

By email: Anti-MoneyLaunderingBranch@hmtreasury.gov.uk

30 September 2025

Re: The draft Money Laundering and Terrorist Financing (Amendment and Miscellaneous Provision) Regulations 2025 - Policy note

The British Private Equity and Venture Capital Association (BVCA) is the industry body and public policy advocate for the private capital industry in the UK. With a membership of around 600 firms, we represent UK-based venture capital, private equity and private credit firms, as well as their professional advisers and investors. There are almost 13,000 UK companies backed by private capital which currently employ over 2.5 million people in the UK. In 2024, £29.4bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology. This increased investment has fuelled the growth of businesses across the UK, with six in ten (58%) of the businesses backed in 2024 located outside of the capital.

We are grateful for the opportunity to provide feedback on the proposed amendments to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the MLRs). We recognise the role of the UK money laundering regime in providing appropriate safeguards against exposure to money laundering and terrorist or proliferation financing and welcome the Government's focus on both providing additional clarity to support compliance, and maintaining a balance between the requirements imposed on firms and the risks that those requirements are intended to address.

We have only commented on the proposed amendments on which our members have specific views.

High-Risk Third Countries

We welcome with the amendment to regulation 33(3)(a) of the MLRs (as well as the amendment to regulation 39(4)) which narrows the requirement for enhanced due diligence specifically to FATF call for action countries.

We think that this is a proportionate approach which will allow firms to focus their efforts on the jurisdictions posing the greatest risk.

Complex and large transactions

We also support the amendment to regulation 33(1)(f)(i) which requires enhanced due diligence where a transaction is *unusually* complex or unusually large *given the nature of the transaction* and the related amendments in regulations 19(4)(a)(i)(aa) and 19A(4)(a)(i)(aa).

We think that these provide helpful clarity. Given the nature of private equity, the majority of transactions would arguably be considered "complex". However, this does not mean that all such transactions would be high-risk and therefore require enhanced scrutiny. The amendments would therefore provide greater certainty and allow firms to focus their resources more appropriately without affecting the policy intent of the requirement.

If you have any questions or there are points it would be helpful to discuss further, please contact Nick Chipperfield (nchipperfield@bvca.co.uk) and Tom Taylor (ttaylor@bvca.co.uk).

Your faithfully,



Tim Lewis
Chair, BVCA Regulatory Committee

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