

# Economic Crime and Corporate Transparency Bill

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AMENDMENTS  
TO BE MOVED  
ON REPORT

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**Clause 1**

LORD JOHNSON OF LAINSTON

Page 2, line 8, leave out from “to” to “a” on line 9 and insert “ensure that records kept by the registrar do not create”

*Member’s explanatory statement*

*This brings the wording of objective 3 into line with objectives 1 and 2.*

Page 2, leave out lines 11 to 13 and insert—

“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.”

*Member’s explanatory statement*

*At the moment the registrar’s fourth objective is to minimise the extent to which companies and others carry out unlawful activities etc. This amendment makes it an objective to prevent companies and others from carrying out unlawful activities etc.*

**Clause 4**

LORD JOHNSON OF LAINSTON

Page 4, line 7, leave out “206(7)” and insert “207(1)”

*Member’s explanatory statement*

*This amendment corrects a cross-reference in Clause 4 of the Bill.*

**Clause 30**

LORD JOHNSON OF LAINSTON

Page 22, line 8, leave out from second “the” to end of line 9 and insert “meaning given by section 1060(3) of the Companies Act 2006.”

**Member's explanatory statement**

*This amendment changes the definition of "the registrar" so it does not refer to the Companies Acts (which is itself not defined).*

**Clause 36**

LORD JOHNSON OF LAINSTON

Page 26, leave out line 26 and insert "and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018)"

**Member's explanatory statement**

*This amendment makes it clear that a person who is subject to director disqualification sanctions will be so subject both for the purposes of section 11A of the Company Directors Disqualification Act 1986 and for the purposes of Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.*

Page 27, leave out lines 4 to 15 and insert "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))."

**Member's explanatory statement**

*This amendment ensures that a person who acts on instructions that were given by a person that they did not know was subject to director disqualification sanctions would not be responsible for all of the relevant debts, and is otherwise consequential on my amendment to page 27, line 16.*

Page 27, line 16, at end insert –

"(f) 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.";
- (g) after subsection (5) insert –

**Clause 36 - continued**

- “(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.””

***Member’s explanatory statement***

*This amendment means that a person is not responsible for debts incurred when they didn’t know they were sanctioned, or they reasonably believed they were acting on instructions under a licence. A person who acts on instructions given by a sanctioned person is presumed to be willing to do so thereafter.*

**Clause 38**

LORD JOHNSON OF LAINSTON

Page 28, line 24, leave out “(see section 3A of that Act)” and insert “and section 11A of the Company Directors Disqualification Act 1986 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018)”

***Member’s explanatory statement***

*This amendment makes it clear that a person who is subject to director disqualification sanctions will be so subject both for the purposes of section 11A of the Company Directors Disqualification Act 1986 and for the purposes of Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.*

Page 28, leave out lines 36 to 46 and insert “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),

**Clause 38 - continued**

- (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)).”

**Member’s explanatory statement**

*This amendment ensures that a person who acts on instructions that were given by a person that they did not know was subject to director disqualification sanctions would not be responsible for all of the relevant debts, and is otherwise consequential on my amendment to page 28, line 47.*

Page 28, line 47, at end insert –

“(f) 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.”;
- (g) in paragraph (5), in the closing words, after “given” insert “by”;
- (h) 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.

**Clause 38 - continued**

- (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.””

***Member’s explanatory statement***

*This amendment means that a person is not responsible for debts incurred when they didn’t know they were sanctioned, or they reasonably believed they were acting on instructions under a licence. A person who acts on instructions given by a sanctioned person is presumed to be willing to do so thereafter.*

Page 28, line 47, at end insert –

- “(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).””

