



House of Commons

Tuesday 15 November 2016

PUBLIC BILL COMMITTEE

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

Amendments tabled since the last publication: 8-60, NC9-NC16

CRIMINAL FINANCES BILL

NOTE

This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Resolution of the Programming Sub-Committee.

RESOLUTION OF THE PROGRAMMING SUB-COMMITTEE

The Programming Sub-Committee appointed by the Speaker in respect of the Bill agreed the following Resolution at its meeting on Monday 14 November (Standing Order No. 83C):

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 15 November) meet—
 - (a) at 2.30 pm on Tuesday 15 November;
 - (b) at 11.30 am and 2.00 pm on Thursday 17 November;
 - (c) at 9.25 am and 2.00 pm on Tuesday 22 November;
 - (d) at 11.30 am and 2.00 pm on Thursday 24 November;
- (2) the Committee shall hear oral evidence in accordance with the following Table:

TABLE

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 15 November	Until no later than 10.20 am	National Crime Agency; National Police Chiefs Council; Metropolitan Police

Criminal Finances Bill, *continued*

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 15 November	Until no later than 11.00 am	HM Revenue and Customs; Serious Fraud Office; Crown Prosecution Service
Tuesday 15 November	Until no later than 11.25 am	Tax Research UK; Tax Justice Network
Tuesday 15 November	Until no later than 3.15 pm	British Banking Association; Financial Conduct Authority; Law Society
Tuesday 15 November	Until no later than 4.00 pm	The Herald; Christian Aid
Tuesday 15 November	Until no later than 4.15 pm	Rt Hon Dame Margaret Hodge MP
Tuesday 15 November	Until no later than 5.15 pm	Royal United Services Institute; Corruption Watch; Global Witness; Transparency International UK

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 14; Schedule 1; Clauses 15 to 29; Schedule 2; Clauses 30 to 32; Schedule 3; Clause 33; Schedule 4; Clauses 34 to 44; new Clauses; new Schedules; Clause 45; Schedule 5; Clauses 46 to 51; remaining proceedings on the Bill;
- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 24 November.

Mr Ben Wallace has given notice of his intention to move a motion in the terms of the Resolution of the Programming Sub-Committee (Standing Order No. 83C).

Mr Ben Wallace

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Mr Ben Wallace

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.

Criminal Finances Bill, continued

Dr Rupa Huq

1

Clause 1, page 1, line 16, after “sought” insert—

“(and the property specified may include property located outside the United Kingdom)”

Member’s explanatory statement*This amendment would ensure that unexplained wealth ordered may be issued for property located outside the UK.*

Dr Rupa Huq

2

Clause 1, page 2, line 31, at end insert—

“(8) Persons who are members of an enforcement authority must co-operate with other persons who are members of other enforcement authorities for the purposes of making application to the High Court for an unexplained wealth order.

(9) In particular, the duty imposed on a person by subsection (8) requires a person—

(a) to engage constructively, actively and on an ongoing basis in any process leading to an application being made for an unexplained wealth order, and

(b) to have regard to activities of a person within subsection (8) so far as they are relevant to the making of an application for an unexplained wealth order.”

Member’s explanatory statement*This amendment would require enforcement authorities to co-operate when making applications for unexplained wealth orders.*

Tristram Hunt

59

★ Clause 1, page 3, leave out line 28

Member’s explanatory statement*This amendment would allow unexplained wealth orders to be issued to politically exposed persons in the United Kingdom and EEA States.*Richard Arkless
Roger Mullin

57

★ Clause 4, page 14, line 35, leave out “£100,000” and insert “£50,000”

Member’s explanatory statement*This amendment reduces the threshold for the value of property that UWO may be issued for in Scotland to £50,000.*

Tristram Hunt

60

★ Clause 4, page 15, leave out line 25

Member’s explanatory statement*This amendment has the same effect as amendment 59 but applies to unexplained wealth orders issued in Scotland.*

Criminal Finances Bill, continued

Mr Ben Wallace

8

- ★ Clause 9, page 28, line 34, at end insert “(subject to the restriction mentioned in section 336A(6))”

Member’s explanatory statement

This amendment clarifies that the 186 day maximum period for extending the moratorium period also applies to a decision of the appeal court in Scotland.

Mr Ben Wallace

9

- ★ Clause 9, page 29, leave out line 47

Member’s explanatory statement

This amendment removes a reference to the Scottish Ministers from the list of persons who may make an application to the sheriff for extending the moratorium period under new section 336A of the Proceeds of Crime Act 2002.

