

**Bills Committee on  
Anti-Money Laundering and Counter-Terrorist Financing  
(Financial Institutions) Bill**

**Criminal Offence Provisions of the United Kingdom  
and the United States under the Relevant Legislation**

This note provides information on the comparison between the criminal liabilities provided under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Bill (“the Bill”) and the relevant legislation of the United Kingdom (“UK”) and the United States (“US”).

2. The UK Money Laundering Regulations 2007 (Regulation 45) provides that “a person who fails to comply with any requirement in [specified provisions under the Regulation including provisions on customer due diligence and record-keeping] is guilty of an offence”. It also provides a defence that “a person is not guilty if he took all reasonable steps and exercised all due diligence to avoid committing the offence”.

3. 31 US Code 5322 in the United States provides for criminal liability where “a person willfully violates [specified provisions under that subchapter or a regulation prescribed under that subchapter including provisions on customer due diligence and record-keeping]”. There is no statutory defence.

4. By comparison, the Bill provides that a financial institution commits an offence if it contravenes the statutory obligations knowingly or with an intent to defraud, and persons who are concerned in the management of a financial institution and persons who are employees of or are employed to work for a financial institution will be criminally liable if they knowingly or with an intent to defraud cause or permit the financial institution to contravene the requirements.