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(10) In section 353 (requirements where production order not available), in subsection (2), after paragraph (bf) insert—

"(bg) in the case of a cryptoasset investigation into the derivation of cryptoassets, the cryptoassets specfied in the application for the warrant (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are recoverable property;

(bh) in the case of a cryptoasset investigation into the intended use of cryptoassets, the cryptoassets specified in the application for the warrant (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are intended by any person to be used in unlawful conduct."

(11) Section 355 (further provisions) is amended as follows—

(a) in the heading, for "and frozen funds" substitute ", frozen funds and cryptoasset";

(b) in subsection (1)(a), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(12) In section 357 (disclosure orders), in subsection (2) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(13) In section 363 (customer information orders), in subsection (1A) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(14) In section 370 (account monitoring orders), in subsection (1A) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(15) Section 375A (evidence overseas) is amended as follows—

(a) in subsection (1), after "frozen funds investigation" insert ", a cryptoasset investigation";

(b) in subsection (5), after paragraph (bb) insert—

"(bc) in relation to an application or request made for the purposes of a cryptoasset investigation, evidence as to a matter described in section 341(3D)(a) to (d);".

(16) In section 375B (evidence overseas: restrictions on use), in subsection (3), after paragraph (bb) insert—

"(bc) if the request was made for the purposes of a cryptoasset investigation, proceedings under Chapter 3C, 3D, 3E or 3F of Part 5 of this Act arising out of the investigation;".

(17) In section 378 (officers), after subsection (3F) insert—

"(3G) In relation to a cryptoasset investigation these are appropriate officers—

(a) a constable;

(b) an SFO officer;

(c) an accredited financial investigator who falls within a description specified in an order made for the purposes of this paragraph by the Secretary of State or the Welsh Ministers under section 453;

(d) an officer of Revenue and Customs.

(3H) In relation to a cryptoasset investigation these are senior appropriate officers—

(a) a police officer who is not below the rank of inspector;

(b) the Director of the Serious Fraud Office;

(c) an accredited financial investigator who falls within a description specified in an order made for the purposes of this paragraph by the Secretary of State or the Welsh Ministers under section 453;

(d) an officer of Revenue and Customs who is not below such grade as is designated by the Commissioners for His Majesty's Revenue and Customs as equivalent to the police rank of inspector."

(18) In section 380 (production orders)—

(a) in subsection (2), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation";

(b) in subsection (3)(b), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(19) In section 381 (requirements for making of production order), in subsection (2), after paragraph (bf) insert—

"(bg) in the case of a cryptoasset investigation into the derivation of cryptoassets, the cryptoassets the application for the order specifies as being subject to the investigation (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are recoverable property;

(bh) in the case of a cryptoasset investigation into the intended use of cryptoassets, the cryptoassets the application for the order specifies as being subject to the investigation (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are intended by any person to be used in unlawful conduct."

(20) In section 385 (Government departments), in subsection (4)(b) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(21) In section 386 (production orders: supplementary), in subsection (3)(b), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(22) In section 387 (search warrants), in subsection (3)(b) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(23) In section 388 (requirements where production order not available), in subsection (2), after paragraph (bf) insert—

"(bg) in the case of a cryptoasset investigation into the derivation of cryptoassets, the cryptoassets specfied in the application for the warrant (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are recoverable property;

(bh) in the case of a cryptoasset investigation into the intended use of cryptoassets, the cryptoassets specified in the application for the warrant (or, if the cryptoassets have been converted into money in accordance with Chapter 3F of Part 5, the converted cryptoassets) are intended by any person to be used in unlawful conduct."

(24) Section 390 (further provisions) is amended as follows—

(a) in the heading, for "and money laundering" substitute ", money laundering and cryptoasset";

(b) in subsection (1), for "or money laundering investigations" substitute ", money laundering investigations or cryptoasset investigations";

(c) in subsections (5), (6) and (7), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(25) In section 391 (disclosure orders), in subsection (2) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(26) In section 397 (customer information orders), in subsection (1A) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(27) In section 404 (account monitoring orders), in subsection (1A) for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(28) Section 408A (evidence overseas) is amended as follows—

(a) in subsection (1), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation";

(b) in subsection (5), after paragraph (d) insert—

"(e) in relation to an application or request made for the purposes of a cryptoasset investigation, evidence as to a matter described in section 341(3D)(a) to (d);".

(29) In section 408B (evidence overseas: restrictions on use) in subsection (3), after paragraph (d) insert—

"(e) if the request was made for the purposes of a cryptoasset investigation, proceedings under Chapter 3C, 3D, 3E or 3F of Part 5 of this Act arising out of the investigation;".

(30) In section 412 (interpretation)—

(a) in the definition of "appropriate person", in paragraph (b), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation";

(b) in the definition of "proper person", in paragraph (b), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(31) In section 416 (other interpretative provisions), in subsection (1), after the entry for "confiscation investigation" insert—

"cryptoasset investigation: section 341(3D)".

9 In section 438 of the Proceeds of Crime Act 2002 (disclosure of information by certain authorities), in subsection (1)(f), for "or 3B" substitute ", 3B, 3C, 3D, 3E or 3F".

10 In section 441 of the Proceeds of Crime Act 2002 (disclosure of information by Lord Advocate and by Scottish Ministers)—

(a) in subsection (1), for "or 3A" substitute ", 3A, 3C or 3F";

(b) in subsection (2)(g), for "or 3B" substitute ", 3B, 3C, 3D, 3E or 3F".

11 In section 450 of the Proceeds of Crime Act 2002 (pseudonyms: Scotland), in subsection (1)(a), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

12 In section 453A of the Proceeds of Crime Act 2002 (certain offences in relation to financial investigators), in subsection (5), at the end of paragraph (dc) (before the "or") insert—

"(dd) section 303Z21 (powers to search for cryptoasset-related items);

(de) section 303Z26 (powers to seize cryptoasset-related items);

(df) section 303Z27 (powers to detain cryptoasset-related items);".

13 In section 453B of the Proceeds of Crime Act 2002 (certain offences in relation to SFO officers), in subsection (5), after paragraph (g) insert—

"(ga) section 303Z21 (powers to search for cryptoasset-related items);

(gb) section 303Z26 (powers to seize cryptoasset-related items);

(gc) section 303Z27 (powers to detain cryptoasset-related items);".

14 In section 453C of the Proceeds of Crime Act 2002 (obstruction offence in relation to immigration officers), in subsection (3), after paragraph (g) insert—

"(ga) section 303Z21 (powers to search for cryptoasset-related items) as applied by section 24 of the UK Borders Act 2007 (exercise of civil recovery powers by immigration officers);

(gb) section 303Z26 as so applied (powers to seize cryptoasset-related items);

(gc) section 303Z27 as so applied (powers to detain cryptoasset-related items);".

15 (1) Section 459 of the Proceeds of Crime Act 2002 (orders and regulations) is amended as follows.

(2) In subsection (4)(aza) (exceptions to negative procedure), for "or 303Z18(10)" substitute ", 303Z18(10), 303Z20(2), 303Z35(4), 303Z42(7), 303Z52(10) or 303Z64(10)".

(3) In subsection (6ZB) (application of affirmative procedure), for "or 303Z18(10)" substitute ", 303Z18(10), 303Z20(2), 303Z35(4), 303Z42(7), 303Z52(10) or 303Z64(10)".

(4) In subsection (6A) (hybrid instruments), for "or 303Z18(10)" substitute ", 303Z18(10), 303Z52(10) or 303Z64(10)".

Amendments to the Civil Jurisdiction and Judgments Act 1982

16 (1) Section 18 of the Civil Jurisdiction and Judgments Act 1982 (enforcement of UK judgments in other parts of UK) is amended as follows.

(2) In subsection (2)(g), for "or a frozen funds investigation" substitute ", a frozen funds investigation or a cryptoasset investigation".

(3) In subsection (4ZB)—

(a) after paragraph (b) insert—

"(ba) a crypto wallet freezing order made under section 303Z37 of that Act;

(bb) an order for the forfeiture of cryptoassets made under section 303Z41 or 303Z45 of that Act;";

(b) after paragraph (d) insert—

"(da) a crypto wallet freezing order made under paragraph 10Z7BB of that Schedule;

(db) an order for the forfeiture of cryptoassets made under paragraph 10Z7CA or 10Z7CE of that Schedule."

(4) In subsection (5)(d)(i)—

(a) after "(a)" insert ", (ba)";

(b) for "or (c)" substitute ", (c) or (da)".

Amendments to the UK Borders Act 2007

17 (1) Section 24 of the UK Borders Act 2007 (exercise of civil recovery powers by immigration officers) is amended as follows.

(2) In subsection (1), for "3B" substitute "3F".

(3) In subsection (2)(a), for "Chapter 3B" substitute "Chapters 3B to 3F".

(4) In subsection (2)(c), after "303Z2(4))" insert ", Chapter 3C (see section 303Z20(4)), Chapter 3D (see section 303Z36(8)) and Chapter 3E (see section 303Z41(9))".

(5) In subsection (2)(d), after "303G" insert "(including as section 303G is applied by section 303Z25)".

(6) In subsection (2)(e), after "303I" insert "(including as sections 303H and 303I are applied by section 303Z25)".

(7) In subsection (2)(f)—

(a) in the opening words, for "or 303L(1)" substitute ", 303L(1), 303Z28(1) or (4), 303Z32(1) or (4) or 303Z57(3) or (5)";

(b) in sub-paragraph (ii), for "or (as the case may be) 303O" substitute ", 303O, 303Z41 or (as the case may be) 303Z60".

(8) In subsection (2)(g), for "or 303Z14" substitute ", 303Z14, 303Z41 or 303Z60".

(9) In subsection (2)(h), for "or 303Z18" substitute ", 303Z18, 303Z52 or 303Z64".

SCHEDULE 10

Section 181

CRYPTOASSETS: TERRORISM

PART 1

AMENDMENTS TO THE ANTI-TERRORISM, CRIME AND SECURITY ACT 2001

1 Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (forfeiture of terrorist property) is amended as follows.

2 After Part 4B insert—

"PART 4BA

SEIZURE AND DETENTION OF TERRORIST CRYPTOASSETS

Interpretation

10Z7A(1) In this Schedule—

"cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;

"crypto wallet" means—

(a) software,

(b) hardware,

(c) a physical item, or

(d) any combination of the things mentioned in paragraphs (a) to (c),

which is used to store the cryptographic private key that allows cryptoassets to be accessed;

"terrorist cryptoasset" means a cryptoasset which—

(a) is within subsection (1)(a) or (b) of section 1, or

(b) is earmarked as terrorist property.

(2) The Secretary of State may by regulations made by statutory instrument amend the definitions of "cryptoasset" and "crypto wallet" in sub-paragraph (1).