***Member’s explanatory statement***

*This amendment ensures that the register of disqualification orders kept by the Department for the Economy in Northern Ireland includes details of persons who are subject to director disqualification sanctions and any licences that allow those persons to act in Northern Ireland.*

**Clause 46**

LORD JOHNSON OF LAINSTON

Page 35, line 29, after “changes” insert “and, at the time of the change, it is a non-traded company”

***Member’s explanatory statement***

*This amendment means that only non-traded companies are required to keep old information about their members (eg old addresses).*

Page 35, line 30, leave out “that” and insert “the fact that the information has changed”

***Member’s explanatory statement***

*This is consequential on my amendment to Clause 46, page 35, line 29.*

Page 35, line 38, at end insert –

- “(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 –

**Clause 46 - continued**

- (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.”

***Member’s explanatory statement***

*This amendment means that traded companies are not required to keep old information about their members (eg old addresses). It also confers a regulation-making power to require them to keep old information in future.*

Page 35, line 39, at end insert –

“(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.””

***Member’s explanatory statement***

*This is consequential on my other amendments to Clause 46.*

**After Clause 55**

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

**“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;

**After Clause 55 - continued**

- (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 (b) 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;”.

***Member’s explanatory statement***

*This allows the Secretary of State to make regulations requiring the registrar not to disclose profit and loss accounts for micro entities and other small entities. The regulations might cover all such accounts or only accounts relating to certain descriptions of company (see section 1292 of the Companies Act 2006).*

**Clause 63**

LORD JOHNSON OF LAINSTON

Page 54, line 20, leave out “under section 1110A(1)(b) or”

***Member’s explanatory statement***

*This has the effect that the registrar is required to make verification statements available for public inspection. A “verification statement” is the statement that an authorised corporate service provider is required to make to confirm that it has verified an individual’s identity.*

Page 54, line 34, at end insert –

- “(2A) A verification statement must also specify the authorised corporate service provider’s supervisory authority or authorities for the purposes of the Money Laundering Regulations.  
 (2B) The Secretary of State may by regulations make further provision about the contents of verification statements (including provision amending this section).”

***Member’s explanatory statement***

*This amendment requires a verification statement to specify the authorised corporate service provider’s supervisory authority or authorities. It also confers a regulation-making power to make further provision about the contents of verification statements.*

Page 54, line 40, after “may” insert “by regulations”

***Member’s explanatory statement***

*This amendment spells out that the power conferred by new section 1110A(4) is exercisable by regulations.*

Page 55, line 6, after “statement” insert “: (A)”

***Member’s explanatory statement***

*This is consequential on my amendment to Clause 63, page 55, line 8*

Page 55, line 8, at end insert “(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.”

***Member’s explanatory statement***

*This amendment requires a reverification statement to specify the authorised corporate service provider’s supervisory authority or authorities and to contain anything else required by regulations.*

Page 55, line 10, at end insert –

- “(7) 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).”

***Member’s explanatory statement***

*This is consequential on my amendments to Clause 63, page 54, line 34 and page 55, line 8.*

**Clause 64**

LORD JOHNSON OF LAINSTON

Page 56, line 24, leave out “section 1098G” and insert “section 1098F.”



**Member's explanatory statement**

*This amendment is consequential on my amendment to page 59, line 36.*

Page 57, line 7, leave out “may grant the application only” and insert “must grant the application”

**Member's explanatory statement**

*This amendment is consequential on my amendment to page 57, line 16.*

Page 57, line 16, at end insert “, and

(d) the registrar is not required by subsection (4A) to refuse the application.

(4A) 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.”

**Member's explanatory statement**

*This amendment requires the registrar to refuse an application for authorisation as a corporate service provider if it appears that the applicant is not a fit and proper person to become an authorised corporate service provider.*

Page 58, line 22, leave out “(a) and (d)”

**Member's explanatory statement**

*This is consequential on my amendment to Clause 69, page 64, line 10.*

Page 59, line 36, at end insert “, 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).

(2A) 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.”