Mr Ben Wallace

10

- ★ Clause 11, page 38, leave out line 2

Member’s explanatory statement

This amendment removes a reference to the Scottish Ministers from the list of persons who may make an application to the sheriff for a further information order under new section 339ZJ of the Proceeds of Crime Act 2002.

Richard Arkless
Roger Mullin

58

- ★ Clause 12, page 40, line 1, and end insert—
“(g) betting slips;
(h) casino chips”.

Member’s explanatory statement

This amendment includes betting materials that can be used to store the proceeds of criminal activity.

Criminal Finances Bill, continued

Mr Ben Wallace

11

★ Clause 19, page 72, line 36, at end insert—

- “() section 303C as so applied (powers to search for a listed asset);
- () section 303J as so applied (powers to seize property);
- () section 303K as so applied (powers to detain seized property);”

Member’s explanatory statement*This amendment is consequential on NC9.*

Mr Ben Wallace

12

★ Clause 21, page 73, line 17, at end insert—

“() In subsection (2), for paragraphs (a) and (b) substitute—

- “(a) has been seized under a relevant seizure power by a constable or another person lawfully exercising the power, and
- (b) is being detained in connection with a criminal investigation or prosecution or with an investigation of a kind mentioned in section 341.”.

() After subsection (2) insert—

“(2A) But this section applies to money only so far as the money is free property.”

() Omit subsection (3).

() In subsection (5), for “bank or building society” substitute “appropriate person”.

() In subsection (5A), at the beginning insert “Where this section applies to money which is held in an account maintained with a bank or building society,”.

() In subsection (7A), after “applies” insert “by virtue of subsection (1)”.

Member’s explanatory statement*This amendment broadens the circumstances under section 67 of the Proceeds of Crime Act 2002 in which a court may order detained money to be paid in satisfaction of a confiscation order, by providing that the section applies to money that has lawfully been seized by any person (rather than only by constables) under a relevant seizure power, and by removing the requirement that the money is held in an account maintained with a bank or building society.*

Mr Ben Wallace

13

★ Clause 21, page 73, line 18, leave out subsection (2) and insert—

“() For subsection (8) substitute—

“(8) In this section—

“appropriate person” means—

- (a) in a case where the money is held in an account maintained with a bank or building society, the bank or building society;
- (b) in any other case, the person on whose authority the money is detained;

“bank” means an authorised deposit taker, other than a building society, that has its head office or a branch in the United Kingdom;

Criminal Finances Bill, continued

“building society” has the same meaning as in the Building Societies Act 1986;

“relevant seizure power” means, subject to subsection (9), a power to seize money conferred by or by virtue of—

- (a) a warrant granted under any enactment or rule of law, or
- (b) any enactment, or rule of law, under which the authority of a warrant is not required.

- (9) A power to seize money conferred by Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 is not a “relevant seizure power” for the purposes of this section.”

Member’s explanatory statement

This amendment defines terms used in amendment 12 and makes a consequential change to the Bill.

Mr Ben Wallace

14

- ★ Clause 21, page 73, line 23, leave out “subsection (8)(a)” and insert “the definition of “bank” in subsection (8)”

Member’s explanatory statement

This amendment is consequential on amendment 13.

Mr Ben Wallace

15

- ★ Clause 28, page 78, line 33, at end insert—

“(2A) In section 148 (free property: Scotland), in subsection (3)(b) for “or 297D” substitute “, 297D or 298(4)”.”

Member’s explanatory statement

Clause 28(2) amends section 82 of the Proceeds of Crime Act 2002, which determines what constitutes “free property” in relation to confiscation proceedings in England and Wales, by providing that property detained under section 298(4) of the 2002 Act is not free property. This amendment provides for a corresponding change to be made to section 148, which applies in the case of confiscation proceedings in Scotland.

Mr Ben Wallace

16

- ★ Schedule 2, page 109, line 9, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

This amendment, and amendments 18, 20, 21 to 25, 27 to 49 and 54, are consequential on amendment 26.

Criminal Finances Bill, continued

Mr Ben Wallace

17

- ★ Schedule 2, page 114, line 30, leave out “6” and insert “12”

Member’s explanatory statement

This amendment increases the maximum period of imprisonment from 6 to 12 months (in line with other provisions in the Bill) in the case of an offence in Scotland of making false etc statements in response to a disclosure order under the new provisions inserted into Schedule 5A to the Terrorism Act 2000.