(3) Regulations under sub-paragraph (2)—

(a) may make different provision for different purposes;

(b) may make consequential, supplementary, incidental, transitional, transitory or saving provision.

(4) A statutory instrument containing regulations under sub-paragraph (2) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(5) In this Part—

"cryptoasset-related item" means an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under this Part of terrorist cryptoassets;

"senior officer" means—

(a) a senior police officer;

(b) an officer of Revenue and Customs of a rank designated by the Commissioners for His Majesty's Revenue and Customs as equivalent to that of a senior police officer;

(c) an immigration officer of a rank designated by the Secretary of State as equivalent to that of a senior police officer;

"senior police officer" means a police officer of at least the rank of superintendent.

Seizure of cryptoasset-related items

10Z7AA(1) An authorised officer may seize any item of property if the authorised officer has reasonable grounds for suspecting that the item is a cryptoasset-related item.

(2) If an authorised officer is lawfully on any premises, the officer may, for the purpose of—

(a) determining whether any property is a cryptoasset-related item, or

(b) enabling or facilitating the seizure under this Part of any terrorist cryptoasset,

require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.

(3) But sub-paragraph (2) does not authorise an authorised officer to require a person to produce privileged information.

(4) In this paragraph "privileged information" means information which a person would be entitled to refuse to provide—

(a) in England and Wales and Northern Ireland, on grounds of legal professional privilege in proceedings in the High Court;

(b) in Scotland, on grounds of confidentiality of communications in proceedings in the Court of Session.

(5) Where an authorised officer has seized a cryptoasset-related item under sub-paragraph (1), the officer may use any information obtained from the item for the purpose of—

(a) identifying or gaining access to a crypto wallet, and

(b) by doing so, enabling or facilitating the seizure under this Part of any cryptoassets.

Initial detention of cryptoasset-related items

10Z7AB(1) Property seized under paragraph 10Z7AA may be detained for an initial period of 48 hours.

(2) Sub-paragraph (1) authorises the detention of property only for so long as an authorised officer continues to have reasonable

grounds for suspicion in relation to that property as described in paragraph 10Z7AA(1).

(3) In calculating a period of 48 hours for the purposes of this paragraph, no account is to 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 1971 in the part of the United Kingdom within which the property is seized, or

(e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.

Further detention of cryptoasset-related items

10Z7AC(1) The period for which property seized under paragraph 10Z7AA may be detained may be extended by an order made—

(a) in England and Wales or Northern Ireland, by a magistrates' court;

(b) in Scotland, by the sheriff.

(2) An order under sub-paragraph (1) may not authorise the detention of any property—

(a) beyond the end of the period of 6 months beginning with the date of the order, and

(b) in the case of any further order under this paragraph, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to sub-paragraph (4).

(3) A justice of the peace may also exercise the power of a magistrates' court to make the first order under sub-paragraph (1).

(4) The court or sheriff may make an order for the period of 2 years in sub-paragraph (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.

(5) An application to a magistrates' court, a justice of the peace or the sheriff to make the first order under sub-paragraph (1) extending a particular period of detention—

(a) may be made and heard without notice of the application or hearing having been given to any of the persons affected by the application or to the legal representatives of such a person, and

(b) may be heard and determined in private in the absence of persons so affected and of their legal representatives.

(6) An application for an order under sub-paragraph (1) or (4) may be made—

(a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;

(b) in relation to Scotland, by a procurator fiscal.

(7) The court, sheriff or justice may make an order under sub-paragraph (1) if satisfied, in relation to the item of property to be further detained, that—

(a) there are reasonable grounds for suspecting that it is a cryptoasset-related item, and

(b) its continuing detention is justified.

(8) The court or sheriff may make an order under sub-paragraph (4) if satisfied that a request for assistance is outstanding in relation to the item of property to be further detained.

(9) A "request for assistance" in sub-paragraph (8) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the property to be further detained, made —

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an authorised officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Schedule, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas).

(10) An order under sub-paragraph (1) must provide for notice to be given to persons affected by the order.

Seizure of cryptoassets

10Z7AD(1) An authorised officer may seize cryptoassets if the authorised officer has reasonable grounds for suspecting that the cryptoassets are terrorist cryptoassets.

(2) The circumstances in which a cryptoasset is "seized" for the purposes of sub-paragraph (1) include circumstances in which it is transferred into a crypto wallet controlled by the authorised officer.

Prior authorisation for detention of cryptoassets

10Z7AE(1) Where an order is made under paragraph 10Z7AC in respect of a cryptoasset-related item, the court, sheriff or justice making the order may, at the same time, make an order to authorise the detention of any cryptoassets that may be seized as a result of information obtained from that item.

(2) An application for an order under this paragraph may be made, by a person mentioned in paragraph 10Z7AC(6), at the same time as an application for an order under paragraph 10Z7AC is made by that person.

(3) The court, sheriff or justice may make an order under this paragraph if satisfied that there are reasonable grounds for suspecting that the cryptoassets that may be seized are terrorist cryptoassets.

(4) An order under this paragraph authorises detention of the cryptoassets for the same period of time as the order under paragraph 10Z7AC authorises detention in respect of the cryptoasset-related item to which those cryptoassets relate.

Initial detention of cryptoassets

10Z7AF(1) Cryptoassets seized under paragraph 10Z7AD may be detained for an initial period of 48 hours.

(2) Sub-paragraph (1) authorises the detention of cryptoassets only for so long as an authorised officer continues to have reasonable grounds for suspicion in relation to those cryptoassets as described in paragraph 10Z7AD(1).

(3) In calculating a period of 48 hours for the purposes of this paragraph, no account is to 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 1971 in the part of the United Kingdom within which the property is seized, or

(e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.

(4) This paragraph is subject to paragraph 10Z7AE.

Further detention of cryptoassets

10Z7AG(1) The period for which cryptoassets seized under paragraph 10Z7AD may be detained may be extended by an order made—

(a) in England and Wales or Northern Ireland, by a magistrates' court;

(b) in Scotland, by the sheriff.

(2) An order under sub-paragraph (1) may not authorise the detention of any cryptoassets—

(a) beyond the end of the period of 6 months beginning with the date of the order, and

(b) in the case of any further order under this paragraph, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to sub-paragraph (4).

(3) A justice of the peace may also exercise the power of a magistrates' court to make the first order under sub-paragraph (1).

(4) The court or sheriff may make an order for the period of 2 years in sub-paragraph (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.

(5) An application to a magistrates' court, a justice of the peace or the sheriff to make the first order under sub-paragraph (1) extending a particular period of detention—

(a) may be made and heard without notice of the application or hearing having been given to any of the persons affected by the application or to the legal representatives of such a person, and

(b) may be heard and determined in private in the absence of persons so affected and of their legal representatives.

(6) An application for an order under sub-paragraph (1) or (4) may be made—

(a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;

(b) in relation to Scotland, by a procurator fiscal.

(7) The court, sheriff or justice may make an order under sub-paragraph (1) if satisfied, in relation to the cryptoassets to be further detained, that condition 1, condition 2 or condition 3 is met.

(8) Condition 1 is that there are reasonable grounds for suspecting that the cryptoassets are intended to be used for the purposes of terrorism and that either—

(a) their continued detention is justified while their intended use is further investigated or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against any person for an offence with which the cryptoassets are connected, or

(b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.

(9) Condition 2 is that there are reasonable grounds for suspecting that the cryptoassets consist of resources of an organisation which is a proscribed organisation and that either—

(a) their continued detention is justified while investigation is made into whether or not they consist of such resources or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against any person for an offence with which the cryptoassets are connected, or

(b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.

(10) Condition 3 is that there are reasonable grounds for suspecting that the cryptoassets are property earmarked as terrorist property and that either—

(a) their continued detention is justified while their derivation is further investigated or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against

any person for an offence with which the cryptoassets are connected, or

(b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.

(11) The court or sheriff may make an order under sub-paragraph (4) if satisfied that a request for assistance is outstanding in relation to the cryptoassets to be further detained.

(12) A "request for assistance" in sub-paragraph (11) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the property to be further detained, made —

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an authorised officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Schedule, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas).

(13) An order under sub-paragraph (1) must provide for notice to be given to persons affected by the order.

Safekeeping of cryptoasset-related items and cryptoassets

10Z7AH(1) An authorised officer must arrange for any item of property seized under paragraph 10Z7AA to be safely stored throughout the period during which it is detained under this Part.

(2) An authorised officer must arrange for any cryptoassets seized under paragraph 10Z7AD to be safely stored throughout the period during which they are detained under this Part.

Release of cryptoasset-related items and cryptoassets

10Z7AI(1) This paragraph applies while any cryptoasset or other item of property is detained under this Part.

(2) A magistrates' court or (in Scotland) the sheriff may, subject to sub-paragraph (9), direct the release of the whole or any part of the property if the following condition is met.

(3) The condition is that the court or sheriff is satisfied, on an application by the person from whom the property was seized, that the conditions for the detention of the property in this Part are no longer met in relation to the property to be released.

(4) A person within sub-paragraph (5) may, subject to sub-paragraph (9) and after notifying the magistrates' court, sheriff or justice under whose order property is being detained, release the whole or any part of the property if satisfied that the detention of the property to be released is no longer justified.

(5) The following persons are within this sub-paragraph—
  (a) in relation to England and Wales and Northern Ireland, an authorised officer;
  (b) in relation to Scotland, a procurator fiscal.

(6) If any cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, an authorised officer may—
  (a) retain the item and deal with it as they see fit,
  (b) dispose of the item, or
  (c) destroy the item.

(7) The powers in sub-paragraph (6) may be exercised only—
  (a) where the authorised officer has taken reasonable steps to notify—
    (i) the person from whom the item was seized, and
    (ii) any other persons who the authorised officer has reasonable grounds to believe have an interest in the item,
  that the item has been released, and
  (b) with the approval of a senior officer.

(8) Any proceeds of a disposal of the item are to be paid—
  (a) into the Consolidated Fund if—
    (i) the item was directed to be released by a magistrates' court, or
    (ii) a magistrates' court or justice was notified under sub-paragraph (4) of the release;
  (b) into the Scottish Consolidated Fund if—
    (i) the item was directed to be released by the sheriff, or
    (ii) the sheriff was notified under sub-paragraph (4) of the release.

(9) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the property is connected, the property is not to be released under this paragraph (and so is to continue to be detained) until the proceedings are concluded.

PART 4BB

TERRORIST CRYPTOASSETS: CRYPTO WALLET FREEZING ORDERS

Interpretation

10Z7B(1) In this Part—
  (a) "cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

(i) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,

(ii) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or

(iii) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;

(b) "custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(i) cryptoassets on behalf of its customers, or

(ii) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets;

(c) "cryptoasset service provider" includes cryptoasset exchange provider and custodian wallet provider.

