



Home Office

**CODE OF PRACTICE  
FOR OFFICERS ACTING  
UNDER SCHEDULE 1  
TO THE ANTI-  
TERRORISM, CRIME  
AND SECURITY ACT  
2001**

April 2024





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# Code of Practice for officers acting under Schedule 1 to the Anti-terrorism, Crime and Security Act 2001

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# Code of Practice for officers acting under Schedule 1 to the Anti-terrorism, Crime and Security Act 2001

## Introduction

1. This Code of Practice is made pursuant to paragraph 6(1) of Schedule 14 to the Terrorism Act 2000 (TACT) which requires the Secretary of State to issue a Code of Practice in relation to the exercise of powers conferred on officers by the “terrorist property” provisions of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (“the Act”). Under paragraph 6(4) of Schedule 14 to TACT the Secretary of State may revise the Code and issue the revised Code.
2. This Code has been updated to reflect the amendments made to TACT and to Schedule 1 to the Act by Schedule 10 to the Economic Crime and Corporate Transparency Act 2023 (ECCTA)<sup>1</sup>, including the introduction in Schedule 1 to the Act of new civil recovery powers to seize, detain, and forfeit “terrorist cryptoassets” in new Parts 4BA, 4BB, 4BC, and 4BD, and to freeze crypto wallets (similar to cryptoasset accounts) held with cryptoasset exchange providers and custodian wallet providers as defined in new Part 4BB.
3. References to the Act or to TACT refer to those legislative acts as amended up to and including the ECCTA.

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<sup>1</sup> The Economic Crime and Corporate Transparency Act received Royal Assent on 26 October 2023

## General

4. This Code applies to the exercise by an officer of functions conferred by Schedule 1 to the Act.
5. "Officer" for the purpose of this Code has the same meaning as in paragraph 1(a) of Schedule 14 to TACT. It therefore applies to an immigration officer and a customs officer when exercising functions under Schedule 1 to the Act, as well as to a constable, counter-terrorism financial investigator, an enforcement officer and a senior officer (the latter which may include an officer of Revenue and Customs, or an immigration officer, of equivalent rank to at least a superintendent) exercising those powers.
6. The Code must be followed by officers when exercising functions under Schedule 1 to the Act which includes powers relating to the seizure, detention and forfeiture of terrorist property, including terrorist cryptoassets. The Code does not apply in other circumstances in which seizure, detention or forfeiture powers are exercised, nor where a customs officer or constable exercises powers of seizure and detention of cash under Part 2 of the Drug Trafficking Act 1994.
7. This Code should be made available for consultation by officers using these powers and by members of the public. It should also be made available at police premises and at ports where the powers are likely to be used.



## Definitions

8. Schedule 1 to the Act, as amended by the ECCTA, now makes provision for the forfeiture of “terrorist property” which includes terrorist: cash, listed assets, money held in bank or building society accounts, and cryptoassets.
9. Definitions for the terms referred to in this Code, including terrorist cash, terrorist listed assets and categories of officer created by the Criminal Finances Act 2017; and terrorist cryptoassets, cryptoasset-related items, crypto wallets, cryptoasset exchange providers, UK-connected cryptoasset service providers, custodian wallet providers, and crypto wallet freezing orders, created by the ECCTA are included below:

a) Officer:

“Officer” for the purpose of this code has the same meaning as in paragraph 1(a) of Schedule 14 to TACT and applies to the following roles:

- an authorised officer;
- an enforcement officer
- a senior officer

as those terms are defined in the Act.

b) Authorised officer:

Paragraph 19 of Schedule 1 defines an “authorised officer” as meaning:

- A constable;
- A counter terrorist financial investigator (CTFI);
- A customs officer; or
- An immigration officer

c) Enforcement officer:

An “enforcement officer” in Part 4B has the meaning given in paragraph 10Q(7) and applies to the following roles:

- A constable
- A counter terrorism financial investigator

d) Senior officer:

A “senior officer” for the purposes of:

(i) Part 2A is defined in paragraph 5A(10) as meaning:

- A senior police officer;
- An officer of Revenue and Customs of a rank equivalent to a senior police officer;

- An immigration officer of a rank equivalent to a senior police officer.
- A “senior police officer” is defined as a police officer of at least the rank of superintendent.