Mr Ben Wallace

18

- ★ Clause 31, page 86, line 1, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

19

- ★ Clause 31, page 86, leave out line 3

Member’s explanatory statement

This amendment removes a reference to the Scottish Ministers from the list of persons who may give a further information notice under new section 22B of the Terrorism Act 2000.

Mr Ben Wallace

20

- ★ Schedule 3, page 122, line 28, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

21

- ★ Schedule 3, page 127, line 18, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

22

- ★ Schedule 3, page 127, line 20, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Criminal Finances Bill, continued

Mr Ben Wallace

23

- ★ Schedule 3, page 127, line 28, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

24

- ★ Schedule 4, page 129, line 1, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

25

- ★ Schedule 4, page 138, line 15, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

26

- ★ Clause 34, page 90, line 28, leave out from beginning to end of line 17 on page 91 and insert—

“Counter-terrorism financial investigators

63F Counter-terrorism financial investigators

- (1) The metropolitan police force must provide a system for the accreditation of financial investigators (“counter-terrorism financial investigators”).
- (2) The system of accreditation must include provision for—
 - (a) the monitoring of the performance of counter-terrorism financial investigators,
 - (b) the withdrawal of accreditation from any person who contravenes or fails to comply with any condition subject to which he or she was accredited, and
 - (c) securing that decisions under that system which concern—
 - (i) the grant or withdrawal of accreditations, or
 - (ii) the monitoring of the performance of counter-terrorism financial investigators,
 are taken without regard to their effect on operations by the metropolitan police force or any other person.

Criminal Finances Bill, continued

- (3) A person may be accredited if he or she is—
 - (a) a member of civilian staff of a police force in England and Wales (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2001;
 - (b) a member of staff of the City of London police force;
 - (c) a member of staff of the Police Service of Northern Ireland.
- (4) A person may be accredited—
 - (a) in relation to this Act;
 - (b) in relation to the Anti-terrorism, Crime and Security Act 2001;
 - (c) in relation to particular provisions of this Act or of the Anti-terrorism, Crime and Security Act 2001.
- (5) But the accreditation may be limited to specified purposes.
- (6) A reference in this Act or in the Anti-terrorism, Crime and Security Act 2001 to a counter-terrorism financial investigator is to be construed accordingly.
- (7) The metropolitan police force must make provision for the training of persons in—
 - (a) financial investigation,
 - (b) the operation of this Act, and
 - (c) the operation of the Anti-terrorism, Crime and Security Act 2001.”

Member's explanatory statement

This amendment provides for a new system of accreditation and training of financial investigators for the purposes of exercising certain powers under the Terrorism Act 2000 and the Anti-terrorism, Crime and Security Act 2001.

Mr Ben Wallace

27

- ★ Clause 34, page 91, line 24, leave out “designated” and insert “counter-terrorism”

Member's explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

28

- ★ Clause 34, page 91, line 36, leave out “designated” and insert “counter-terrorism”

Member's explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

29

- ★ Clause 34, page 91, line 38, leave out “designated” and insert “counter-terrorism”

Member's explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

30

- ★ Clause 34, page 91, line 45, leave out “designated” and insert “counter-terrorism”

Member's explanatory statement

See the explanatory statement to amendment 16.

Criminal Finances Bill, continued

Mr Ben Wallace

31

- ★ Clause 34, page 92, line 2, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

32

- ★ Clause 34, page 92, line 5, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

33

- ★ Clause 34, page 92, line 7, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

34

- ★ Clause 34, page 92, line 11, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

35

- ★ Clause 34, page 92, line 14, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

36

- ★ Clause 34, page 92, line 16, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

37

- ★ Clause 34, page 92, line 20, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

38

- ★ Clause 34, page 92, line 22, leave out “designated accredited” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

39

- ★ Clause 34, page 92, line 26, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Criminal Finances Bill, continued

Mr Ben Wallace

40

- ★ Clause 34, page 92, line 28, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

41

- ★ Clause 34, page 92, line 36, leave out “designated” substitute “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

42

- ★ Clause 34, page 92, line 42, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

43

- ★ Clause 34, page 92, line 44, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.
-

Mr Ben Wallace

44

- ★ Clause 35, page 93, line 3, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

45

- ★ Clause 35, page 93, line 4, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

46

- ★ Clause 35, page 93, line 7, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

47

- ★ Clause 35, page 93, line 36, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Criminal Finances Bill, continued

Mr Ben Wallace

48

- ★ Clause 35, page 93, line 37, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Mr Ben Wallace

49

- ★ Clause 35, page 93, line 41, leave out “designated” and insert “counter-terrorism”
Member’s explanatory statement
See the explanatory statement to amendment 16.