(2) In the definition of "cryptoasset exchange provider" in sub-paragraph (1)—

(a) "cryptoasset" includes a right to, or interest in, a cryptoasset;

(b) "money" means—

(i) money in sterling,

(ii) money in any other currency, or

(iii) money in any other medium of exchange,

but does not include a cryptoasset.

(3) The Secretary of State may by regulations made by statutory instrument amend the definitions in sub-paragraphs (1) and (2).

(4) Regulations under sub-paragraph (3)—

(a) may make different provision for different purposes;

(b) may make consequential, supplementary, incidental, transitional, transitory or saving provision.

(5) A statutory instrument containing regulations under sub-paragraph (3) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(6) For the purposes of this Part—

(a) a crypto wallet freezing order is an order that, subject to any exclusions (see paragraph 10Z7BD), prohibits each person by or for whom the crypto wallet to which the order applies is administered from—

(i) making withdrawals or payments from the crypto wallet, or

(ii) using the crypto wallet in any other way;

(b) a crypto wallet is administered by or for a person if the person is the person to whom services are being provided by a cryptoasset service provider in relation to that crypto wallet.

(7) In this Part—

"enforcement officer" means—

(a) a constable, or

(b) a counter-terrorism financial investigator;

"relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court, and

(b) in Scotland, the sheriff;

"senior officer" means a police officer of at least the rank of superintendent;

"UK-connected cryptoasset service provider" means a cryptoasset service provider which—

(a) is acting in the course of business carried on by it in the United Kingdom,

(b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,

(c) holds, in the United Kingdom, any data relating to the persons to whom it provides services, or

(d) meets the condition in sub-paragraph (8).

(8) The condition in this sub-paragraph is that—

(a) the cryptoasset service provider has its registered office, or if it does not have one, its head office in the United Kingdom, and

(b) the day-to-day management of the provider's business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

Application for crypto wallet freezing order

10Z7BA(1) This paragraph applies if an enforcement officer has reasonable grounds for suspecting that cryptoassets held in a crypto wallet administered by a UK-connected cryptoasset service provider are terrorist cryptoassets.

(2) Where this paragraph applies the enforcement officer may apply to the relevant court for a crypto wallet freezing order in relation to the crypto wallet in which the cryptoassets are held.

(3) But—

(a) an enforcement officer may not apply for a crypto wallet freezing order unless the officer is a senior officer or is authorised to do so by a senior officer, and

(b) the senior officer must consult the Treasury before making the application for the order or (as the case may be) authorising the application to be made, unless in the circumstances it is not reasonably practicable to do so.

(4) An application for a crypto wallet freezing order may be made without notice if the circumstances of the case are such that notice of the application would prejudice the taking of any steps under this Schedule to forfeit cryptoassets that are terrorist cryptoassets.

(5) An application for a crypto wallet freezing order under this paragraph may be combined with an application for an account freezing order under paragraph 10Q where a single entity—

(a) is both a relevant financial institution for the purposes of paragraph 10Q and a cryptoasset service provider for the purposes of this Part, and

(b) operates or administers, for the same person, both an account holding money and a crypto wallet.

Making of crypto wallet freezing order

10Z7BB(1) This paragraph applies where an application for a crypto wallet freezing order is made under paragraph 10Z7BA in relation to a crypto wallet.

(2) The relevant court may make the order if satisfied that there are reasonable grounds for suspecting that some or all of the cryptoassets held in the crypto wallet are terrorist cryptoassets.

(3) A crypto wallet freezing order ceases to have effect at the end of the period specified in the order (which may be varied under paragraph 10Z7BC) unless it ceases to have effect at an earlier or later time in accordance with this Part or Part 4BC or 4BD.

(4) The period specified by the relevant court for the purposes of sub-paragraph (3) (whether when the order is first made or on a variation under paragraph 10Z7BC) may not exceed the period of 2 years, beginning with the day on which the crypto wallet freezing order is (or was) made; but this is subject to sub-paragraph (5).

(5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order is (or was) made.

(6) The relevant court may make an order under sub-paragraph (5) if satisfied that a request for assistance is outstanding in relation to some or all of the cryptoassets held in the crypto wallet.

(7) A "request for assistance" in sub-paragraph (6) means a request for assistance in obtaining evidence (including information in any form or article) in connection with some or all of the cryptoassets held in the crypto wallet, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Schedule, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas).

(8) A crypto wallet freezing order must provide for notice to be given to persons affected by the order.

Variation and setting aside of crypto wallet freezing order

10Z7BC(1) The relevant court may at any time vary or set aside a crypto wallet freezing order on an application made by—

(a) an enforcement officer, or

(b) any person affected by the order.

(2) But an enforcement officer may not make an application under sub-paragraph (1) unless the officer is a senior officer or is authorised to do so by a senior officer.

(3) Before varying or setting aside a crypto wallet 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.

(4) In relation to Scotland, the references in this paragraph to setting aside an order are to be read as references to recalling it.

Exclusions

10Z7BD(1) The power to vary a crypto wallet freezing order includes (amongst other things) power to make exclusions from the prohibition on making withdrawals or payments from the crypto wallet to which the order applies.

(2) Exclusions from the prohibition may also be made when the order is made.

(3) An exclusion may (amongst other things) make provision for the purpose of enabling a person by or for whom the crypto wallet is administered—

(a) to meet the person's 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 a magistrates' court exercises the power to make an exclusion for the purpose of enabling a person to meet legal expenses that the person has incurred, or may incur, in respect of proceedings under this Schedule, it must ensure that the exclusion—

(a) is limited to reasonable legal expenses that the person has reasonably incurred or that the person 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 same conditions as would be the required conditions (see section 286A of the Proceeds of Crime Act 2002) if the order had been made under section 245A of that Act (in addition to any conditions imposed under sub-paragraph (4)).

(6) A magistrates' court, in deciding whether to make an exclusion for the purpose of enabling a person to meet legal expenses in respect of proceedings under this Schedule—

(a) must have regard to the desirability of the person being represented in any proceedings under this Schedule in which the person is a participant, and

(b) must disregard the possibility that legal representation of the person in any such proceedings might, were an exclusion not made—

(i) be made available under arrangements made for the purposes of Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, or

(ii) be funded by the Department of Justice in Northern Ireland.

(7) The sheriff's power to make exclusions may not be exercised for the purpose of enabling any person to meet any legal expenses in respect of proceedings under this Schedule.

(8) The power to make exclusions must, subject to sub-paragraph (6), be exercised with a view to ensuring, so far as practicable, that there is not undue prejudice to the taking of any steps under this Schedule to forfeit cryptoassets that are terrorist cryptoassets.

Restriction on proceedings and remedies

10Z7BE(1) If a court in which proceedings are pending in respect of a crypto wallet administered by a UK-connected cryptoasset service provider is satisfied that a crypto wallet freezing order has been applied for or made in respect of the crypto wallet, it may either stay the proceedings or allow them to continue on any terms it thinks fit.

(2) Before exercising the power conferred by sub-paragraph (1), 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.

(3) In relation to Scotland, the reference in sub-paragraph (1) to staying the proceedings is to be read as a reference to sisting the proceedings.

PART 4BC

FORFEITURE OF TERRORIST CRYPTOASSETS

Interpretation

10Z7C(1) In this Part—

"cryptoasset service provider" has the same meaning as in Part 4BB (see paragraph 10Z7B(1));

"crypto wallet freezing order" has the same meaning as in Part 4BB (see paragraph 10Z7B(6));

"senior officer" means—

(a) a senior police officer;

(b) an officer of Revenue and Customs of a rank designated by the Commissioners for His Majesty's Revenue and Customs as equivalent to that of a senior police officer;

(c) an immigration officer of a rank designated by the Secretary of State as equivalent to that of a senior police officer;

"senior police officer" means a police officer of at least the rank of superintendent.

(2) Paragraph 10Z7B(6)(b) (administration of crypto wallets) applies in relation to this Part as it applies in relation to Part 4BB.

Forfeiture

10Z7CA(1) This paragraph applies—

(a) while any cryptoassets are detained under Part 4BA, or

(b) while a crypto wallet freezing order made under paragraph 10Z7BB has effect.

(2) An application for the forfeiture of some or all of the cryptoassets that are detained or held in the crypto wallet that is subject to the crypto wallet freezing order may be made—

(a) to a magistrates' court by the Commissioners for His Majesty's Revenue and Customs or an authorised officer, or

(b) to the sheriff by the Scottish Ministers.

(3) The court or sheriff may order the forfeiture of some or all of the cryptoassets if satisfied that the cryptoassets are terrorist cryptoassets.

(4) An order under sub-paragraph (3) made by a magistrates' court may provide for payment under paragraph 10Z7CJ of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—

(a) the proceedings in which the order is made, or

(b) any related proceedings under this Part.

(5) A sum in respect of a relevant item of expenditure is not payable under paragraph 10Z7CJ in pursuance of provision under sub-paragraph (4) unless—

(a) the person who applied for the order under sub-paragraph (3) agrees to its payment, or

(b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.

(6) For the purposes of sub-paragraph (5)—

(a) a "relevant item of expenditure" is an item of expenditure to which regulations under section 286B of the Proceeds of Crime Act 2002 would apply if the order under sub-paragraph (3) had instead been a recovery order made under section 266 of that Act;

(b) an amount is "allowed" in respect of a relevant item of expenditure if it would have been allowed by those regulations;

(c) if the person who applied for the order under sub-paragraph (3) was an authorised officer, that person may not agree to the payment of a sum unless the person is a senior officer or is authorised to do so by a senior officer.

(7) Sub-paragraph (3) ceases to apply on the transfer of an application made under this paragraph in accordance with paragraph 10Z7CE.

Forfeiture: supplementary

10Z7CB(1) Sub-paragraph (2) applies where an application is made under paragraph 10Z7CA for the forfeiture of any cryptoassets detained under Part 4BA.

(2) The cryptoassets are to continue to be detained under Part 4BA (and may not be released under any power conferred by this Schedule) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.

This is subject to Part 4BD (conversion to money).

(3) Where an application is made under paragraph 10Z7CA in relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order—

(a) sub-paragraphs (4) and (5) apply, and

(b) the crypto wallet freezing order is to continue to have effect until the time referred to in sub-paragraph (4)(b) or (5).

(4) Where the cryptoassets are ordered to be forfeited under paragraph 10Z7CA(3) or 10Z7CE(3)—

(a) the cryptoasset service provider that administers the crypto wallet must transfer the cryptoassets into a crypto wallet nominated by an authorised officer, and

(b) immediately after the transfer has been made, the freezing order ceases to have effect.