(ii) Part 4A is defined in paragraph 10G(9) as meaning:

- In relation to a constable or CTFI, a senior police officer;
- In relation to an officer of Revenue & Customs, an officer designated by the Commissioners for HMRC with a rank equivalent to a senior police officer;
- In relation an immigration officer, an officer designated by the Secretary of State with a rank equivalent to senior police officer.

A “senior officer” is defined as a police officer of at least the rank of superintendent.

(iii) Part 4B is defined in paragraph 10G(9) as meaning a police officer of at least the rank of superintendent.

e) Terrorist Property:

Schedule 1 to the Act now makes provision for the forfeiture of “terrorist property”. This includes “terrorist cash”, “terrorist assets”, terrorism-related funds in bank or building society accounts, and “terrorist cryptoassets” – see below for the definition of these terms.

f) Terrorist Cash:

“Terrorist cash” is defined in paragraph 1(1) of Schedule 1 to the Act as cash which:

- is intended to be used for the purposes of terrorism;
- consists of resources of a proscribed organisation; or
- is earmarked as terrorist property.

“Cash” is defined in paragraph 1(2) as meaning:

- Coins and notes in any currency,
- Postal orders,
- Cheques of any kind, including travellers’ cheques,
- Bankers drafts,
- Bearer bonds and bearer shares,
- Gaming vouchers,

- Fixed-value casino tokens,
- Betting receipts

found at any place in the United Kingdom

A gaming voucher means a voucher in physical form issued by a gaming machine that represents a right to be paid the amount stated on it. A fixed-value casino token means a casino token that represents a right to be paid the amount stated on it. A betting receipt means a receipt in physical form that represents a right to be paid an amount in respect of a bet placed with a person holding a betting licence.

g) Terrorist Listed Assets:

Part 4A of Schedule 1 to the Act makes provision for the forfeiture of “terrorist listed assets” which are “listed assets” that:

- are intended to be used for the purposes of terrorism;
- consist of resources of a proscribed organisation; or
- are earmarked as terrorist property.

A “listed asset” is defined in paragraph 10A(1) of Schedule 1 to the Act as an item of property that falls within of the following descriptions:

- Precious metals;
- Precious stones;
- Watches;
- Artistic works;
- Face-value vouchers;
- Postage stamps

Precious metal means gold, silver, or platinum (whether in an unmanufactured or a manufactured state). Artistic work means a piece of work falling within section 4(1)(a) of the Copyright, Designs and Patents Act 1988. A face-value voucher means a voucher in physical form that represents a right to receive goods or services to the value of an amount stated on it.

h) Terrorism-related funds held in Bank or Building Society Accounts:

Part 4B of Schedule 1 makes provision for the forfeiture of money held in a bank or building society account which is money that:

- is intended to be used for the purposes of terrorism;
- consists of resources of a proscribed organisation; or
- is earmarked as terrorist property.

In this code money which comes within this definition is referred to as “terrorism-related funds”.

i) Cryptoassets:

“Cryptoasset” means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored, or traded electronically.

j) Terrorist Cryptoassets:

“Terrorist cryptoasset” means a cryptoasset which –

- Is within subsection (1)(a) or (b) of section 1, or
- Is earmarked as terrorist property

k) Cryptoasset-related item:

A “cryptoasset-related item” means an item of property that is likely to assist in the seizure of terrorist cryptoassets.

l) Crypto wallet:

“Crypto wallet” means –

- software,
- hardware,
- or a physical item,

Which is used to store the cryptographic key to access cryptoassets.

m) Cryptoasset Exchange Provider:

A “cryptoasset exchange provider” means a firm or sole practitioner who provides services, including as a creator or issuer of cryptoassets, as follows –

- by exchanging, arranging or making arrangements to exchange cryptoassets for money, or money for cryptoassets,
- by exchanging, arranging or making arrangements to exchange one cryptoasset for another, or
- by operating a machine which utilises automated processes to exchange cryptoassets for money, or money for cryptoassets.