Dr Rupa Huq

4

- Clause 37, page 95, line 27, at end insert—
“(d) taking action which a reasonable person ought to have known would facilitate a UK tax evasion offence.”
Member’s explanatory statement
This amendment would increase the scope of the failure to prevent facilitation of UK tax evasion offences to include actions that a reasonable person ought to have known would facilitate a UK tax evasion offence.

Mr Ben Wallace

50

- ★ Clause 37, page 95, line 40, after “England” insert “and Wales”
Member’s explanatory statement
This amendment corrects an omission in clause 37(8)(b).

Dr Rupa Huq

5

- Clause 38, page 96, line 6, after “United Kingdom” insert—
“Crown dependency or British overseas territory”
Member’s explanatory statement
This amendment would extend the offence of failure to prevent facilitation of foreign tax evasion offences to companies incorporated in a British Overseas Territory or Crown Dependency.

Dr Rupa Huq

6

- Clause 38, page 96, line 7, after “United Kingdom” insert—
“Crown dependency or British overseas territory”
Member’s explanatory statement
This amendment would extend the offence of failure to prevent facilitation of foreign tax evasion offences to companies doing business in a British Overseas Territory or Crown Dependency.

Criminal Finances Bill, continued

Dr Rupa Huq

7

Clause 38, page 96, line 9, after “United Kingdom” insert—
 “Crown dependency or British overseas territory”

Member’s explanatory statement

This amendment would extend the offence of failure to prevent facilitation of foreign tax evasion offences to conduct conducted in a British Overseas Territory or Crown Dependency.

Mr Ben Wallace

51

★ Clause 38, page 96, line 37, after “England” insert “and Wales”

Member’s explanatory statement

This amendment corrects an omission in clause 38(7)(b).

NEW CLAUSES

Mr Ben Wallace

NC9

★ To move the following Clause—

“Immigration officers

- (1) Section 24 of the UK Borders Act 2007 (seizure of cash) is amended as follows.
- (2) For the heading substitute “Exercise of civil recovery powers by immigration officers”.
- (3) For subsection (1) substitute—

“(1) Chapters 3 to 3B of Part 5 of the Proceeds of Crime Act 2002 (civil recovery) apply in relation to an immigration officer as they apply in relation to a constable.”
- (4) In subsection (2)(a), for “section 289” substitute “sections 289 and 303C and Chapter 3B”.
- (5) In subsection (2)(c), for “and 297A” substitute “, 297A and 303E and in Chapter 3B (see section 303Z2(7))”.
- (6) In subsection (2)(d), for “section 292” substitute “sections 292 and 303G”.
- (7) In subsection (2)(e), for “and 293A” substitute “, 293A, 303H and 303I”.
- (8) In subsection (2)(f), in the words before sub-paragraph (i), after “295(2)” insert “or 303L(1)”.
- (9) In subsection (2)(f)(ii), after “298” insert “or (as the case may be) 303O”.
- (10) In subsection (2)(g), after “298” insert “, 303O or 303Z14”.
- (11) In subsection (2)(h), after “302” insert “, 303W or 303Z18”.

Member’s explanatory statement

Immigration officers exercise the civil recovery powers conferred by Chapter 3 of Part 5 of the Proceeds of Crime Act 2002 by virtue of section 24 of the UK Borders Act 2007. These amendments of section 24 provide for immigration officers to be able to exercise the civil recovery powers conferred by new Chapters 3A and 3B of Part 5 of the Proceeds of Crime Act 2002 (see clauses 12 and 13 of the Bill) in the same way.