(5) Where the application is determined or otherwise disposed of other than by the making of an order under paragraph 10Z7CA(3) or 10Z7CE(3), the crypto wallet freezing order ceases to have effect immediately after that determination or other disposal.

(6) Sub-paragraphs (4)(b) and (5) are subject to paragraph 10Z7CF and Part 4BD.

(7) The Secretary of State may by regulations made by statutory instrument amend this paragraph to make provision about the forfeiture of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order.

(8) Regulations under sub-paragraph (7) may in particular make provision about—

(a) the process for the forfeiture of cryptoassets;

(b) the realisation of forfeited cryptoassets;
(c) the application of the proceeds of such realisation.

(9) Regulations under sub-paragraph (7) may—
(a) make different provision for different purposes;
(b) make consequential, supplementary, incidental, transitional, transitory or saving provision, including provision which makes consequential amendments to this Part.

(10) A statutory instrument containing regulations under sub-paragraph (7) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

Associated and joint property

10Z7CC(1) Paragraphs 10Z7CD and 10Z7CE apply if—
(a) an application is made under paragraph 10Z7CA in respect of cryptoassets,
(b) the court or sheriff is satisfied that some or all of the cryptoassets are terrorist cryptoassets, and
(c) there exists property that is associated with the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in paragraph (b).

(2) Paragraphs 10Z7CD and 10Z7CE also apply in England and Wales and Northern Ireland if—
(a) an application is made under paragraph 10Z7CA in respect of cryptoassets,
(b) the court is satisfied that some or all of the cryptoassets are earmarked as terrorist property, and
(c) the cryptoassets in relation to which the court is satisfied as mentioned in paragraph (b) belong to joint tenants and one of the tenants is an excepted joint owner.

(3) In this paragraph and paragraphs 10Z7CD and 10Z7CE, "associated property" means property of any of the following descriptions that is not itself the forfeitable property—
(a) any interest in the forfeitable property;
(b) any other interest in the property in which the forfeitable property subsists;
(c) if the forfeitable property is part of a larger property, but not a separate part, the remainder of that property.

References to property being associated with forfeitable property are to be read accordingly.

(4) In this paragraph and paragraphs 10Z7CD and 10Z7CE, the "forfeitable property" means the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in sub-paragraph (1)(b) or (2)(b) (as the case may be).

(5) For the purposes of this paragraph and paragraphs 10Z7CD and 10Z7CE—

(a) an excepted joint owner is a joint tenant who obtained the property in circumstances in which it would not (as against them) be earmarked, and

(b) references to the excepted joint owner's share of property are to so much of the property as would have been theirs if the joint tenancy had been severed.

Agreements about associated and joint property

10Z7CD(1) Where—

(a) this paragraph applies, and

(b) the person who applied for the order under paragraph 10Z7CA (on the one hand) and the person who holds the associated property or who is the excepted joint owner (on the other hand) agree,

the magistrates' court or sheriff may, instead of making an order under paragraph 10Z7CA(3), make an order requiring the person who holds the associated property or who is the excepted joint owner to make a payment to a person identified in the order.

(2) The amount of the payment is (subject to sub-paragraph (3)) to be the amount which the persons referred to in sub-paragraph (1)(b) agree represents—

(a) in a case where this paragraph applies by virtue of paragraph 10Z7CC(1), the value of the forfeitable property;

(b) in a case where this paragraph applies by virtue of paragraph 10Z7CC(2), the value of the forfeitable property less the value of the excepted joint owner's share.

(3) The amount of the payment may be reduced if the person who applied for the order under paragraph 10Z7CA agrees that the other party to the agreement has suffered loss as a result of—

(a) the seizure of the forfeitable property under paragraph 10Z7AD and its subsequent detention, or

(b) the making of a crypto wallet freezing order under paragraph 10Z7BB.

(4) The reduction that is permissible by virtue of sub-paragraph (3) is such amount as the parties to the agreement agree is reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) An order under sub-paragraph (1) may, so far as required for giving effect to the agreement, include provision for vesting, creating or extinguishing any interest in property.

(6) An order under sub-paragraph (1) made by a magistrates' court may provide for payment under sub-paragraph (11) of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—

(a) the proceedings in which the order is made, or

(b) any related proceedings under this Part.

(7) A sum in respect of a relevant item of expenditure is not payable under sub-paragraph (11) in pursuance of provision under sub-paragraph (6) unless—

(a) the person who applied for the order under paragraph 10Z7CA agrees to its payment, or

(b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.

(8) For the purposes of sub-paragraph (7)—

(a) a "relevant item of expenditure" is an item of expenditure to which regulations under section 286B of the Proceeds of Crime Act 2002 would apply if the order under sub-paragraph (1) had instead been a recovery order made under section 266 of that Act;

(b) an amount is "allowed" in respect of a relevant item of expenditure if it would have been allowed by those regulations.

(9) If there is more than one item of associated property or more than one excepted joint owner, the total amount to be paid under sub-paragraph (1), 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 person who applied for the order under paragraph 10Z7CA.

(10) If the person who applied for the order under paragraph 10Z7CA was an authorised officer, that person may enter into an agreement for the purposes of any provision of this paragraph only if the person is a senior officer or is authorised to do so by a senior officer.

(11) An amount received under an order under sub-paragraph (1) must be applied as follows—

(a) first, it must be applied in making any payment of legal expenses which, after giving effect to sub-paragraph (7), are payable under this sub-paragraph in pursuance of provision under sub-paragraph (6);

(b) second, it must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the forfeitable property and any associated property whilst detained under this Schedule;

(c) third, it must be paid—

(i) if the order was made by a magistrates' court, into the Consolidated Fund;

(ii) if the order was made by the sheriff, into the Scottish Consolidated Fund.

Associated and joint property: default of agreement

10Z7CE(1) Where this paragraph applies and there is no agreement under paragraph 10Z7CD, the magistrates' court or sheriff may transfer the application made under paragraph 10Z7CA to the appropriate court.

(2) The "appropriate court" is—

(a) the High Court, where the application under paragraph 10Z7CA was made to a magistrates' court;

(b) the Court of Session, where the application under paragraph 10Z7CA was made to the sheriff.

(3) Where (under sub-paragraph (1)) an application made under paragraph 10Z7CA is transferred to the appropriate court, the appropriate court may order the forfeiture of the property to which the application relates, or any part of that property, if satisfied that what is to be forfeited—

(a) is within subsection (1)(a) or (b) of section 1, or

(b) is property earmarked as terrorist property.

(4) An order under sub-paragraph (3) made by the High Court may include provision of the type that may be included in an order under paragraph 10Z7CA(3) made by a magistrates' court by virtue of paragraph 10Z7CA(4).

(5) If provision is included in an order of the High Court by virtue of sub-paragraph (4) of this paragraph, paragraph 10Z7CA(5) and (6) apply with the necessary modifications.

(6) The appropriate court may, as well as making an order under sub-paragraph (3), make an order—

(a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or

(b) providing for the excepted joint owner's interest to be severed.

(7) Where (under sub-paragraph (1)) the magistrates' court or sheriff decides not to transfer an application made under paragraph 10Z7CA to the appropriate court, the magistrates' court or sheriff may, as well as making an order under paragraph 10Z7CA(3), make an order—

(a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or

(b) providing for the excepted joint owner's interest to be severed.

(8) An order under sub-paragraph (6) or (7) may be made only if the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks it just and equitable to do so.

(9) An order under sub-paragraph (6) or (7) must provide for the payment of an amount to the person who holds the associated property or who is an excepted joint owner.

(10) In making an order under sub-paragraph (6) or (7), and including provision in it by virtue of sub-paragraph (9), the appropriate court, the magistrates' court or the sheriff (as the case may be) 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 that

person of that property or (as the case may be) of that person's share (including any value that cannot be assessed in terms of money), and

(b) the interest of the person who applied for the order under paragraph 10Z7CA in realising the value of the forfeitable property.

(11) If the appropriate court, the magistrates' court or the sheriff (as the case may be) is satisfied that—

(a) the person who holds the associated property or who is an excepted joint owner has suffered loss as a result of—

(i) the seizure of the forfeitable property under paragraph 10Z7AD and its subsequent detention, or

(ii) the making of the crypto wallet freezing order under paragraph 10Z7BB, and

(b) the circumstances are exceptional,

an order under sub-paragraph (6) or (7) may require the payment of compensation to that person.

(12) The amount of compensation to be paid by virtue of sub-paragraph (11) is the amount the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(13) Compensation to be paid by virtue of sub-paragraph (11) is to be paid in the same way that compensation is to be paid under paragraph 10Z7CM.

Continuation of crypto wallet freezing order pending appeal

10Z7CF(1) This paragraph applies where, on an application under paragraph 10Z7CA in relation to a crypto wallet to which a crypto wallet freezing order applies—

(a) the magistrates' court or sheriff decides—

(i) to make an order under paragraph 10Z7CA(3) in relation to some but not all of the cryptoassets to which the application related, or

(ii) not to make an order under paragraph 10Z7CA(3), or

(b) if the application is transferred in accordance with paragraph 10Z7CE(1), the High Court or Court of Session decides—

(i) to make an order under paragraph 10Z7CE(3) in relation to some but not all of the cryptoassets to which the application related, or

(ii) not to make an order under paragraph 10Z7CE(3).

(2) The person who made the application under paragraph 10Z7CA may apply without notice to the court or sheriff that made the decision referred to in sub-paragraph (1) for an order that the crypto wallet freezing order is to continue to have effect.

(3) Where the court or sheriff makes an order under sub-paragraph (2) the crypto wallet freezing order is to continue to have effect until—

(a) the end of the period of 48 hours starting with the making of the order under sub-paragraph (2), or

(b) if within that period of 48 hours an appeal is brought (whether under paragraph 10Z7CG or otherwise) against the decision referred to in sub-paragraph (1), the time when the appeal is determined or otherwise disposed of.

(4) Sub-paragraph (3) of paragraph 10Z7AF applies for the purposes of sub-paragraph (3) as it applies for the purposes of that paragraph.

Paragraphs 10Z7CA to 10Z7CE: appeals

10Z7CG(1) Any party to proceedings for an order for the forfeiture of cryptoassets under paragraph 10Z7CA may appeal against—

(a) the making of an order under paragraph 10Z7CA;

(b) the making of an order under paragraph 10Z7CE(7);

(c) a decision not to make an order under paragraph 10Z7CA unless the reason that no order was made is that an order was instead made under paragraph 10Z7CD;

(d) a decision not to make an order under paragraph 10Z7CE(7).

Paragraphs (c) and (d) do not apply if the application for the order under paragraph 10Z7CA was transferred in accordance with paragraph 10Z7CE(1).