n) Custodian Wallet Provider:

A “custodian wallet provider” means a firm or sole practitioner who provides services to safeguard, or to safeguard and administer –

- Cryptoassets on behalf of its customers, or
- Private cryptographic keys on behalf of its customers in order to hold, store or transfer cryptoassets

o) Cryptoasset Service Provider:

A “cryptoasset service provider” includes a cryptoasset exchange provider and a custodian wallet provider.

p) UK-connected Cryptoasset Service Provider:

A “UK-connected cryptoasset service provider” means a cryptoasset service provider which –

- Carries on its business in the United Kingdom,
- Has terms and conditions with the persons it provides services for which, if disputed, would be litigated in a United Kingdom court,
- Holds any data relating to the persons for which it provides services for in the United Kingdom, or
- Meets the following condition –
  - the cryptoasset service provider has a registered office or head office in the United Kingdom, and
  - the day-to-day management of the provider’s business is the responsibility of that office or another establishment by it, in the United Kingdom.

q) Crypto Wallet Freezing Order:

A “crypto wallet freezing order” is an order which, subject to exclusions, can freeze a specific crypto wallet held by a UK-connected cryptoasset service provider, and prohibits the persons for whom the crypto wallet is administered from –

- Making withdrawals or payments, or
- Using the crypto wallet in any other way

## **Powers under Schedule 1 to the Act**

10. The Code deals with:

- the powers available to officers to seize, detain or freeze terrorist property,
- the power to administratively forfeit terrorist property, and
- the power to apply to the court for forfeiture of terrorist property.

11. In the following section, “terrorist assets” includes terrorist cash, terrorist listed assets, and terrorist cryptoassets.

### **A. Powers to seize, detain or freeze terrorist property**

#### Seizure and detention of terrorist assets and cryptoasset-related items

Authorisation for the Seizure and Detention of Terrorist Assets and cryptoasset-related items

12. Any decision by an authorised officer to seize or detain terrorist assets, or cryptoasset-related items under the Act must be authorised:

- where seizure is undertaken by a police constable, by a police officer of the rank of Inspector or above;
- where seizure is undertaken by a CTFI, by a police officer of the rank of Inspector or above;
- where seizure is undertaken by an immigration officer, by a Chief Immigration Officer;
- where seizure is undertaken by a customs officer, by a Customs Officer Pay Band 7 or above.

13. Authorisation to seize and detain terrorist assets, or cryptoasset-related items should be obtained prior to the actual seizure of the asset itself. Verbal authorisation should be supported by written authorisation as soon as is reasonably practicable.

#### Use of the Powers by Immigration and Customs Officers

14. The powers to seize and detain terrorist assets or cryptoasset-related items under the Act should only be exercised by an immigration officer or customs officer, in exceptional circumstances. If such an officer develops a suspicion in the course of exercising their powers under the Immigration

Act 1971, or the Customs and Excise Management Act 1979, or the Police and Criminal Evidence Act 1984, that any terrorist assets, or cryptoasset-related items, found are liable to be seized under the Act, they should alert a police officer at the earliest opportunity in order to continue any investigation. The person or persons in possession of the asset or cryptoasset-related items should be informed of the suspicion and of the action taken (or proposed) to inform the police.

### Scope of power

15. There is no minimum or maximum limit on the value of terrorist assets which may be seized and detained.
  
16. Under Schedule 1 to the Act an authorised officer may seize and detain terrorist assets, or cryptoasset-related items, for an initial period of up to 48 hours where he/she has reasonable grounds for suspecting that the asset:
  - is intended to be used for the purposes of terrorism; or
  - consists of resources of a proscribed organisation; or
  - is earmarked as terrorist property; and
  - is found (or, in the case of cryptoassets, seized using a physical item found) at any place in the United Kingdom. in the case of cryptoasset-related items, that there are reasonable grounds to suspect the item contains or gives access to terrorist cryptoassets.

