STATUTORY INSTRUMENTS

2012 No. 1534

PREVENTION AND SUPPRESSION OF TERRORISM

PROCEEDS OF CRIME

The Terrorism Act 2000 and Proceeds of Crime Act 2002 (Business in the Regulated Sector) Order 2012

Made - - - -	*14th June 2012*
Laid before Parliament	*15th June 2012*
Coming into force - -	*7th July 2012*

The Treasury make the following Order in exercise of the powers conferred on them by paragraph 5 of Schedule 3A to the Terrorism Act 2000(**a**) and paragraph 5 of Schedule 9 to the Proceeds of Crime Act 2002(**b**).

Citation and commencement

1. This Order may be cited as the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Business in the Regulated Sector) Order 2012 and comes into force on 7th July 2012.

Amendment of Schedule 3A to the Terrorism Act 2000

2. In paragraph 1(1) of Schedule 3A to the Terrorism Act 2000(**c**)(business in the regulated sector), after paragraph (s) insert—

> "(t) bidding directly, on behalf of clients, in auctions of emissions allowances in accordance with the Emission Allowance Auctioning Regulation.".

Amendment of Schedule 9 to the Proceeds of Crime Act 2002

3. In paragraph 1(1) of Schedule 9 to the Proceeds of Crime Act 2002(**d**)(business in the regulated sector), after paragraph (s) insert—

> "(t) bidding directly, on behalf of clients, in auctions of emissions allowances in accordance with the Emission Allowance Auctioning Regulation.".

(**a**) 2000 c.11. Schedule 3A was inserted by the Anti-terrorism, Crime and Security Act 2001 (c.24), section 3, Schedule 2, Part 3, paragraphs 5(1) and (6).
(**b**) 2002 c. 29.
(**c**) Part 1 of Schedule 3A was substituted by S.I. 2007/3288. Paragraph 1 was amended by S.I. 2008/948, S.I 2011/99, S.I. 2011/1043 and 2011/2701.
(**d**) Part 1 of Schedule 9 was substituted by S.I. 2007/3287. Paragraph 1 was amended by S.I. 2008/948, S.I. 2011/99, S.I. 2011/1043 and S.I. 2011/2701.

Review

4.—(1) The Treasury must from time to time—

(a) carry out a review of articles 2 and 3,

(b) set out the conclusions of the review in a report, and

(c) publish the report.

(2) In carrying out the review the Treasury must, so far as is reasonable, have regard to how Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community(**a**) (which is implemented in part by means of articles 2 and 3 of this Order) is implemented in other member States.

(3) The report must in particular—

(a) set out the objectives intended to be achieved by articles 2 and 3,

(b) assess the extent to which those objectives are achieved, and

(c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation.

(4) The first report under this article must be published before the end of the period of five years beginning with the day on which this Order comes into force.

(5) Reports under this article are afterwards to be published at intervals not exceeding five years.

Angela Watkinson
James Duddridge

14th June 2012 — Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the definition of a business in the regulated sector for the purposes of Part 3 of the Terrorism Act 2000 (c.11) (terrorist property) and Part 7 of the Proceeds of Crime Act 2002 (c.29) (money laundering) by adding the activity of bidding on behalf of others in an auction of emission allowances. Those Parts contain provisions relating to the reporting of suspicious activity, including requirements and offences specific to such businesses.

The framework for the auctioning of emissions allowances is set out in Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances (OJ L 302, 18.11.10, p.1). The Regulation requires that persons wishing to bid on behalf of others in an auction of emissions allowances must be authorised to do so. In order to be authorised, such persons must satisfy certain conditions, one of which is that they comply with the requirements of national legislation implementing the Third Money Laundering Directive (Directive 2005/60/EC OJ L 309, 25.11.2005, p.15). The Third Money Laundering Directive is implemented in part by Part 3 of the Terrorism Act 2000 and Part 7 of the Proceeds of Crime Act 2002.

Article 4 requires the Treasury to review the operation and effect of this Order and publish a report within five years after it comes into force and within every five years after that.

An Impact Assessment of the effect that this Order will have on the costs of business and the voluntary sector is available on HM Treasury's website (www.hm-treasury.gov.uk) and is

(**a**) OJ L 302, 18.11.10, p.1.

published with the Explanatory Memorandum alongside this Order on the legislation.gov.uk website.

© Crown copyright 2012

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

STATUTORY INSTRUMENTS

2012 No. 1534

PREVENTION AND SUPPRESSION OF TERRORISM

PROCEEDS OF CRIME

The Terrorism Act 2000 and Proceeds of Crime Act 2002 (Business in the Regulated Sector) Order 2012

ISBN 978-0-11-152552-4

9 780111 525524

£4.00

E3690 06/2012 123690T 19585