(2) Where an order under paragraph 10Z7CD is made by a magistrates' court, any party to the proceedings for the order (including any party to the proceedings under paragraph 10Z7CA that preceded the making of the order) may appeal against a decision to include, or not to include, provision in the order under paragraph 10Z7CD(6).

(3) An appeal under this paragraph lies—

(a) in relation to England and Wales, to the Crown Court;

(b) in relation to Scotland, to the Sheriff Appeal Court;

(c) in relation to Northern Ireland, to a county court.

(4) An appeal under this paragraph must be made before the end of the period of 30 days starting with the day on which the court or sheriff makes the order or decision.

(5) Sub-paragraph (4) is subject to paragraph 10Z7CH.

(6) The court hearing the appeal may make any order it thinks appropriate.

(7) If the court upholds an appeal against an order forfeiting any cryptoasset or other item of property, it may, subject to sub-paragraph (8), order the release of the whole or any part of the property.

(8) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the property is connected, the property is not to be released under this paragraph (and so is to continue to be detained) until the proceedings are concluded.

Extended time for appealing in certain cases where deproscription order made

10Z7CH(1) This paragraph applies where—

(a) a successful application for an order under paragraph 10Z7CA relies (wholly or partly) on the fact that an organisation is proscribed,

(b) an application under section 4 of the Terrorism Act 2000 for a deproscription order in respect of the organisation is refused by the Secretary of State,

(c) the property forfeited by the order under paragraph 10Z7CA was seized under this Schedule on or after the date of the refusal of that application,

(d) an appeal against that refusal is allowed under section 5 of the Terrorism Act 2000,

(e) a deproscription order is made accordingly, and

(f) if the order is made in reliance on section 123(5) of the Terrorism Act 2000, a resolution is passed by each House of Parliament under section 123(5)(b) of that Act.

(2) Where this paragraph applies, an appeal under paragraph 10Z7CG against the making of an order under paragraph 10Z7CA, and against the making (in addition) of any order under paragraph 10Z7CE(7), may be brought at any time before the end of the period of 30 days beginning with the date on which the deproscription order comes into force.

(3) In this paragraph a "deproscription order" means an order under section 3(3)(b) or (8) of the Terrorism Act 2000.

Realisation or destruction of forfeited cryptoassets etc

10Z7CI(1) This paragraph applies where any cryptoasset or other item of property is forfeited under this Part.

(2) An authorised officer must—

(a) realise the property, or

(b) make arrangements for its realisation.

This is subject to sub-paragraphs (3) to (5).

(3) The property is not to be realised—

(a) before the end of the period within which an appeal may be made (whether under paragraph 10Z7CG or otherwise), or

(b) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.

(4) The realisation of property under sub-paragraph (2) must be carried out, so far as practicable, in the manner best calculated to maximise the amount obtained for the property.

(5) Where an authorised officer is satisfied that—
(a) it is not reasonably practicable to realise any cryptoasset, or
(b) there are reasonable grounds to believe that the realisation of any cryptoasset would be contrary to the public interest,
the authorised officer may destroy the cryptoasset.

(6) But—
(a) the authorised officer may destroy the cryptoasset only if the officer is a senior officer or is authorised to do so by a senior officer, and
(b) the cryptoasset is not to be destroyed—
(i) before the end of the period within which an appeal may be made (whether under paragraph 10Z7CG or otherwise), or
(ii) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.

(7) The question of whether the realisation of the cryptoasset would be contrary to the public interest is to be determined with particular reference to how likely it is that the entry of the cryptoasset into general circulation would facilitate criminal conduct by any person.

Proceeds of realisation

10Z7CJ(1) This paragraph applies where any cryptoasset or other item of property is realised under paragraph 10Z7CI.

(2) The proceeds of the realisation must be applied as follows—
(a) first, they must be applied in making any payment required to be made by virtue of paragraph 10Z7CE(9);
(b) second, they must be applied in making any payment of legal expenses which, after giving effect to paragraph 10Z7CA(5) (including as applied by paragraph 10Z7CE(5)), are payable under this sub-paragraph in pursuance of provision under paragraph 10Z7CA(4) or, as the case may be, 10Z7CE(4);
(c) third, they must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the property whilst detained under this Schedule and in realising the property;
(d) fourth, they must be paid—
(i) if the property was forfeited by a magistrates' court or the High Court, into the Consolidated Fund;
(ii) if the property was forfeited by the sheriff or the Court of Session, into the Scottish Consolidated Fund.

(3) If what is realised under paragraph 10Z7CI represents part only of an item of property, the reference in sub-paragraph (2)(c) to costs incurred in storing or insuring the property is to be read as a reference to costs incurred in storing or insuring the whole of the property.

Victims etc: detained cryptoassets

10Z7CK(1) A person who claims that any cryptoassets detained under this Schedule belong to the person may apply for some or all of the cryptoassets to be released.

(2) An application under sub-paragraph (1) is to be made—

(a) in England and Wales or Northern Ireland, to a magistrates' court;

(b) in Scotland, to the sheriff.

(3) The application may be made in the course of proceedings under paragraph 10Z7AG or 10Z7CA or at any other time.

(4) The court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—

(a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by criminal conduct,

(b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and

(c) the cryptoassets belong to the applicant.

(5) If sub-paragraph (6) applies, the court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant or to the person from whom they were seized.

(6) This sub-paragraph applies where—

(a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,

(b) it appears to the court or sheriff that those cryptoassets belong to the applicant,

(c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and

(d) no objection to the making of an order under sub-paragraph (5) has been made by the person from whom those cryptoassets were seized.

(7) The release condition is met—

(a) if the conditions in Part 4BA for the detention of the cryptoassets are no longer met, or

(b) in relation to cryptoassets which are subject to an application for forfeiture under paragraph 10Z7CA, if the court or sheriff decides not to make an order under that paragraph in relation to the cryptoassets.

(8) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cryptoassets are connected, the cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded.

Victims etc: crypto wallet freezing orders

10Z7CL(1) A person who claims that any cryptoassets held in a crypto wallet in respect of which a crypto wallet freezing order has effect belong to the person may apply for some or all of the cryptoassets to be released.

(2) An application under sub-paragraph (1) is to be made—

(a) in England and Wales or Northern Ireland, to a magistrates' court;

(b) in Scotland, to the sheriff.

(3) The application may be made in the course of proceedings under paragraph 10Z7BB or 10Z7CA or at any other time.

(4) The court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—

(a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by criminal conduct,

(b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and

(c) the cryptoassets belong to the applicant.

(5) If sub-paragraph (6) applies, the court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant.

(6) This sub-paragraph applies where—

(a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,

(b) it appears to the court or sheriff that those cryptoassets belong to the applicant,

(c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and

(d) no objection to the making of an order under sub-paragraph (5) has been made by the person from whom those cryptoassets were seized.

(7) The release condition is met—

(a) if the conditions for the making of the crypto wallet freezing order are no longer met in relation to the cryptoassets to which the application relates, or

(b) in relation to cryptoassets held in a crypto wallet subject to a crypto wallet freezing order which are subject to an application for forfeiture under paragraph 10Z7CA, if the court or sheriff decides not to make an order under that paragraph in relation to the cryptoassets.

(8) Cryptoassets are not to be released under this paragraph—

(a) if an application for their forfeiture under paragraph 10Z7CA is made, until any proceedings in pursuance of

the application (including any proceedings on appeal) are concluded;

(b) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cryptoassets are connected, until the proceedings are concluded.

(9) In relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order, references in this paragraph to a person from whom cryptoassets were seized include a reference to a person by or for whom the crypto wallet was administered immediately before the crypto wallet freezing order was made.

Compensation

10Z7CM(1) This paragraph applies if no order is made under paragraph 10Z7CA, 10Z7CD or 10Z7CE in respect of cryptoassets detained under this Schedule or held in a crypto wallet that is subject to a crypto wallet freezing order under paragraph 10Z7BB.

(2) Where this paragraph applies, the following may make an application to the relevant court for compensation—

(a) a person to whom the cryptoassets belong or from whom they were seized;

(b) a person by or for whom a crypto wallet to which the crypto wallet freezing order applies is administered.

(3) If the relevant court is satisfied that the applicant has suffered loss as a result of the detention of the cryptoassets or the making of the crypto wallet freezing order and that the circumstances are exceptional, the relevant court may order compensation to be paid to the applicant.

(4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.

(6) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—

(a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;

(b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;

(c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(7) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a counter-terrorism financial investigator, the compensation is to be paid as follows—

(a) in the case of a counter-terrorism financial investigator who was—

(i) a member of the civilian staff of a police force (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or

(ii) a member of staff of the City of London police force,

it is to be paid out of the police fund from which the expenses of the police force are met;

(b) in the case of a counter-terrorism financial investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(8) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an immigration officer, the compensation is to be paid by the Secretary of State.

(9) If an order under paragraph 10Z7BB, 10Z7CA, 10Z7CD or 10Z7CE is made in respect of some of the cryptoassets detained or held, this paragraph has effect in relation to the remainder.

(10) This paragraph does not apply if the relevant court makes an order under paragraph 10Z7CK or 10Z7CL.

(11) In this paragraph "relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court;

(b) in Scotland, the sheriff.

PART 4BD

CONVERSION OF CRYPTOASSETS

Interpretation

10Z7D(1) In this Part—

"converted cryptoassets" is to be read in accordance with paragraphs 10Z7DD and 10Z7DE;

"crypto wallet freezing order" has the same meaning as in Part 4BB (see paragraph 10Z7B(6));

"relevant court" means—

(a) in England and Wales and Northern Ireland, a magistrates' court;

(b) in Scotland, the sheriff;

"relevant financial institution" has the same meaning as in Part 4B (see paragraph 10Q);

"UK-connected cryptoasset service provider" has the same meaning as in Part 4BB (see paragraph 10Z7B(7)).

(2) Paragraph 10Z7B(6)(b) (administration of crypto wallets) applies in relation to this Part as it applies in relation to Part 4BB.

(3) In this Part references to the conversion of cryptoassets into money are references to the conversion of cryptoassets into—

(a) cash, or

(b) money held in an account maintained with a relevant financial institution.

(4) For the purposes of Parts 2 to 4, converted cryptoassets detained under this Part are not to be treated as cash detained under this Schedule.

Detained cryptoassets: conversion

10Z7DA(1) Sub-paragraph (2) applies while any cryptoassets are detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG (including where cryptoassets are subject to forfeiture proceedings).

(2) A person within sub-paragraph (3) may apply to the relevant court for an order requiring all of the cryptoassets detained pursuant to the order to be converted into money.

(3) The following persons are within this sub-paragraph—

(a) an authorised officer;

(b) a person from whom the cryptoassets were seized.

(4) In deciding whether to make an order under this paragraph, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before they are released or forfeited (including the period during which an appeal against an order for forfeiture may be made).