### Seizure and detention

17. The seizure and detention of cryptoassets will likely be carried out as a two-stage process to determine the reasonable grounds for suspecting before seizing and detaining:
  - i) For cryptoassets, that there are reasonable grounds for suspecting that the cryptoassets are terrorist cryptoassets. The act of seizing the cryptoassets can include transferring the cryptoassets into a “crypto wallet” controlled by an authorised officer;
  - ii) For any item of physical property, that there are reasonable grounds for suspecting that the item is a cryptoasset-related item. The authorised officer may use any information obtained from the item to identify or gain access to a crypto wallet, which could enable or facilitate the seizure of terrorist cryptoassets. However, seizure of cryptoassets may take place at a later date and location, given cryptoassets are not physical items. This includes the transfer of the cryptoassets into a crypto wallet controlled by an authorised officer.

18. "Reasonable grounds for suspecting" are likely to depend upon particular circumstances, and the authorised officer should take into account such factors as, how the asset(s) were discovered, the amount or value involved, its origins, intended movement, destination, how they came into the person's possession, whether the courier(s) and/or the owners of the asset(s) (if different) have any links with terrorists, terrorist groups or sympathisers, either here or overseas. Where the authorised officer has suspicions about the asset(s), they should give the person who has possession of it a reasonable opportunity to provide an explanation on the details of its ownership, origins, purpose, destination and reasons for moving the amount or asset(s) in this way and to provide the authorised officer with supporting documentation. The authorised officer should make clear to the person that anything said will be noted and used in the event that the asset(s) are seized, and an application made to the court for its detention or forfeiture.
  
19. In the case of cryptoasset-related items, the "reasonable grounds for suspecting" are likely to depend upon factors such as its origins, intended destination, or whether it belongs to the person who has possession of it. The authorised officer should make clear to the person that anything said will be noted and used in the event that the cryptoasset-related item contains or gives access to any information or items that are likely to assist in the seizure of terrorist cryptoassets, and an application will be made to the court for its detention.
  
20. If the authorised officer believes the person has committed an offence and/or is to be arrested, they should be cautioned and questioned in the normal way. A customs or immigration officer acting in the capacity of an authorised officer may wish or need to refer the matter to a police officer in such instances.
  
21. The terrorist asset(s) should be counted or itemised in the presence of the person and another officer and should not be taken out of sight of the person carrying them unless and until they are seized. For cryptoassets, which are intangible, this approach should be applied to any cryptoasset-related items, such as the device on which relevant information is suspected to be held.
  
22. Where asset(s) are seized, the authorised officer should inform the person in possession of them that they suspect that the asset(s) are "terrorist cash", a "terrorist asset", or "terrorist cryptoassets", or for cryptoasset-related items, that the items contain or give access to information likely to assist in the seizure of terrorist cryptoassets, and the reasons for suspecting this.
  
23. The authorised officer should physically seize the asset(s), or in the case of cryptoassets, the cryptoasset-related items, and give a written



notification to the person from whom the asset(s) or cryptoasset-related items were seized. (This includes the sender and intended recipient of unattended parcels and other containers).

24. For the purposes of seizure Part 4BA (paragraph 10Z7AA in the Act) provides officers with the power to require a person to provide information stored in electronic form, excluding information that is subject to legal professional privilege. The information in question must be accessible from the premises. Officers can make such a requirement to determine whether an item is a “cryptoasset-related item” that is likely to assist in the seizure of cryptoassets under these powers. The person must provide the required information in a form which can be taken away and is visible and legible. For cryptoassets, the authorised officer will need to assess the risk of dissipation of the assets. This should be assessed individually and may include, for example, an assessment of the degree, and nature of terrorist activity by the individual, the amount of cryptoassets (if known, where the officer has yet to access the crypto wallet) and the individual’s history of dissipating or concealing assets. If cryptoassets are to be seized, they should be transferred into a “crypto wallet” controlled by the authorised officer to prevent the cryptoassets being transferred elsewhere.
25. For the purposes of the notification process, any information obtained from a cryptoasset-related item, seized using Part 4BA, may only be used to identify or gain access to a crypto wallet, thereby enabling the seizure of cryptoassets (including their transfer to a crypto wallet controlled by an authorised officer), and not for any other purpose.
26. Any written notification (see sample notification attached at Annex A) should explain that an application may be made for the extended detention of the asset(s) or cryptoasset-related items within 48 hours of seizure and provide details of the court to which the application will be made. It should also advise the person that he or she is entitled to appear at the court hearing either in person or represented by a solicitor, unless it is the first application for detention, which can be made as an *ex parte* application for detention. It should advise that the asset(s) and/or cryptoasset-related items will be released no later than the end of the period of 48 hours from the time of seizure unless an order for its further detention is granted. The first application to the court under paragraph 3(2) to detain cash, under paragraph 10D(1) to detain listed assets, paragraph 10Z7AG(1) to detain cryptoassets, or paragraph 10Z7AC(1) to detain cryptoasset-related item(s), may be made by an authorised officer *ex parte* i.e. without giving notice of the application (see paragraphs 3(3A)(a), 10D(4)(a), and paragraphs 10Z7AG(5)(a) and 10Z7AC(5)(a) of Schedule 1 to the Act). An authorised officer should be authorised by a police officer of the rank of a Superintendent before making an *ex parte* application.