**Member's explanatory statement**

*This amendment and my amendment to leave out lines 1 to 13 on page 60 are intended to narrow the power to make regulations for suspension of an authorised corporate service provider's status so that it is available only pending a decision as to termination of an authorised corporate service providers' status.*

Page 60, leave out lines 1 to 13

**Member's explanatory statement**

*This would remove the power to make regulations for suspension of an authorised corporate service provider's status. My amendment to page 59, line 36 introduces a narrower power to suspend.*

Page 60, leave out lines 16 to 23 and insert “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).”

***Member’s explanatory statement***

*This ensures that the registrar can obtain information about compliance with provisions such as new section 1110B of the Companies Act 2006 (see Clause 63), including from former authorised corporate service providers (including suspended providers).*

Page 60, line 24, leave out “(a)”

***Member’s explanatory statement***

*This is consequential on my amendment to page 60, lines 16 to 23.*

Page 60, line 27, leave out from “1098F(2)” to “include” on line 29

***Member’s explanatory statement***

*This is consequential on my amendment to page 60, lines 1 to 13.*

Page 60, line 30, leave out “(a)”

***Member’s explanatory statement***

*This is consequential on my amendment to page 60, lines 16 to 23.*

**Clause 66**

LORD JOHNSON OF LAINSTON

Page 62, line 28, at end insert –

“(zi) after “may” insert “by regulations”;

***Member’s explanatory statement***

*This amendment corrects a mistake in section 1082(1) of the Companies Act 2006 by spelling out that the power conferred by that subsection is exercisable by regulations (that this was always the intention is clear from the subsequent subsections).*

**Clause 67**

LORD JOHNSON OF LAINSTON

Page 63, line 16, leave out “(3) or (4)” and insert “(1) or (2)”

***Member’s explanatory statement***

*This is consequential on my amendment to Clause 69, page 64, line 10.*

## Before Clause 68

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

### “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 –

**Before Clause 68 - continued**

- (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))”.

***Member’s explanatory statement***

*This Clause amends the Companies Act 2006 to confer on the registrar a power to strike off a company where the company was registered on a false basis, and makes provision for restoration of such a company to the register.*

**Clause 69**

LORD JOHNSON OF LAINSTON

Page 64, line 7, at end insert –

“(1A) In section 9 (registration documents), omit subsection (3).”

***Member’s explanatory statement***

*This is consequential on the other amendments made by Clause 69.*

Page 64, line 10, leave out subsection (3) and insert –

“(3) After section 1067 insert –

**Clause 69 - continued**

*“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.

**Clause 69 - continued**

	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.
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 –

**Clause 69 - continued**

- (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 officer's  
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.””

***Member’s explanatory statement***

*This changes the categories of people who may deliver documents on another’s behalf. Among other things, it means an individual whose identity is verified can only deliver documents on behalf of a firm if they are an officer or employee of the firm or one of its corporate officers.*

**Clause 70**

LORD JOHNSON OF LAINSTON

Page 65, line 22, after first “an” insert “officer or”

***Member’s explanatory statement***

*This allows officers as well as employees or authorised corporate service providers to deliver documents on behalf of a disqualified person.*

Page 65, line 23, leave out “and acting in the course of their employment”

***Member’s explanatory statement***

*This is consequential on my amendment to Clause 69, page 64, line 10. An employee delivering a document under new section 1067B(2)(b) must be acting in the course of their employment without the need for express provision to that effect.*

Page 65, line 33, leave out from “person” to end of line 37

***Member's explanatory statement***

*This amendment removes the requirement for a statement to include certain information that will be covered by the statement that a person must make under new section 1067A of the Companies Act 2006 (inserted by Clause 69) when delivering documents.*

**Clause 82**

LORD JOHNSON OF LAINSTON

Page 71, line 46, at end insert –

“(4A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member's explanatory statement***

*This amendment enables any provision made by regulations under new section 1094A of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 88**

LORD JOHNSON OF LAINSTON

Page 75, leave out line 35

***Member's explanatory statement***

*This amendment is consequential on my amendment to Clause 88, page 76, line 11.*

Page 76, line 11, at end insert –

“(8A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member's explanatory statement***