(5) Before making an order under this paragraph the court must give an opportunity to be heard to—

(a) the parties to the proceedings, and

(b) any other person who may be affected by its decision.

(6) As soon as practicable after an order is made under this paragraph, an authorised officer must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.

(7) The conversion of cryptoassets under sub-paragraph (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.

(8) At the first opportunity after the cryptoassets are converted, the authorised officer must arrange for the amount of money obtained for the cryptoassets to be paid into an interest-bearing account and held there.

(9) Interest accruing on the amount is to be added to it on its forfeiture or release.

(10) Where cryptoassets are converted into money in accordance with an order made under this paragraph—

(a) the cryptoassets are no longer to be treated as being detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG, and

(b) any application made under paragraph 10Z7CA(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under paragraph 10Z7CD or 10Z7CE) is to be treated as if it were an application made under paragraph 10Z7DG(2) in relation to the converted cryptoassets.

(11) An order made under this paragraph must provide for notice to be given to persons affected by the order.

(12) No appeal may be made against an order made under this paragraph.

Frozen crypto wallet: conversion

10Z7DB(1) This paragraph applies while a crypto wallet freezing order under paragraph 10Z7BB has effect (including where cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order are subject to forfeiture proceedings).

(2) A person within sub-paragraph (3) may apply to the relevant court for an order requiring all of the cryptoassets held in the crypto wallet to be converted into money.

(3) The following persons are within this sub-paragraph—

(a) an authorised officer;

(b) a person by or for whom the crypto wallet is administered.

(4) In deciding whether to make an order under this paragraph, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before—

(a) the crypto wallet freezing order ceases to have effect, or

(b) the cryptoassets are forfeited (including the period during which an appeal against an order for forfeiture may be made).

(5) Before making an order under this paragraph the court must give an opportunity to be heard to—

(a) the parties to the proceedings, and

(b) any other person who may be affected by its decision.

(6) As soon as practicable after an order is made under this paragraph, the UK-connected cryptoasset service provider that administers the crypto wallet must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.

(7) The conversion of cryptoassets under sub-paragraph (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.

(8) At the first opportunity after the cryptoassets are converted, the UK-connected cryptoasset service provider must arrange for the amount of money obtained for the cryptoassets to be paid into an

interest-bearing account nominated by an authorised officer and held there.

(9) But—

(a) the UK-connected cryptoasset service provider may deduct any reasonable expenses incurred by the provider in connection with the conversion of the cryptoassets, and

(b) the amount to be treated as the proceeds of the conversion of the cryptoassets is to be reduced accordingly.

(10) Interest accruing on the amount obtained for the cryptoassets is to be added to it on its forfeiture or release.

(11) Where cryptoassets are converted in accordance with an order made under this paragraph—

(a) the crypto wallet freezing order ceases to have effect,

(b) any application made under paragraph 10Z7CA(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under paragraph 10Z7CD or 10Z7CE) is to be treated as if it were an application made under paragraph 10Z7DG(2) in relation to the converted cryptoassets, and

(c) any application made under paragraph 10Z7CF(2) in relation to the crypto wallet which has not yet been determined or otherwise disposed of may not be proceeded with.

(12) An order made under this paragraph must provide for notice to be given to persons affected by the order.

(13) No appeal may be made against an order made under this paragraph.

Conversion: existing forfeiture proceedings

10Z7DC(1) Where—

(a) cryptoassets are forfeited under paragraph 10Z7CA or 10Z7CE, and

(b) before the cryptoassets are realised or destroyed in accordance with paragraph 10Z7CI, an order is made under paragraph 10Z7DA requiring the cryptoassets to be converted into money,

paragraph 10Z7DJ(1) applies in relation to the converted cryptoassets as if they had been detained under paragraph 10Z7DD and forfeited under paragraph 10Z7DG (and accordingly paragraph 10Z7CI ceases to apply).

(2) Where—

(a) cryptoassets are forfeited under paragraph 10Z7CA or 10Z7CE, and

(b) before the cryptoassets are realised or destroyed in accordance with paragraph 10Z7CI, an order is made under paragraph 10Z7DB requiring the cryptoassets to be converted into money,

paragraph 10Z7DJ(2) applies in relation to the converted cryptoassets as if they had been detained under paragraph 10Z7DE and forfeited under paragraph 10Z7DG (and accordingly paragraph 10Z7CI ceases to apply).

(3) Where—

(a) an appeal may be made under paragraph 10Z7CG(1) or (2) in relation to the determination of an application under paragraph 10Z7CA(2) for the forfeiture of cryptoassets (including where paragraph 10Z7CD or 10Z7CE applies), and

(b) an order is made under paragraph 10Z7DA or 10Z7DB requiring the cryptoassets to be converted into money,

the appeal may instead be made under paragraph 10Z7DH (within the time allowed by paragraph 10Z7CG(4)) as if it were an appeal against the determination of an application under paragraph 10Z7DG.

(4) Where—

(a) an appeal is made under paragraph 10Z7CG(1) or (2) in relation to the determination of an application under paragraph 10Z7CA(2) for the forfeiture of cryptoassets (including where paragraph 10Z7CD or 10Z7CE applies), and

(b) before the appeal is determined or otherwise disposed of, an order is made under paragraph 10Z7DA or 10Z7DB requiring the cryptoassets to be converted into money,

the appeal is to be treated as if it had been made under paragraph 10Z7DH(1) in relation to the determination of an application under paragraph 10Z7DG for the forfeiture of the converted cryptoassets.

Detained cryptoassets: detention of proceeds of conversion

10Z7DD(1) This paragraph applies where cryptoassets are converted into money in accordance with an order under paragraph 10Z7DA.

(2) The proceeds of the conversion (the "converted cryptoassets") may be detained initially until the end of the period that the cryptoassets could, immediately before the conversion, have been detained under Part 4BA (ignoring the possibility of any extension of that period).

(3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.

(4) An order under sub-paragraph (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the relevant date; but this is subject to sub-paragraph (5).

(5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the relevant date.

(6) In sub-paragraphs (4) and (5) "the relevant date" means the date on which the first order under paragraph 10Z7AE or 10Z7AG (as the case may be) was made in relation to the cryptoassets.

(7) An application for an order under sub-paragraph (3) or (5) may be made—

(a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;

(b) in relation to Scotland, by a procurator fiscal.

(8) The relevant court may make an order under sub-paragraph (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—

(a) are within subsection (1)(a) or (b) of section 1, or

(b) are property earmarked as terrorist property.

(9) The relevant court may make an order under sub-paragraph (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in sub-paragraph (1).

(10) A "request for assistance" in sub-paragraph (9) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an authorised officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Schedule, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas).

Frozen crypto wallets: detention of proceeds of conversion

10Z7DE(1) This paragraph applies where cryptoassets held in a crypto wallet subject to a crypto wallet freezing order are converted into money in accordance with an order under paragraph 10Z7DB.

(2) The proceeds of the conversion (the "converted cryptoassets") may be detained initially until the end of the period that the crypto wallet freezing order was, immediately before the conversion, due to have effect under Part 4BB (ignoring the possibility of any extension of that period).

(3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.

(4) An order under sub-paragraph (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the day on which the crypto wallet freezing order was made; but this is subject to sub-paragraph (5).

(5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order was made.

(6) An application for an order under sub-paragraph (3) or (5) may be made—

(a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;

(b) in relation to Scotland, by a procurator fiscal.

(7) The relevant court may make an order under sub-paragraph (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—

(a) are within subsection (1)(a) or (b) of section 1, or

(b) are property earmarked as terrorist property.

(8) The relevant court may make an order under sub-paragraph (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in sub-paragraph (1).

(9) A "request for assistance" in sub-paragraph (8) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—

(a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003,

(b) by an authorised officer, to an authority exercising equivalent functions in a foreign country,

(c) by the Scottish Ministers in connection with their functions under this Schedule, to an authority exercising equivalent functions in a foreign country, or

(d) by a person under section 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas).

Release of detained converted cryptoassets

10Z7DF(1) This paragraph applies while any converted cryptoassets are detained under paragraph 10Z7DD or 10Z7DE.

(2) The relevant court may, subject to sub-paragraph (7), direct the release of the whole or any part of the converted cryptoassets if the following condition is met.

(3) The condition is that, on an application by the relevant person, the court is not satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be released—

(a) are within subsection (1)(a) or (b) of section 1, or

(b) are property earmarked as terrorist property.

(4) In sub-paragraph (3) "the relevant person" means—

(a) in the case of converted cryptoassets detained under paragraph 10Z7DD, the person from whom the cryptoassets mentioned in sub-paragraph (1) of that paragraph were seized, and

(b) in the case of converted cryptoassets detained under paragraph 10Z7DE, any person affected by the crypto wallet freezing order mentioned in sub-paragraph (1) of that paragraph.

(5) A person within sub-paragraph (6) may, subject to sub-paragraph (7) and after notifying the magistrates' court or sheriff under whose order converted cryptoassets are being detained, release the whole or any part of the converted cryptoassets if satisfied that the detention is no longer justified.

(6) The following persons are within this sub-paragraph—
(a) in relation to England and Wales or Northern Ireland, an authorised officer;
(b) in relation to Scotland, a procurator fiscal.

(7) Converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained)—
(a) if an application for their forfeiture under paragraph 10Z7DG is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded;
(b) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, until the proceedings are concluded.

Forfeiture

10Z7DG(1) This paragraph applies while any converted cryptoassets are detained under paragraph 10Z7DD or 10Z7DE.

(2) An application for the forfeiture of some or all of the converted cryptoassets may be made—
(a) to a magistrates' court, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;
(b) to the sheriff, by the Scottish Ministers.

(3) The court or sheriff may order the forfeiture of some or all of the converted cryptoassets if satisfied that the converted cryptoassets to be forfeited—
(a) are within subsection (1)(a) or (b) of section 1, or
(b) are property earmarked as terrorist property.

(4) But in the case of 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.

(5) Where an application for forfeiture is made under this paragraph, the converted cryptoassets are to continue to be detained under paragraph 10Z7DD or 10Z7DE (and may not be released under any power conferred by this Part) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.

(6) For the purposes of this paragraph—

(a) an excepted joint owner is a joint tenant who obtained the property in circumstances in which it would not (as against them) be earmarked, and

(b) references to the excepted joint owner's share of property are to so much of the property as would have been theirs if the joint tenancy had been severed.

Forfeiture: appeals

10Z7DH(1) Any party to proceedings for an order for the forfeiture of converted cryptoassets under paragraph 10Z7DG who is aggrieved by an order under that paragraph or by the decision of the court not to make such an order may appeal—

(a) from an order or decision of a magistrates' court in England and Wales, to the Crown Court;

(b) from an order or decision of the sheriff, to the Sheriff Appeal Court;

(c) from an order or decision of a magistrates' court in Northern Ireland, to a county court.