27. As part of the written notification, officers should include a figure of the amount that is being seized. In the case of terrorist cash that has been seized and where notes and coins are not in sterling, officers should clearly set out the figure that is being seized and include this on the written notification in the relevant currency. The authorised officer should not attempt to convert the currency into sterling and, where different forms of cash or types of listed asset(s) are seized, a description and their value should be recorded on the written notification and receipt. In the case of cryptoassets, the authorised officer should not attempt to convert the cryptoassets into money but include the amount of cryptoassets in the different types of coin, for example: *x number of Bitcoin*. Guidance on the conversion of cryptoassets is set out at paragraph 37.
28. The authorised officer should explain the contents of the written notification to the person from whom the asset(s) and/or cryptoasset-related items have been taken and what they have to do in order to try to get them back. The authorised officer should make every reasonable effort to ensure that the person concerned understands. The person should be asked to sign the statement in the written notification that the content of the notice has been read and understood and the authorised officer should give a copy of the notification to them. If the person refuses to sign the authorised officer should endorse the form “refused to sign” and initial the endorsement.
29. If the person does not appear to understand what is being said or the authorised officer has doubts as to the person’s ability to speak English, the officer should make every reasonable effort to communicate so as to be satisfied that the person understands what is required of them, where necessary, using official translations services such as Language Line, who can act as an interpreter. These services can be carried out in person or over the phone. Physical documentation translations can also be sourced from official translation services.
30. The authorised officer should record in the written notification the time and date of when the asset(s) and/or cryptoasset-related items were first seized. They must release the asset(s) or cryptoasset-related items and return them to the person unless a court order is obtained no later than 48 hours after the asset(s) and/or cryptoasset-related items had first been seized.

### Further Detention

31. Where further detention is justified, the authorised officer, or the Commissioners for Customs and Excise, should apply in writing without delay to the relevant court for an order to detain cash under paragraph 3(2), listed asset(s) under paragraph 10D, cryptoassets under paragraph 10Z7AG, or for cryptoasset-related items under paragraph 10Z7AC of Schedule 1 to the Act. These should be separate orders – however, an order may be made at the same time under paragraph 10Z7AC and

10Z7AE to authorise both the further detention of a cryptoasset-related item which has already been seized and the future detention of any terrorist cryptoassets which may be seized using that item. In that case, the time limit for detaining the item and the cryptoassets will expire at the same time. In Scotland, the authorised officer should report the matter without delay to the procurator fiscal who is responsible for making the application to the sheriff. A copy of the written application should be given to the person from whom the asset(s) or cryptoasset-related items had been seized, wherever practicable at the time of the seizure in order to give them the maximum time in which to make an application to the court to contest the seizure and secure the release of the asset(s) or cryptoasset-related items. If this is the first application to extend the detention period, the application may be made *ex parte* and the court may also hear and determine the application in private – see paragraphs 3(3A) for cash, 10D(4) for listed assets, paragraph 10Z7AG(5) for cryptoassets, and paragraph 10Z7AC(5) for cryptoasset-related items of Schedule 1 to the Act. An application for the detention of the asset(s) or cryptoasset-related items should be authorised by a police officer of at least the rank of a Superintendent.