Criminal Finances Bill, continued

Mr Ben Wallace

NC10

★ To move the following Clause—

“Forfeiture of cash

- (1) In section 289(6) of the Proceeds of Crime Act 2002 (meaning of cash for purposes of Chapter 3 of Part 5 of that Act), after paragraph (e) insert—
 - “(f) gaming vouchers,
 - (g) fixed-value casino tokens,”.
- (2) After section 289(7) of that Act insert—
 - “(7A) For the purposes of subsection (6)—
 - (a) “gaming voucher” means a voucher in physical form issued by a gaming machine within the meaning of the Gambling Act 2005 (see section 235 of that Act) that represents a right to be paid the amount stated on it;
 - (b) “fixed-value casino token” means a casino token that represents a right to be paid the amount stated on it.”
- (3) In Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (forfeiture of terrorist cash), in paragraph 1 (meaning of terrorist cash)—
 - (a) after sub-paragraph (2)(e) insert—
 - “(f) gaming vouchers,
 - (g) fixed-value casino tokens,”;
 - (b) after sub-paragraph (4) insert—
 - “(5) For the purposes of sub-paragraph (2)—
 - (a) “gaming voucher” means a voucher in physical form issued by a gaming machine within the meaning of the Gambling Act 2005 (see section 235 of that Act) that represents a right to be paid the amount stated on it;
 - (b) “fixed-value casino token” means a casino token that represents a right to be paid the amount stated on it.””

Member’s explanatory statement

This new clause provides for casino tokens and what are commonly referred to as “ticket in ticket out vouchers” to be treated as cash for the purposes of the civil recovery powers conferred by Chapter 3 of Part 5 of the Proceeds of Crime Act 2002 and by Schedule 1 to the Anti-terrorism, Crime and Security Act 2001.

Roger Mullin
Richard Arkless

NC1

To move the following Clause—

“Review of Scottish Limited Partnership

- (1) The Secretary of State must undertake a review into the extent of financial criminal activity associated with Scottish Limited Partnerships, and lay a copy of the review before the House of Commons within six months of this Act receiving Royal Assent.

Criminal Finances Bill, continued

- (2) In conducting the review the Secretary of State must consult—
- (a) the Scottish Government;
 - (b) the National Crime Agency;
 - (c) the Serious Fraud Office;
 - (d) the Financial Conduct Authority;
 - (e) HMRC;
 - (f) interested third sector organisations; and
 - (g) any other persons he deems relevant.
- (3) The review must set out what steps the Government intends to take to prevent Scottish Limited Partnerships being used for criminal purposes.”

Member’s explanatory statement

This new clause would require the Secretary of State to conduct a review of financial criminality associated with Scottish Limited Partnerships and set out what steps the Government intends to take to prevent Scottish Limited Partnerships being used for criminal purposes.

Dr Rupa Huq

NC2

To move the following Clause—

“National Crime Agency: Report on staff training

Clause 3 of the Proceeds of Crime Act 2002 is amended as follows, after subsection (7) insert—

- (8) The National Crime Agency must make an annual report to Parliament on the provision of training to persons under this section.”

Member’s explanatory statement

This new clause would require the National Crime Agency to make a report to Parliament about the training it provides to its staff in financial investigation and the operation of the Proceeds of Crime Act.

Dr Rupa Huq

NC3

To move the following Clause—

“Annual reporting: Adequacy of resources

- (1) In Part 12 of the Proceeds of Crime Act 2002 (miscellaneous and general), after section 455, insert—

“455A Annual reports on resources

- (1) A relevant authority must, no later than 1 June in each calendar year, prepare an annual report on the adequacy of the resources available from money voted by Parliament for the exercise of any functions of that authority—
- (a) under this Act;
 - (b) in connection with investigations into terrorist financing offences under the Terrorism Act 2000;

Criminal Finances Bill, continued

- (c) under Part 3 of the Criminal Finances Act 2017.
- (2) In this section, “a relevant authority” means—
- (a) the National Crime Agency;
 - (b) the Director of Public Prosecutions;
 - (c) the Director of the Serious Fraud Office, and
 - (d) Her Majesty’s Revenue and Customs.
- (3) The reports prepared in accordance with subsection (1) shall be sent—
- (a) in the case of the National Crime Agency, to the Secretary of State;
 - (b) in the case of the Director of Public Prosecutions and the Director of the Serious Fraud Office, to the Attorney General, and
 - (c) in the case of Her Majesty’s Revenue and Customs, to the Chancellor of the Exchequer.
- (4) The person receiving annual reports in accordance with subsection (3) must lay those reports before each House of Parliament in the form in which they were received no later than 30 June in the same calendar year, together with a statement on plans for future resources to be provided from money voted by Parliament.”

Member’s explanatory statement

This new clause would require the National Crime Agency and other agencies to report annually to Parliament on the adequacy of its resource to fulfil its functions relating to combating financial crime.