*This amendment enables any provision made by regulations under new section 1088 of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 90**

LORD JOHNSON OF LAINSTON

Page 76, line 41, at end insert –

“(ba) 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;”

***Member's explanatory statement***

*This enables fees set under the Companies Act 2006 to be set at a level to cover the Secretary of State's costs in connection with licences for people who are subject to director disqualification sanctions under the Sanctions and Anti-Money Laundering Act 2018.*



**Clause 91**

LORD JOHNSON OF LAINSTON

Page 77, line 34, at end insert –

“(1A) 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.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under section 243 of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 101**

LORD JOHNSON OF LAINSTON

Page 85, line 40, after “if” insert “ –

- (i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or
- (ii) ”

***Member’s explanatory statement***

*This amendment and my other amendment to Clause 101 would mean that regulations must provide that no financial penalty may be imposed on a person in respect of whom criminal proceedings are ongoing; at the moment it is the other way around so that criminal proceedings cannot be continued once a penalty is imposed.*

Page 85, line 43, leave out “or continued”

***Member’s explanatory statement***

*See the explanatory statement to my other amendment to Clause 101.*

**Clause 102**

LORD JOHNSON OF LAINSTON

Page 87, line 23, at end insert –

“(4C) Regulations under this section may in particular confer a discretion on the registrar.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under section 1097A of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 103**

LORD JOHNSON OF LAINSTON

Page 89, line 15, at end insert –

“(11A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under section 1097B of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 104**

LORD JOHNSON OF LAINSTON

Page 91, line 9, at end insert –

“(11A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under section 1097C of the Companies Act 2006 to confer a discretion on the registrar.*

**Clause 107**

LORD JOHNSON OF LAINSTON

Page 92, line 32, at end insert –

“(3) In this section “the Companies Acts” has the meaning given by section 2(1) of the Companies Act 2006.”

***Member’s explanatory statement***

*This amendment inserts a definition of “the Companies Acts” into the Limited Partnerships Act 1907.*

**Clause 119**

LORD JOHNSON OF LAINSTON

Page 109, leave out lines 24 to 26

***Member’s explanatory statement***

*This amendment removes the definition of a term that is no longer used in the section.*

**Clause 123**

LORD JOHNSON OF LAINSTON

Page 116, line 30, leave out “and (b)” and insert “to (c)”

**Member's explanatory statement**

*This amendment means that notice changing a general partner's registered officer must be delivered at the same time as a confirmation statement, if the registered officer is not ID verified.*

**Clause 134**

LORD JOHNSON OF LAINSTON

Page 127, line 14, leave out “(4) or”

**Member's explanatory statement**

*This amendment corrects a mistake. A statement under 8R(4) is not required to confirm that an individual is an individual whose identity is verified.*

Page 127, line 19, leave out “(3) or (4)” and insert “(1) or (2)”

**Member's explanatory statement**

*This is consequential on my amendment to Clause 69, page 64, line 10.*

**Clause 136**

LORD JOHNSON OF LAINSTON

Page 129, line 31, leave out “and (6)” and insert “to (6A)”

**Member's explanatory statement**

*This is consequential on my amendment to Clause 91, page 77, line 34.*

**Clause 142**

LORD JOHNSON OF LAINSTON

Page 138, line 12, leave out “and (3)”

**Member's explanatory statement**

*This is consequential on my amendment to Clause 142, page 138, lines 18 to 25.*

Page 138, line 16, after first “an” insert “officer or”

**Member's explanatory statement**

*Certain documents under the Limited Partnerships Act 1907 can only be delivered to the registrar by authorised corporate service providers or their employees. This amendment adds officers of authorised corporate service providers to those who are allowed to deliver those documents.*

Page 138, line 17, leave out “and is acting in the course of their employment”

**Member's explanatory statement**

*This is consequential on my amendment to Clause 69, page 64, line 10. An employee delivering a document under new section 1067B(2)(b) must be acting in the course of their employment without the need for express provision to that effect.*