(2) An appeal under sub-paragraph (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 converted cryptoassets, it may, subject to sub-paragraph (5), order the release of some or all of the converted cryptoassets.

(5) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, the converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded.

Extended time for appealing in certain cases where deproscription order made

10Z7DI(1)This paragraph applies where—

(a) a successful application for an order under paragraph 10Z7DG relies (wholly or partly) on the fact that an organisation is proscribed,

(b) an application under section 4 of the Terrorism Act 2000 for a deproscription order in respect of the organisation is refused by the Secretary of State,

(c) the converted cryptoassets forfeited by the order under paragraph 10Z7DG were converted from cryptoassets which were seized under this Schedule on or after the date of the refusal of that application,

(d) an appeal against that refusal is allowed under section 5 of the Terrorism Act 2000,

(e) a deproscription order is made accordingly, and

(f) if the order is made in reliance on section 123(5) of the Terrorism Act 2000, a resolution is passed by each House of Parliament under section 123(5)(b) of that Act.

(2) Where this paragraph applies, an appeal under paragraph 10Z7DH against the making of an order under paragraph 10Z7DG may be brought at any time before the end of the period of 30 days beginning with the date on which the deproscription order comes into force.

(3) In this paragraph a "deproscription order" means an order under section 3(3)(b) or (8) of the Terrorism Act 2000.

Application of forfeited converted cryptoassets

10Z7DJ(1) Converted cryptoassets detained under paragraph 10Z7DD and forfeited under paragraph 10Z7DG, and any accrued interest on them, must be applied as follows—

(a) first, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the safe storage of the cryptoassets mentioned in paragraph 10Z7DD(1) during the period the cryptoassets were detained under Part 4BA;

(b) second, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the conversion of those cryptoassets under paragraph 10Z7DA(6);

(c) third, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets under this Part;

(d) fourth, they must be paid—

(i) if forfeited by a magistrates' court in England and Wales or Northern Ireland, into the Consolidated Fund, and

(ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.

(2) Converted cryptoassets detained under paragraph 10Z7DE and forfeited under paragraph 10Z7DG, and any accrued interest on them, must be applied as follows—

(a) first, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets under this Part;

(b) second, they must be paid—

(i) if forfeited by a magistrates' court in England and Wales or Northern Ireland, into the Consolidated Fund, and

(ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.

(3) But converted cryptoassets are not to be applied or paid under sub-paragraph (1) or (2)—

(a) before the end of the period within which an appeal under paragraph 10Z7DH may be made, or
(b) if a person appeals under that paragraph, before the appeal is determined or otherwise disposed of.

Victims etc

10Z7DK(1) This paragraph applies where converted cryptoassets are detained under this Part.

(2) Where this paragraph applies, a person ("P") who claims that the relevant cryptoassets belonged to P immediately before—
(a) the relevant cryptoassets were seized, or
(b) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,
may apply to the relevant court for some or all of the converted cryptoassets to be released to P.

(3) The application may be made in the course of proceedings under paragraph 10Z7DD, 10Z7DE or 10Z7DG or at any other time.

(4) The relevant court may, subject to sub-paragraph (9), order the converted cryptoassets to which the application relates to be released to the applicant if it appears to the relevant court that the condition in sub-paragraph (5) is met.

(5) The condition in this sub-paragraph is that—
(a) the applicant was deprived of the relevant cryptoassets, or of property which they represent, by criminal conduct,
(b) the relevant cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and
(c) the relevant cryptoassets belonged to the applicant immediately before—
(i) the relevant cryptoassets were seized, or
(ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held.

(6) If sub-paragraph (7) applies, the relevant court may, subject to sub-paragraph (9), order the converted cryptoassets to which the application relates to be released to the applicant or to the person from whom the relevant cryptoassets were seized.

(7) This sub-paragraph applies where—
(a) the applicant is not the person from whom the relevant cryptoassets were seized,
(b) it appears to the relevant court that the relevant cryptoassets belonged to the applicant immediately before—
(i) the relevant cryptoassets were seized, or

(ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,

(c) the relevant court is satisfied that the release condition is met in relation to the converted cryptoassets, and

(d) no objection to the making of an order under sub-paragraph (6) has been made by the person from whom the relevant cryptoassets were seized.

(8) The release condition is met—

(a) if the conditions in this Part for the detention of the converted cryptoassets are no longer met, or

(b) in relation to converted cryptoassets which are subject to an application for forfeiture under paragraph 10Z7DG, if the court or sheriff decides not to make an order under that paragraph in relation to the converted cryptoassets.

(9) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, the converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded

(10) Where sub-paragraph (2)(b) applies, references in this paragraph to a person from whom relevant cryptoassets were seized include a reference to a person by or for whom the crypto wallet mentioned in that provision was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.

(11) In this paragraph "the relevant cryptoassets" means—

(a) in relation to converted cryptoassets detained under paragraph 10Z7DD, some or all of the cryptoassets mentioned in sub-paragraph (1) of that paragraph, and

(b) in relation to converted cryptoassets detained under paragraph 10Z7DE, some or all of the cryptoassets mentioned in sub-paragraph (1) of that paragraph.

Compensation

10Z7DL(1) This paragraph applies if no order is made under paragraph 10Z7DG in respect of converted cryptoassets detained under this Part.

(2) Where this paragraph applies, the following may make an application to the relevant court for compensation—

(a) a person to whom the relevant cryptoassets belonged immediately before they were seized;

(b) a person from whom the relevant cryptoassets were seized;

(c) a person by or for whom the crypto wallet mentioned in paragraph 10Z7DE(1) was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.

(3) If the relevant court is satisfied that—

(a) the applicant has suffered loss as a result of—
(i) the conversion of the relevant cryptoassets into money, or
(ii) the detention of the converted cryptoassets, and
(b) the circumstances are exceptional,

the relevant court may order compensation to be paid to the applicant.

(4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

(5) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.

(6) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—
(a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;
(b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;
(c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(7) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a counter-terrorism financial investigator, the compensation is to be paid as follows—
(a) in the case of a counter-terrorism financial investigator who was—
(i) a member of the civilian staff of a police force (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or
(ii) a member of staff of the City of London police force,

it is to be paid out of the police fund from which the expenses of the police force are met;
(b) in the case of a counter-terrorism financial investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

(8) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an immigration officer, the compensation is to be paid by the Secretary of State.

(9) This paragraph does not apply if the relevant court makes an order under paragraph 10Z7DK.

(10) In this paragraph—

"the relevant cryptoassets" means—

(a) in relation to converted cryptoassets detained under paragraph 10Z7DD, the cryptoassets mentioned in sub-paragraph (1) of that paragraph;

(b) in relation to converted cryptoassets detained under paragraph 10Z7DE, the cryptoassets mentioned in sub-paragraph (1) of that paragraph;

"the relevant crypto wallet freezing order", in relation to converted cryptoassets detained under paragraph 10Z7DE, means the crypto wallet freezing order mentioned in sub-paragraph (1) of that paragraph."

3 In Part 1, in paragraph 1(1) (terrorist cash), for "and 4B" substitute "to 4BD".

4 In Part 4B (forfeiture of terrorist money held in bank and building society accounts), after paragraph 10Z6 insert—

"Victims etc

10Z6A(1) A person who claims that money in respect of which an account freezing order has effect belongs to them may apply to the relevant court for the money to be released.

(2) The application may be made in the course of proceedings under paragraph 10S or 10Z2 or at any other time.

(3) The court may, subject to sub-paragraph (7), order the money to which the application relates to be released to the applicant if it appears to the court that—

(a) the applicant was deprived of the money to which the application relates, or of property which it represents, by criminal conduct,

(b) the money the applicant was deprived of was not, immediately before the applicant was deprived of it, property obtained by or in return for criminal conduct and nor did it then represent such property, and

(c) the money belongs to the applicant.

(4) If sub-paragraph (5) applies, the court may, subject to sub-paragraph (7), order the money to which the application relates to be released to the applicant.

(5) This sub-paragraph applies where—

(a) the applicant is not the person from whom the money to which the application relates was seized,

(b) it appears to the court that the money belongs to the applicant,

(c) the court is satisfied that the release condition is met in relation to the money, and

(d) no objection to the making of an order under sub-paragraph (4) has been made by the person from whom the money was seized.

(6) The release condition is met—

(a) in relation to money held in a frozen account, if the conditions for making an order under paragraph 10S in relation to the money are no longer met, or

(b) in relation to money held in a frozen account which is subject to an application for forfeiture under paragraph 10Z2, if the court or sheriff decides not to make an order under that paragraph in relation to the money.

(7) Money is not to be released under this paragraph—

(a) if an account forfeiture notice under paragraph 10W is given in respect of the money, until any proceedings in pursuance of the notice (including any proceedings on appeal) are concluded;

(b) if an application for its forfeiture under paragraph 10Z2, is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded;

(c) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cash is connected, until the proceedings are concluded.

(8) In relation to money held in an account that is subject to an account freezing order, references in this paragraph to a person from whom money was seized include a reference to a person by or for whom the account was operated immediately before the account freezing order was made."

5 In Part 6, in paragraph 19(1), at the appropriate places insert—

""cryptoasset" has the meaning given by paragraph 10Z7A(1);";

""crypto wallet" has the meaning given by paragraph 10Z7A(1);";

""justice of the peace", in relation to Northern Ireland, means lay magistrate;";

""terrorist cryptoasset" has the meaning given by paragraph 10Z7A(1);".

PART 2

AMENDMENTS TO THE TERRORISM ACT 2000

6 The Terrorism Act 2000 is amended as follows.

7 In Schedule 6 (financial information)—

(a) in paragraph 6(1) (meaning of financial institution)—

(i) omit the "and" after paragraph (ha), and

(ii) after paragraph (i) insert—

"(j) a cryptoasset exchange provider, and

(k) a custodian wallet provider.";

(b) after paragraph 6(1AA) insert—

"(1AB) For the purposes of sub-paragraph (1)(j), "cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following

services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

(a) exchanging or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,

(b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or

(c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets.

(1AC) For the purposes of sub-paragraph (1)(k), "custodian wallet provider" means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

(a) cryptoassets on behalf of its customers, or

(b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(1AD) For the purposes of sub-paragraphs (1AB) and (1AC), "cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically.

(1AE) For the purposes of sub-paragraph (1AB)—

(a) "cryptoasset" includes a right to, or interest in, the cryptoasset;

(b) "money" means—

(i) money in sterling,

(ii) money in any other currency, or

(iii) money in any other medium of exchange,

but does not include a cryptoasset.

(1AF) The Secretary of State may by regulations amend the definitions in sub-paragraphs (1AB) to (1AE)."