Dr Rupa Huq

NC4

To move the following Clause—

“Public registers of beneficial ownership of companies registered in Crown dependencies and overseas territories

- (1) In Part 1 of the Proceeds of Crime Act 2002 (introductory), after section 2A, insert—

“2AA Duty of Secretary of State: Public registers of beneficial ownership of companies registered in overseas territories and Crown dependencies

- (1) It shall be the duty of the Secretary of State, in furtherance of the purposes of—
- (a) this Act; and
 - (b) Part 3 of the Criminal Finances Act 2017
- to take the steps set out in this section.
- (2) The first step is, no later than 31 December 2017, to provide all reasonable assistance to the Governments of Crown dependencies and overseas territories to enable each of those Governments to establish a publicly accessible register of the beneficial ownership of companies registered in that Government’s jurisdiction.

Criminal Finances Bill, continued

- (3) The second step is, no later than 31 December 2018, to publish legislative proposals to require the Government of any Crown dependency or overseas territory that has not established a publicly accessible register of the beneficial ownership of companies registered in that Government's jurisdiction to do so.
- (4) In this section—
- “legislative proposals” means either—
- (a) a draft Order in Council; or
- (b) a Bill presented to either House of Parliament.
- “a publicly accessible register of the beneficial ownership of companies” means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006.”

Member's explanatory statement

This new clause would require the Secretary of State to take steps to require overseas territories and Crown Dependencies to establish publicly accessible register of the beneficial ownership, including legislative steps if necessary.

Dr Rupa Huq

NC5

To move the following Clause—

“Accredited financial investigators: Recovery of training costs

- (1) The Secretary of State shall have a duty to work with enforcement authorities to ensure that enforcement authorities have in place training cost agreements with staff who are trained by the enforcement authority to be accredited financial investigators.
- (2) For the purposes of this section
- “Enforcement authority” has the same meaning as in subsection 362A(7) of the Proceeds of Crime Act 2002
- “training costs agreement” means an agreement requiring an employee who has been trained as an accredited financial investigator to repay the cost of their training if they voluntarily leave the employment of the enforcement authority within 3 years of their training being completed.
- “accredited financial investigators” has the same meaning as in subsection 47A(2) of the Proceeds of Crime Act 2002.”

Member's explanatory statement

This new clause would place a duty on the Secretary of State to work with enforcement agencies to ensure that the agencies have appropriate HR arrangements in place to recover the costs of training accredited financial investigators where the AFI leaves the employment of the agency within 3 years of completing their training.

Criminal Finances Bill, continued

Dr Rupa Huq

NC6

To move the following Clause—

“Failure to prevent financial crime

- (1) A relevant body (B) is guilty of an offence if a person commits a criminal financial offence when acting in the capacity of a person associated with (B).
- (2) It is a defence for B to prove that, when the criminal financial offence was committed—
 - (a) B had in place such prevention procedures as it was reasonable in all the circumstances to expect B to have in place, or
 - (b) it was not reasonable in all the circumstances to expect B to have any prevention procedures in place.
- (3) In subsection (2) “prevention procedures” means procedures designed to prevent persons acting in the capacity of a person associated with B from committing criminal financial offences.
- (4) For the purposes of this clause—

“criminal financial offence” means one of the following offences—

 - (a) an offence under section 1, 6 or 7 of the Fraud Act 2006;
 - (b) an offence under section 17 of the Theft Act 1968;
 - (c) an offence under section 327, 328 and 329 of the Proceeds of Crime Act 2002;
 - (d) a common law offence of conspiracy to defraud;

“relevant body” has the same meaning as in section 36.
- (5) 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.
- (6) It is immaterial for the purposes of this section whether—
 - (a) any relevant conduct of a relevant body, or
 - (b) any conduct which constitutes part of a relevant criminal financial offence

takes place in the United Kingdom or elsewhere.”

