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STATUTORY INSTRUMENTS

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**2017 No. 692**

**The Money Laundering, Terrorist Financing and Transfer  
of Funds (Information on the Payer) Regulations 2017**

**PART 3**

**Customer Due Diligence**

**CHAPTER 1**

**Customer due diligence: general**

**Customer due diligence**

**27.—(1)** A relevant person must apply customer due diligence measures if the person—

- (a) establishes a business relationship;
- (b) carries out an occasional transaction that amounts to a transfer of funds within the meaning of Article 3.9 of the funds transfer regulation exceeding 1,000 euros;
- (c) suspects money laundering or terrorist financing; or
- (d) doubts the veracity or adequacy of documents or information previously obtained for the purposes of identification or verification.

(2) A relevant person who is not a high value dealer or a casino must also apply customer due diligence measures if the person carries out an occasional transaction that amounts to 15,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3) A high value dealer must also apply customer due diligence measures if that dealer carries out an occasional transaction in cash that amounts to 10,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(4) A transaction does not cease to be a “transaction in cash” for the purposes of paragraph (3) if cash is paid by or on behalf of a party to the transaction—

- (a) to a person other than the other party to the transaction for the benefit of the other party, or
- (b) into a bank account for the benefit of the other party to the transaction.

(5) A casino must also apply customer due diligence measures in relation to any transaction within paragraph (6) that amounts to 2,000 euros or more, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(6) A transaction is within this paragraph if it consists of—

- (a) the wagering of a stake, including—
  - (i) the purchase from, or exchange with, the casino of tokens for use in gambling at the casino;

- (ii) payment for use of gaming machines (within the meaning of section 235 of the Gambling Act 2005(1)); and
    - (iii) the deposit of funds required to take part in remote gambling; or
  - (b) the collection of winnings, including the withdrawal of funds deposited to take part in remote gambling (within the meaning of section 4 of the Gambling Act 2005) or winnings arising from the staking of such funds.
- (7) In determining whether a transaction amounts to 2,000 euros or more for the purposes of paragraph (5), no account is to be taken of winnings from a previous transaction which had not been collected from the casino, gaming machine or remote gambling, but are being re-used in the transaction in question.
- (8) A relevant person must also apply customer due diligence measures—
- (a) at other appropriate times to existing customers on a risk based approach;
  - (b) when the relevant person becomes aware that the circumstances of an existing customer relevant to its risk assessment for that customer have changed.
- (9) For the purposes of paragraph (8), in determining when it is appropriate to take customer due diligence measures in relation to existing customers, a relevant person must take into account, among other things—
- (a) any indication that the identity of the customer, or of the customer’s beneficial owner, has changed;
  - (b) any transactions which are not reasonably consistent with the relevant person’s knowledge of the customer;
  - (c) any change in the purpose or intended nature of the relevant person’s relationship with the customer;
  - (d) any other matter which might affect the relevant person’s assessment of the money laundering or terrorist financing risk in relation to the customer.