8 In section 123 (orders and regulations), after subsection (6ZE) insert—

"(6ZF) Regulations under paragraph 6(1AF) of Schedule 6 may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament."

SCHEDULE 11

Section 193

ECONOMIC CRIME OFFENCES

Common law offences

1 Cheating the public revenue.

2 Conspiracy to defraud.

3 In Scotland, the following offences at common law—
(a) fraud;
(b) uttering;
(c) embezzlement;
(d) theft.

Statutory offences

4 An offence under any of the following provisions of the Theft Act 1968—
(a) section 1 (theft);
(b) section 17 (false accounting);
(c) section 19 (false statements by company directors etc);
(d) section 20 (suppression etc of documents);
(e) section 24A (dishonestly retaining a wrongful credit).

5 An offence under any of the following provisions of the Theft Act (Northern Ireland) 1969—
(a) section 1 (theft);
(b) section 17 (false accounting);
(c) section 18 (false statements by company directors etc);
(d) section 19 (suppression etc of documents);
(e) section 23A (dishonestly retaining a wrongful credit).

6 An offence under any of the following provisions of the Customs and Excise Management Act 1979—
(a) section 68 (offences in relation to exportation of prohibited or restricted goods);
(b) section 167 (untrue declarations etc);
(c) section 170 (fraudulent evasion of duty).

7 An offence under the Forgery and Counterfeiting Act 1981 (forgery, counterfeiting and kindred offences).

8 An offence under section 72 of the Value Added Tax Act 1994 (fraudulent evasion of VAT).

9 An offence under section 46A of the Criminal Law (Consolidation) (Scotland) Act 1995 (false monetary instruments).

10 An offence under any of the following sections of the Financial Services and Markets Act 2000—
(a) section 23 (contravention of prohibition on carrying on regulated activity unless authorised or exempt);
(b) section 25 (contravention of restrictions on financial promotion);
(c) section 85 (prohibition of dealing etc in transferable securities without approved prospectus);
(d) section 398 (misleading the FCA or PRA).

11 An offence under any of the following sections of the Terrorism Act 2000—
(a) section 15 (fund-raising);
(b) section 16 (use and possession);
(c) section 17 (funding arrangements);
(d) section 18 (money laundering);

(e) section 63 (terrorist finance: jurisdiction).

12 An offence under any of the following sections of the Proceeds of Crime Act 2002—

(a) section 327 (concealing etc criminal property);
(b) section 328 (arrangements facilitating acquisition etc of criminal property);
(c) section 329 (acquisition, use and possession of criminal property);
(d) section 330 (failing to disclose knowledge or suspicion of money laundering);
(e) section 333A (tipping off).

13 An offence under any of the following sections of the Companies Act 2006—

(a) section 658 (general rule against limited company acquiring its own shares);
(b) section 680 (prohibited financial assistance);
(c) section 993 (fraudulent trading).

14 An offence under any of the following sections of the Fraud Act 2006—

(a) section 1 (fraud);
(b) section 6 (possession etc of articles for use in frauds);
(c) section 7 (making or supplying articles for use in frauds);
(d) section 9 (participating in fraudulent business carried on by sole trader);
(e) section 11 (obtaining services dishonestly).

15 An offence under any of the following sections of the Bribery Act 2010—

(a) section 1 (bribing another person);
(b) section 2 (being bribed);
(c) section 6 (bribery of foreign public officials);
(d) section 7 (failure of commercial organisations to prevent bribery).

16 An offence under section 49 of the Criminal Justice and Licensing (Scotland) Act 2010 (possession, making or supplying articles for use in frauds).

17 An offence under any of the following sections of the Financial Services Act 2012—

(a) section 89 (misleading statements);
(b) section 90 (misleading impressions);
(c) section 91 (misleading statements etc in relation to benchmarks).

18 An offence under section 45 or 46 of the Criminal Finances Act 2017 (failure to prevent the facilitation of UK tax evasion offences or foreign tax evasion offences).

19 An offence under regulation 86 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

20 An offence under regulations made under section 49 of the Sanctions and Anti-Money Laundering Act 2018 (money laundering and terrorist financing etc).

21 An offence under section 199 of this Act (failure to prevent fraud).

22 (1) An offence under an instrument made under section 2(2) of the European Communities Act 1972 for the purpose of implementing, or otherwise in relation to, EU obligations created or arising by or under an EU financial sanctions Regulation.

(2) An offence under an Act or under subordinate legislation where the offence was created for the purpose of implementing a UN financial sanctions Resolution.

(3) An offence under paragraph 7 of Schedule 3 to the Anti-terrorism, Crime and Security Act 2001 (freezing orders).

(4) An offence under paragraph 30 or 30A of Schedule 7 to the Counter-Terrorism Act 2008 where the offence relates to a requirement of the kind mentioned in paragraph 13 of that Schedule.

(5) An offence under paragraph 31 of Schedule 7 to the Counter-Terrorism Act 2008.

(6) An offence under regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018 (sanctions regulations).

(7) In this paragraph—

"EU financial sanctions Regulation" and "UN financial sanctions Resolution" have the same meanings as in Part 8 of the Policing and Crime Act 2017 (see section 143 of that Act);

"subordinate legislation" has the same meaning as in the Interpretation Act 1978.

SCHEDULE 12

Section 196

CRIMINAL LIABILITY OF BODIES: ECONOMIC CRIMES

Common law offences

1 Cheating the public revenue.

2 Conspiracy to defraud.

3 In Scotland, the following offences at common law—

(a) fraud;
(b) uttering;
(c) embezzlement;
(d) theft.

Statutory offences

4 An offence under any of the following provisions of the Theft Act 1968—

(a) section 1 (theft);
(b) section 17 (false accounting);
(c) section 19 (false statements by company directors etc);
(d) section 20 (suppression etc of documents);
(e) section 24A (dishonestly retaining a wrongful credit).

5 An offence under any of the following provisions of the Theft Act (Northern Ireland) 1969—

(a) section 1 (theft);
(b) section 17 (false accounting);
(c) section 18 (false statements by company directors etc);
(d) section 19 (suppression etc of documents);
(e) section 23A (dishonestly retaining a wrongful credit).

6 An offence under any of the following provisions of the Customs and Excise Management Act 1979—

(a) section 68 (offences in relation to exportation of prohibited or restricted goods);
(b) section 167 (untrue declarations etc);
(c) section 170 (fraudulent evasion of duty).

7 An offence under the Forgery and Counterfeiting Act 1981 (forgery, counterfeiting and kindred offences).

8 An offence under section 72 of the Value Added Tax Act 1994 (fraudulent evasion of VAT).

9 An offence under section 46A of the Criminal Law (Consolidation) (Scotland) Act 1995 (false monetary instruments).

10 An offence under any of the following sections of the Financial Services and Markets Act 2000—

(a) section 23 (contravention of prohibition on carrying on regulated activity unless authorised or exempt);
(b) section 25 (contravention of restrictions on financial promotion);
(c) section 85 (prohibition on dealing etc in transferable securities without approved prospectus);
(d) section 398 (misleading the FCA or PRA).

11 An offence under any of the following sections of the Terrorism Act 2000—

(a) section 15 (fund-raising);
(b) section 16 (use and possession);
(c) section 17 (funding arrangements);
(d) section 18 (money laundering);
(e) section 63 (terrorist finance: jurisdiction).

12 An offence under any of the following sections of the Proceeds of Crime Act 2002—

(a) section 327 (concealing etc criminal property);
(b) section 328 (arrangements facilitating acquisition etc of criminal property);
(c) section 329 (acquisition, use and possession of criminal property);
(d) section 330 (failing to disclose knowledge or suspicion of money laundering);
(e) section 333A (tipping off: regulated sector).

13 An offence under section 993 of the Companies Act 2006 (fraudulent trading).

14 An offence under any of the following sections of the Fraud Act 2006—

(a) section 1 (fraud);
(b) section 6 (possession etc of articles for use in frauds);
(c) section 7 (making or supplying articles for use in frauds);
(d) section 9 (participating in fraudulent business carried on by sole trader);
(e) section 11 (obtaining services dishonestly).

15 An offence under any of the following sections of the Bribery Act 2010—
(a) section 1 (bribing another person);
(b) section 2 (being bribed);
(c) section 6 (bribery of foreign public officials).

16 An offence under section 49 of the Criminal Justice and Licensing (Scotland) Act 2010 (possession, making or supplying articles for use in frauds).

17 An offence under any of the following sections of the Financial Services Act 2012—
(a) section 89 (misleading statements);
(b) section 90 (misleading impressions);
(c) section 91 (misleading statements etc in relation to benchmarks).

18 An offence under regulation 86 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

19 An offence under regulations made under section 49 of the Sanctions and Anti-Money Laundering Act 2018 (money laundering and terrorist financing etc).

20 (1) An offence under an instrument made under section 2(2) of the European Communities Act 1972 for the purpose of implementing, or otherwise in relation to, EU obligations created or arising by or under an EU financial sanctions Regulation.

(2) An offence under an Act or under subordinate legislation where the offence was created for the purpose of implementing a UN financial sanctions Resolution.

(3) An offence under paragraph 7 of Schedule 3 to the Anti-terrorism, Crime and Security Act 2001 (freezing orders).

(4) An offence under paragraph 30 or 30A of Schedule 7 to the Counter-Terrorism Act 2008 where the offence relates to a requirement of the kind mentioned in paragraph 13 of that Schedule.

(5) An offence under paragraph 31 of Schedule 7 to the Counter-Terrorism Act 2008.

(6) An offence under regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018 (sanctions regulations).

(7) In this paragraph—
"EU financial sanctions Regulation" and "UN financial sanctions Resolution" have the same meanings as in Part 8 of the Policing and Crime Act 2017 (see section 143 of that Act);
"subordinate legislation" has the same meaning as in the Interpretation Act 1978.

SCHEDULE 13

Section 199

FAILURE TO PREVENT FRAUD: FRAUD OFFENCES

Common law offences

1 Cheating the public revenue.

2 In Scotland, the following offences at common law—
- (a) fraud;
- (b) uttering;
- (c) embezzlement.

Statutory offences

3 An offence under any of the following provisions of the Theft Act 1968—
- (a) section 17 (false accounting);
- (b) section 19 (false statements by company directors etc).

4 An offence under any of the following provisions of the Theft Act (Northern Ireland) 1969—
- (a) section 17 (false accounting);
- (b) section 18 (false statements by company directors etc).

5 An offence under section 993 of the Companies Act 2006 (fraudulent trading).

6 An offence under any of the following provisions of the Fraud Act 2006—
- (a) section 1 (fraud);
- (b) section 9 (participating in fraudulent business carried on by sole trader);
- (c) section 11 (obtaining services dishonestly).

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