Member’s explanatory statement*This new clause would create a corporate offence of failing to prevent financial crime.*

Dr Rupa Huq

NC7

To move the following Clause—

“Corporate probation order

- (1) A court before which a relevant body (B) is convicted of an offence under section 37 or 38 of this Bill may make a corporate probation order in relation to B.
- (2) A corporate probation order—
 - (a) shall require B to implement a compliance procedure or make changes to an existing compliance procedure to prevent persons acting in the

Criminal Finances Bill, continued

capacity of a person associated with B for committing UK tax evasion facilitation offences or foreign tax evasion facilitation offences;

- (b) may require B to appoint an external body to verify that compliance programme, costs of which shall be met by B.
- (3) A corporate probation order may be made only on an application by the prosecution specifying the terms of the proposed order. Any such order must be on such terms (whether those proposed or others) as the court considers appropriate having regard to any representations made, and any evidence adduced, in relation to that matter by the prosecution and on behalf of B.
- (4) Before making an application for a probation order the prosecution must consult such enforcement authority or authorities as it considers appropriate having regard to the nature of the relevant offending.
- (5) An organisation that fails to comply with a corporate probation order is guilty of an offence, and 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.
- (6) For the purposes of this clause “relevant body” has the same meaning as in section 36.”

Member’s explanatory statement

This new clause would allow courts to require bodies found guilty of a UK or foreign tax evasion facilitation offence to make steps to improve their internal procedures to minimize the chance of persons working for that company committing the same offence in the future.

Dr Rupa Huq

NC8

To move the following Clause—

“Facilitation of tax evasion offences: disqualification of directors

- (1) Where a body (B) has been convicted of an offence under sections 37 and 38 of this Act the Secretary of State must arrange for the relevant enforcement authorities to investigate the conduct of the directors of B.
- (2) The purpose of the investigation under this subsection is to determine whether the directors of B were grossly negligent by failing to ensure that B had in place reasonable prevention procedures.
- (3) In section 8 of the Company Directors Disqualification Act 1986, after subparagraph (ii) insert—
 - “(iii) an investigation under section [Facilitation of tax evasion offences: disqualification of directors] of the Criminal Finance Act”
- (4) For the purposes of this section—
 - “enforcement authorities” means one or more the bodies listed in subsection 362A(7) of the Proceeds of Crime Act 2002.

Criminal Finances Bill, continued

“prevention procedures” has the same meaning as in subsection 37(3) where B was convicted of an offence under section 37, or as in subsection 38(4) where B was convicted of an offence under section 38.”

Member’s explanatory statement

This new clause would require the Secretary of State to investigate the directors of a company found guilty of a UK or foreign tax evasion offence to see whether the directors should be subject to a disqualification order for the failure to have proper procedures in place to prevent agents of that company facilitating tax evasion.

Tristram Hunt

NC11

★ To move the following Clause—

“Unexplained wealth orders: reporting requirements

In Chapter 2 of Part 8 of the Proceeds of Crime Act 2002, after section 362H insert—

“362HA Unexplained wealth orders: reporting requirements

- (1) The Secretary of State must make an annual report to Parliament setting out the number of unexplained wealth orders applied for by enforcement agencies under section 362A of this Act (and by Scottish Ministers under section 396A of this Act) during the previous 12 month period.
- (2) The report must also provide information in respect of each unexplained wealth order about—
 - (a) the value of property subject to the order,
 - (b) whether the respondent was—
 - (i) a politically exposed person,
 - (ii) a person involved in serious crime (whether in a part of the United Kingdom or elsewhere)
 - (c) whether the order was granted,
 - (d) the value of the property reclaimed as a result of the order.
- (3) For the purposes of this section “enforcement agencies” has the same meaning as in subsection 362A(7).”

Member’s explanatory statement

This new clause would require the Secretary of State to make an annual report to Parliament about the number of unexplained wealth orders made each year.

Criminal Finances Bill, *continued*

Tristram Hunt

NC12

- ★ To move the following Clause—

“Unexplained wealth orders: duty to prevent corruption

In Chapter 1 of Part 8 of the Proceeds of Crime Act 2002 (investigations: introduction), after section 342, insert the following—

“342A Unexplained wealth orders: duty to prevent corruption

- (1) A relevant authority must exercise its functions in relation to unexplained wealth orders in the way which it considers is best calculated to contribute to the prevention of corruption.
- (2) For the purposes of this section it is immaterial whether corruption is being prevented in the United Kingdom or elsewhere.
- (3) In considering under subsection (1) the way which is best calculated to contribute to the prevention of corruption a relevant authority must have regard to any guidance given to it by—
 - (a) in the case of the National Crime Agency, the Secretary of State,
 - (b) in the case of the Director of Public Prosecutions or the Director of the Serious Fraud Office, the Attorney General,
 - (c) in the case of Her Majesty’s Revenue and Customs or the Financial Conduct Authority, the Chancellor of the Exchequer, and
 - (d) in the case of the Director of Public Prosecutions for Northern Ireland, the Advocate General for Northern Ireland.”