Page 138, leave out lines 18 to 25

***Member’s explanatory statement***

*This amendment removes the requirement for a statement to include certain information that will be covered by the statement that a person must make under new section 1067A of the Companies Act 2006 (inserted by Clause 69) when delivering documents.*

**After Clause 158**

LORD JOHNSON OF LAINSTON

Insert the following new Clause—

**“Information about changes in beneficiaries under trusts**

- (1) Schedule (*Duty to deliver information about changes in beneficiaries*) (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 (*Duty to deliver information about changes in beneficiaries*) 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.”

***Member’s explanatory statement***

*This introduces the new Schedule to which it refers and makes transitional provision.*

**Clause 162**

LORD JOHNSON OF LAINSTON

Page 150, line 44, at end insert—

“(ba) any application or other document delivered to the registrar under regulations under section 23(1A) (disclosure of protected trusts information);”

***Member’s explanatory statement***

*This means that applications or other documents delivered to the registrar under new section 23(1A)(inserted by my other amendment to Clause 162) are not to be made available for public inspection as part of the register of overseas entities.*

Page 151, line 15, leave out “(3) or (4)” and insert “(1) or (2)”

***Member’s explanatory statement***

*This is consequential on my amendment to Clause 69, page 64, line 10.*

Page 151, line 41, leave out “4(3), 7(3) and (4) and 9(3) and (4)” and insert “4(3)(a), 7(3)(a) and (4)(a) and 9(3)(a) and (4)(a)”

***Member’s explanatory statement***

*This is consequential on my amendment to insert a new Schedule after Schedule 5.*

Page 151, line 44, after “by” insert “virtue of section 7(3)(c) or (4)(c) or 9(3)(c) or (4)(c) or”

***Member’s explanatory statement***

*This is consequential on my amendment to insert a new Schedule after Schedule 5.*

Page 152, line 16, at end insert “, or

- (c) the disclosure is permitted by regulations under subsection (1A).
- (1A) 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).
- (1B) In subsection (1A) “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.
- (1C) 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.
- (1D) Provision under subsection (1C)(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.
- (1E) 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).
- (1F) The regulations may create offences in relation to failures to comply with conditions imposed by virtue of subsection (1E).
- (1G) 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.
- (1H) Regulations under this section may in particular confer a discretion on the registrar.
- (1I) Regulations under this section are subject to affirmative resolution procedure.”

***Member’s explanatory statement***

*This confers a regulation-making power on the Secretary of State to make provision requiring the registrar to disclose protected trusts information where an application is made by a person in accordance with the regulations.*

Page 152, line 20, at end insert –

**“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.”

***Member’s explanatory statement***

*This requires the Secretary of State to consult before making regulations about the disclosure of protected trusts information (see my amendment to Clause 162, page 152, line 16) if that provision would be within the legislative competence of the Scottish Parliament or Northern Ireland Assembly.*

**Clause 163**

LORD JOHNSON OF LAINSTON

Page 153, leave out line 1

***Member’s explanatory statement***

*This amendment is consequential on my amendment to page Clause 163, page 153, line 21.*

Page 153, line 21, at end insert –

- “(7A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under new section 25 of the Economic Crime (Transparency and Enforcement) Act 2022 to confer a discretion on the registrar.*

**Clause 165**

LORD JOHNSON OF LAINSTON

Page 155, line 3, at end insert –

- “(4A) Regulations under this section may in particular confer a discretion on the registrar.”

