

## Appendix – Extract Table of Amendments

Regulation	Subject	Nature of Change
8	<b>Entities Required to Comply with MLRs</b>	<p>Addition of letting agents, art market participants, crypto exchange and wallet providers; description of letting activities covered by or excluded from the MLRs are described in Regulation 13(3)-(7)</p> <p>Description of art market activities covered by Regulation 14(1); includes those involved in the operation of freeports.</p> <p>Description of crypto asset exchange and wallet providers covered by new Regulation 14A (collectively, <b>VASPs</b>). Added throughout rest of MLRs re: regulatory requirements.</p>
9	<b>Carrying on Business in the UK</b>	<p>Revises definition to reflect incoming changes post departure from the EU – which entities must comply with the MLRs due to carrying on business in the UK by removing reference to single market directive and EEA passport rights</p>
11d	<b>Regulated Activities - Tax</b>	<p>Expanded from advice about tax affairs to material aid, or assistance or advice in connection with the tax affairs of other persons, whether provided directly or through a third party.</p>
19	<b>Policies, Procedures and Controls</b>	<p>19(4) clarification that transactions that require identification and scrutiny those that that are complex <b>or</b> unusually large – corrects description that transactions subject to this requirement must be complex <b>AND</b> unusually large.</p> <p>19(4)(c ) clarification that requirement for policies, controls and procedures in relation to assessing the ML and TF risks associated with the introduction and use of new technology is clarified as encompassing “<b>new products, new business practices (including new delivery mechanisms) or new technology</b>”.</p>

24	<b>Training - Agents</b>	<p>24(1) Extends obligation to any agents the relevant person uses for the purposes of its business whose work is:</p> <p>(a) Relevant to the relevant person’s compliance with any requirement in the MLRs, or</p> <p>(b) Otherwise capable of contributing to the—</p> <p>(i) Identification or mitigation of the risk of money laundering and terrorist financing to which the relevant person’s business is subject; or</p> <p>(ii) Prevention or detection of money laundering and terrorist financing in relation to the relevant person’s business.</p>
27	<b>Customer Due Diligence Measures</b>	<p>Expands circumstances when CDD measures must be applied to existing customers</p> <p><b>27(8) – NEW</b></p> <p>(za) When relevant person has a legal duty in the course of the calendar year to contact an existing customer for the purpose of reviewing any information which:</p> <p>i. Is relevant to the risk assessment for that customer and</p> <p>ii. Relates to the beneficial ownership information necessary to understand the ownership or control structure of a customer who is a legal entity or legal arrangement.</p> <p>(zb) When the relevant person must contact an existing customer in order to fulfil any duty under the International Tax Compliance Regulations 2015</p>

28	<b>Customer Due Diligence Measures</b>	<p>Addition of new paragraph to make it UBO identification and understanding the ownership/control structure of legal entities and arrangements.</p> <p><b>28(3A) - NEW</b></p> <p>“Where the customer is a legal person, trust, company, foundation or similar legal arrangement the relevant person must take reasonable measures to understand the ownership and control structure of that legal person, trust, company, foundation or similar legal arrangement”.</p>
28	<b>Customer Due Diligence Measures</b>	<p>Transposition of 5AMLD requirement that if UBO cannot be satisfactorily identified for a legal entity or arrangement.</p> <p>8. ...the relevant person must—</p> <p>(a) Keep records in writing of all the actions it has taken to identify the beneficial owner of the body corporate;</p> <p>(b) <b>Take reasonable measures to verify the identity of the senior person in the body corporate responsible for managing it</b>, and keep records in writing of—</p> <p>(i) All the actions the relevant person has taken in doing so, and</p> <p>(ii) Any difficulties the relevant person has encountered in doing so.”</p>
28	<b>Customer Due Diligence Measures</b>	<p>Transposition of 5AMLD requirement permitting reliance on eKYC, including Gov.ID or similarly recognised government identification authorised under the eIDAS Regulation of Europe.</p> <p><b>28(19) - NEW</b></p> <p>For the purposes of this regulation, information may be regarded as obtained from a reliable source which is independent of the person whose identity is being verified where—</p>

		<p>(a) It is obtained by means of an electronic identification process, including by using electronic identification means or by using a trust service (within the meanings of those terms in Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23rd July 2014 on electronic identification and trust services for electronic transactions in the internal market(11)); and</p> <p>(b) That process is secure from fraud and misuse and capable of providing an appropriate level of assurance that the person claiming a identity is in fact the person with that identity.</p>
30	<b>Registers</b>	<p>New requirement to report discrepancies in registers – see separate note posted on EFI website. <a href="https://efilimited.com/news-and-insights/">https://efilimited.com/news-and-insights/</a></p>

<p>33</p>	<p><b>Duty to Apply Enhanced Due Diligence</b></p>	<p>Amendment to expand the application of EDD in relation to transactions involving high risk third countries.</p> <p>..."in any business relationship with a person established in a high-risk third country <b>or in relation to any relevant transaction where EITHER OF THE PARTIES to the transaction is established in a high-risk third country</b>".</p> <p>Revisions include terms which are defined as:</p> <p>(a) A <b>"high-risk third country"</b> means a country which has been identified by the European Commission on its High Risk Third Country List adopted under Article 9.2 of the 4AMLD;</p> <p>(b) A <b>"relevant transaction"</b> means a transaction where CDD must be applied under Regulation 27;</p> <p>(c) Being <b>"established in"</b> a country means—</p> <p>(i) In the case of a <b>legal person</b>, being <b>incorporated in or having its principal place of business in that country</b>, or, in the case of a <b>financial or credit institution</b>, having its <b>principal regulatory authority in that country</b>; and</p> <p>(ii) In the case of an <b>individual</b>, being <b>resident in that country</b>, but <b>not merely having been born</b> in that country</p>
<p>33</p>	<p><b>Duty to Apply Enhanced Due Diligence</b></p>	<p><b>33(3A) – Revised</b></p> <p>EDD in relation to <b>connections to high risk third countries</b> must include:</p> <p>(a) Obtaining <b>additional information</b> on the <b>customer</b> and on the customer's <b>beneficial owner</b>;</p> <p>(b) Obtaining additional information on the <b>intended nature of the business relationship</b>;</p> <p>(c) Obtaining information on the <b>source of funds</b> and <b>source of wealth</b> of the customer and of the customer's beneficial owner;</p>

		<p>(d) Obtaining information on the <b>reasons for the transactions</b>;</p> <p>(e) Obtaining the approval of senior management for establishing or continuing the business relationship;</p> <p>(f) Conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied and selecting patterns of transactions that need further examination.</p>
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