Tristram Hunt

NC13

- ★ To move the following Clause—

“Unexplained wealth orders: award of costs

In Chapter 2 of Part 8 of the Proceeds of Crime Act 2002, after section 362H insert—

“362HB Unexplained wealth orders: award of cost

- (1) Part 44 of the Civil Procedure Rules (General Rules about Costs) shall not apply to applications made by enforcement authorities for—
 - (a) unexplained wealth orders under section 362A of this Act,
 - (b) interim freezing orders under section 262I of this Act.
- (2) The High Court shall not have power to make awards for costs against enforcement authorities who bring an unsuccessful application for—
 - (a) unexplained wealth orders under section 362A of this Act,
 - (b) interim freezing orders under section 262I of this Act.

Criminal Finances Bill, continued

- (3) For the purposes of this section “enforcement agencies” has the same meaning as in subsection 362A(7).”

Member’s explanatory statement

This new clause would prevent the courts from awarding costs against enforcement agencies where they have brought unsuccessful applications for unexplained wealth orders or interim freezing orders.

Tristram Hunt

NC14

- ★ To move the following Clause—

“Public register of beneficial ownership of UK property by companies registered outside the UK

- (1) It shall be the duty of the Secretary of State, in furtherance of the purposes of—
- (a) this Act; and
 - (b) Part 3 of the Criminal Finances Act 2017
- to establish, within 6 months of the commencement of section 1 of this Act, a publicly accessible register of the beneficial ownership of UK property by companies registered in non-UK jurisdictions.
- (2) In this section—
- “a publicly accessible register of the beneficial ownership of companies” means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006.”

Member’s explanatory statement

This new clause would require the Secretary of State to establish a publicly accessible register of the beneficial ownership of UK property by foreign companies within 6 months of the commencement of this Act.

Tristram Hunt

NC15

- ★ To move the following Clause—

“Failure to prevent facilitation of tax evasion offences: exclusion from public procurement

- (1) In section 57 of the Public Contract Regulations 2015 after paragraph 3(b) insert—
- “(c) the contracting authority is aware that the economic operator is a body that has been convicted of an offence under section 37 or 38 of the Criminal Finances Act 2017.”

Member’s explanatory statement

This new clause would ensure that companies convicted of failure to prevent a tax evasion facilitation offence are excluded from public procurement.

Criminal Finances Bill, *continued*

Tristram Hunt

NC16

- ★ To move the following Clause—

“Failure to prevent facilitation of tax evasion offences: reporting

- (1) The Secretary of State must make an annual report to Parliament containing the number of prosecutions brought and convictions made under section 37 and 38 of this Act.”

Member’s explanatory statement

This new clause would require that the Secretary of State reports annually on the number of prosecutions brought and convictions made for failure to prevent the facilitation of UK and foreign tax evasion offences.

Mr Ben Wallace

54

- ★ Schedule 5, page 140, line 11, leave out “designated” and insert “counter-terrorism”

Member’s explanatory statement

See the explanatory statement to amendment 16.

Mr Ben Wallace

55

- ★ Schedule 5, page 141, line 27, leave out “303O(4) and insert “303O(5)”

Member’s explanatory statement

This amendment corrects an incorrect cross-reference.

Mr Ben Wallace

56

- ★ Schedule 5, page 142, line 2, at end insert—

“() in paragraph (b) (as amended by section 28 of this Act), for “or 298(4)” substitute “, 298(4) or 303O(5);”

Member’s explanatory statement

This amendment is consequential on amendment 15 and corresponds to the amendment of section 82 of the Proceeds of Crime Act 2002 made by paragraph 18(3)(b) of Schedule 5 to the Bill, as amended by amendment 55.

Mr Ben Wallace

52

- ★ Clause 49, page 102, line 34, at end insert—

“() section 28(2A);”

Member’s explanatory statement

This amendment is consequential on amendment 15.

Criminal Finances Bill, continued

Mr Ben Wallace

53

★ Clause 50, page 103, line 5, after “25” insert “and 28(2A)”

*Member’s explanatory statement**This amendment is consequential on amendment 15.*

ORDER OF THE HOUSE [25 OCTOBER 2016]

That the following provisions shall apply to the Criminal Finances Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 24 November 2016.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.
-

NOTICES WITHDRAWN*The following Notices were withdrawn on Monday 14 November:*Amendment 3