***Member’s explanatory statement***

*This amendment enables any provision made by regulations under new section 28A of the Economic Crime (Transparency and Enforcement) Act 2022 to confer a discretion on the registrar.*

**After Clause 169**

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

**“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”.”

***Member’s explanatory statement***

*This amendment provides that regulations must provide that no financial penalty may be imposed on a person in respect of whom criminal proceedings are ongoing; at the moment it is the other way around so that criminal proceedings cannot be continued once a penalty is imposed.*

**Clause 170**

LORD JOHNSON OF LAINSTON

Page 157, line 38, leave out “place, insert –” and insert “places, insert –

““the Companies Acts” has the meaning given by section 2(1) of the Companies Act 2006;”

***Member’s explanatory statement***

*This amendment inserts a definition of “the Companies Acts” into the Economic Crime (Transparency and Enforcement) Act 2022.*

**Clause 171**

LORD JOHNSON OF LAINSTON

Page 158, line 17, at end insert –

“(1A) In section 21 of the Land Registration etc. (Scotland) Act 2012 (application for registration of deed), the subsection (5) inserted by the Economic Crime (Transparency and Enforcement) Act 2022 is renumbered subsection (4A).”

***Member’s explanatory statement***

*This amendment renumbers a provision to avoid two subsections which were inserted into a section by different Acts at around the same time from having the same subsection number.*

**Clause 181**

LORD SHARPE OF EPSOM

Page 171, line 27, leave out from “to” to end of line 28 and insert “–

- (a) prescribed high-risk countries;
  - (b) a list of high-risk countries published from time to time by the Treasury.
- (3) Where regulations make provision by virtue of subparagraph (2)(b) they must include provision that the Treasury –
- (a) may add a country to the list of high-risk countries only if it is on a list published by the Financial Action Task Force, and
  - (b) must remove a country from the list of high-risk countries within 4 weeks of it ceasing to be on a list published by the Financial Action Task Force.”;

***Member’s explanatory statement***

*This stipulates ways that regulations can identify high-risk countries. They can list the countries (in which case changes will be subject to the negative procedure) or they can refer to a list of countries published by the Treasury, which can only contain countries on a list published by the Financial Action Task Force.*

Page 171, line 34, leave out “, omit subsections (2) and (9)” and insert “–

- (a) omit subsection (2);
- (b) after subsection (5) insert –
  - “(5A) The reference in subsection (5)(d) to regulations under section 49 does not include regulations which only make provision prescribing high-risk countries by virtue of paragraph 4(2)(a) of Schedule 2.”;
- (c) in subsection (5), omit the second sentence;
- (d) omit subsection (9).”

***Member’s explanatory statement***

*This amendment means that regulations are subject to the negative procedure if all they do is change the countries to which enhanced customer due diligence measures are required to be taken.*

**Clause 187**

LORD SHARPE OF EPSOM

Page 176, line 34, leave out “, conspiracy or incitement” and insert “or conspiracy”

***Member’s explanatory statement***

*This amendment and my other amendments to clause 187 correct the definition of “economic crime” to include encouraging or assisting an offence under Part 2 of the Serious Crime Act, which replaced the common law offence of incitement in England and Wales and Northern Ireland.*



Page 176, line 35, at end insert –

“(ba) 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,”

***Member’s explanatory statement***

*See the explanatory statement to my first amendment to clause 187.*

Page 176, line 39, after “(b)” insert “, (ba)”

***Member’s explanatory statement***

*This amendment is consequential on my other amendments to clause 187.*

**After Clause 187**

LORD BELLAMY

Insert the following new Clause –

*“Power to strike out certain claims*

**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 (*Meaning of “SLAPP claim”*)), 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 –

**After Clause 187 - continued**

“court” includes a tribunal;

“rules of court” means rules relating to the practice and procedure of a court or tribunal.”

**Member’s explanatory statement**

*This new clause, new clause (Meaning of “SLAPP claim”) and my amendments at page 191, line 37, page 192 at line 33 and 192, line 38 provide for the making of rules of court with a view to preventing claimants from improperly using civil proceedings to restrain certain disclosures of information relating to economic crime.*

Insert the following new Clause –

**Meaning of “SLAPP” claim**

- (1) For the purposes of section (*Strategic litigation against public participation: requirement to make rules of court*) 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 –

**After Clause 187 - continued**

- (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 (*Strategic litigation against public participation: requirement to make rules of court*);
  - “economic crime” has the meaning given by section 187(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.”

