

Economic Crime and Corporate Transparency Bill

MOTION TO BE MOVED
ON CONSIDERATION OF COMMONS REASONS

[The page and line references are to HL Bill 96, the bill as first printed for the Lords, or to the Lords amendment]

After Clause 180

LORDS AMENDMENT 151

Lord Garnier to move, That this House do insist on its disagreement with the Commons in their Amendment 151A, do not insist on its Amendments 151B and 151C, to which the Commons have disagreed for their Reason 151D, and do propose the following amendments in lieu –

As an amendment to Lords Amendment 151, in subsection (1), after first “body” insert “which is not a small organisation or which is a large organisation (see sections (*Section (Failure to prevent fraud): small organisations*), (*Section (Failure to prevent fraud): large organisations*) and (*Large organisations: parent undertakings*))”

After Clause 180, insert the following new Clause –

“**Section (*Failure to prevent fraud*): small organisations**

- (1) For the purposes of section (*Failure to prevent fraud*)(1) a relevant body is a “small 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	Not more than £10.2 million
Balance sheet total	Not more than £5.1 million
Number of employees	Not more than 50.

- (2) 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.

- (3) 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.
- (4) 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 (*Failure to prevent fraud*)(1).
- (5) The Secretary of State may by regulations modify this section (other than this subsection and subsections (6) and (8)) for the purpose of altering the meaning of “small organisation” in section (*Failure to prevent fraud*)(1).
- (6) The Secretary of State may (whether or not the power in subsection (5) has been exercised) by regulations—
 - (a) omit the words “which is not a small organisation or” in section (*Failure to prevent fraud*)(1), 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).
- (7) Before making regulations under subsection (5) or (6) the Secretary of State must consult—
 - (a) the Scottish Ministers, and
 - (b) the Department of Justice in Northern Ireland.
- (8) Regulations under subsection (5) or (6) may make consequential amendments of section (*Failure to prevent fraud: minor definitions*).”

Economic Crime and Corporate Transparency Bill

MOTION TO BE MOVED
ON CONSIDERATION OF COMMONS REASONS

21st September 2023

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS