

Financial Services and Markets Bill

AMENDMENTS
TO BE MOVED
ON REPORT

After Clause 71

EARL ATTLEE

Insert the following new Clause—

“Withdrawal of banking services

- (1) When a provider of banking services in the United Kingdom decides to cease to provide banking services to an existing customer, or decides not to offer banking services to a specific prospective customer, because of one or more of the reasons specified in subsection (2), the bank is required to inform the FCA about that decision within the period of 4 weeks after the decision is taken.
- (2) The specified reasons are—
 - (a) there is a reasonable suspicion that the customer is, or has, engaged in money laundering;
 - (b) there is a record or specific instance of the customer not complying with requirements under money laundering regulations in a significant and easily-avoidable manner;
 - (c) the provider cannot accept the regulatory risk of providing banking services to the customer despite the reasons set out in paragraphs (a) and (b) not applying;
 - (d) ethical reasons;
 - (e) the customer is in the defence industry.
- (3) The FCA must maintain a record of decisions notified to it under subsection (1).”

After Clause 71 - continued

Insert the following new Clause—

“Money laundering regulations: exports of aerospace and defence goods or services outside the EU or EFTA

- (1) Within three months of this Act being passed, the Treasury must take all reasonable steps to make regulations to amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) so as to secure that they do not prevent a supplier of financial services from supplying such services to a relevant person.
- (2) For the purposes of this section, a relevant person is a small or medium-sized enterprise which is engaged in the international aerospace or defence industry and who—
 - (a) receives remittances from countries outside of the European Union or the European Free Trade Association,
 - (b) is a member of a designated trade association, and
 - (c) has satisfied the Secretary of State that they are beyond reproach.
- (3) For the purposes of this section, a designated trade association is a trade association which has been designated by the Secretary of State for the purposes of this section.
- (4) Regulations under this section are subject to the affirmative procedure.”

Insert the following new Clause—

“Money laundering regulations: exports to Ukraine

- (1) Within three months of this Act being passed, the Treasury must take all reasonable steps to make regulations to amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) so as to secure that they do not prevent a supplier of financial services to a relevant person from supplying financial services in the relevant conditions.
- (2) For the purposes of this section, a relevant person is a small or medium-sized enterprise which exports armoured vehicles or other military equipment to Ukraine for the use of Ukrainian defence forces, or the agent of such an exporter.
- (3) For the purposes of this section, the relevant conditions are that an export licence has been granted to a relevant person under the Export Control Act 2002 for the export of items on the United Kingdom Military List of controlled goods to Ukraine for the use of Ukrainian defence forces, and the relevant person is in the process of supporting the export of those items for which the licence has been granted.
- (4) Regulations under this section are subject to the affirmative procedure.”

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11 April 2023