***Member’s explanatory statement***

*See the explanatory statement for new clause (Strategic litigation against public participation: requirement to make rules of court).*

**Clause 190**

## LORD SHARPE OF EPSOM

Page 180, line 23, at end insert –

- “(6A) Before making regulations under subsection (5) or (6) the Secretary of State must consult –
- (a) the Scottish Ministers, and

**Clause 190 - continued**

(b) the Department of Justice in Northern Ireland.”

**Member’s explanatory statement**

*This amendment requires consultation to take place before the powers in subsections (5) and (6) are exercised.*

**Clause 204**

LORD BELLAMY

Page 191, line 37, after “State” insert “or the Lord Chancellor”

**Member’s explanatory statement**

*See the explanatory statement for new clause (Strategic litigation against public participation: requirement to make rules of court).*

**Clause 205**

LORD BELLAMY

Page 192, line 33, leave out “subsection” and insert “subsections (1A) and”

**Member’s explanatory statement**

*See the explanatory statement for new clause (Strategic litigation against public participation: requirement to make rules of court).*

Page 192, line 33, at end insert –

“(1A) Sections (Strategic litigation against public participation: requirement to make rules of court) and (Meaning of “SLAPP” claim) extend to England and Wales only.”

**Member’s explanatory statement**

*See the explanatory statement for new clause (Strategic litigation against public participation: requirement to make rules of court).*

**Clause 206**

LORD BELLAMY

Page 192, line 38, after “State” insert “or the Lord Chancellor”

**Member’s explanatory statement**

*See the explanatory statement for new clause (Strategic litigation against public participation: requirement to make rules of court).*

**Schedule 2**

LORD JOHNSON OF LAINSTON

Page 200, line 15, leave out “206(7)” and insert “207(1)”

**Member’s explanatory statement**

*This amendment corrects a cross-reference in Schedule 2 to the Bill.*

**After Schedule 5**

LORD JOHNSON OF LAINSTON

Insert the following new Schedule –

“SCHEDULE 5A

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) –

**After Schedule 5 - continued**

	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.”
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- (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) –

**After Schedule 5 - continued**

	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.	
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**

**After Schedule 5 - continued**

- (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).



**After Schedule 5 - continued**

- (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 (*Duty to deliver information about changes in beneficiaries*) 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).”

**Member’s explanatory statement**

*This requires an overseas entity that has a beneficial owner who is a trustee to provide information about changes in beneficiaries under the trust that take place during an update or other period (rather than just providing a snapshot of the beneficiaries at the end of the period).*

**Schedule 6**

## LORD JOHNSON OF LAINSTON

Page 220, line 42, at end insert –

- “(1A) 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.”

**Member’s explanatory statement**

*This provides that the power to make regulations under new paragraph 9 of Schedule 6 to the Economic Crime (Transparency and Enforcement) Act 2022 (exclusion of descriptions of registrable beneficial owner) cannot be used after the end of the period of two years beginning with the day on which the Bill receives royal assent.*

Page 220, line 42, at end insert –

- “(1A) 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.”

**Member's explanatory statement**

*This requires the Secretary of State to consult before making regulations under new paragraph 9 of Schedule 6 to the Economic Crime (Transparency and Enforcement) Act 2022 (exclusion of descriptions of registrable beneficial owner) that contain provision that would be within the legislative competence of the Scottish Parliament.*

**Schedule 8**

## LORD SHARPE OF EPSOM

Page 263, leave out lines 24 to 26 and insert –

- “(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).”

**Member's explanatory statement**

*This amendment provides for certain consultation requirements to apply before regulations may be made under inserted section 303Z42(7) of the Proceeds of Crime Act 2002 (forfeiture orders).*

# Economic Crime and Corporate Transparency Bill

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AMENDMENTS  
TO BE MOVED  
ON REPORT

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*13 June 2023*

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