32. Where cash is detained under Schedule 1 to the Act for more than 48 hours and is deposited in an interest-bearing account in accordance with paragraph 4 of Schedule 1, the authorised officer should ensure a central record is kept of the details of the account and when the cash was deposited. To ensure interest accrued is accurately accounted, separate records for each cash seizure deposit should be kept.
33. When an order to detain terrorist asset(s) or cryptoasset-related items has been granted, the authorised officer should keep under review whether continued detention is justified. An application to extend the period of detention of the terrorist asset(s) or cryptoasset-related items beyond 6 months and up to the maximum limit of 2 years (beginning with the date when the first order was made) may only be made by an authorised officer. An application made by an authorised officer should be authorised by a police officer of at least the rank of Superintendent or above. In Scotland, the application to extend detention may be made by a procurator fiscal.
34. In circumstances where a “request for assistance” has been made, the relevant court may extend the period of detention for cryptoassets, converted cryptoassets, or cryptoasset-related item(s), from the maximum period of 2 years to a maximum of 3 years (beginning with the date when the first order was made). This provision has been extended to 3 years to reflect the additional difficulties in obtaining evidence from overseas relating to cryptoassets which are borderless. This should only be used in cases where a genuine request for assistance has been made and is outstanding in another jurisdiction, and should not be used as a provision to extend the detention beyond the usual time limits. A “request for assistance” means a request for assistance to obtain evidence in connection with the property or cryptoasset-related item(s) to be further

detained. A genuine request for assistance can be made by the relevant court in the United Kingdom under the Crime (International Cooperation) Act 2003, by an authorised officer or by Scottish Ministers, to an authority exercising equivalent functions abroad, or by a person under sections 375A or 408A of the Proceeds of Crime Act 2002 (evidence overseas). The relevant court may still refuse the request for an extension if the request for assistance is not required in the circumstances of the case.

35. Prior to an application for the further detention of terrorist assets and/or cryptoasset-related items, the authorised officer should consider whether: further detention is justified; and one of the conditions set out under either paragraphs 3(6) - (8) (for cash), paragraphs 10D(7) - (9) (for listed assets), paragraph 10Z7AG(8) – (10) (for cryptoassets), or paragraphs 10Z7AC(7) (for cryptoasset-related item(s)) to Schedule 1 of the Act are met.
36. Any terrorist asset(s) or cryptoasset-related items seized or received by an authorised officer under the Act should be handled in accordance with any standing instructions or orders in force. Without prejudice to any such instructions or orders, the authorised officer who seizes the terrorist asset(s) or cryptoasset-related items should ensure that they are held in a safe, secure place until they are released. In the case of cash, following an order for further detention under paragraph 3(2) of Schedule 1 to the Act, it should be lodged in an interest-bearing account (per paragraph 4 of Schedule 1 to the Act). On paying it into the account, the authorised officer must release as much of the cash held in the account that is not attributable to terrorist cash.
37. In the case of detained cryptoassets that have been detained under Schedule 1 for more than 48 hours (including where cryptoassets are subject to forfeiture proceedings), an authorised officer, or the person for whom the cryptoassets were seized, may choose to convert the cryptoassets by applying to the relevant court to request the detained cryptoassets are converted into money. This refers to “conversion” under Part 4BD, which applies to the conversion of cryptoassets into conventional money, meaning “cash” or “money held in an account maintained with a relevant financial institution”. To determine whether conversion may take place, the court must consider whether the cryptoassets (as a whole) are likely to suffer significant loss in value during the period they are detained, forfeited, or before they are released. Once the conversion order is made, an authorised officer must convert, or arrange to convert, the cryptoassets into money. Any conversion must be carried out to receive the maximum amount of money for the cryptoassets.
38. At the first opportunity after the cryptoassets have been converted, the authorised officer must arrange for the money to be paid into an interest-bearing account and held there for safe keeping. Any interest accrued on the account must be added at the money’s forfeiture or release. Any

cryptoasset forfeiture application that has not yet been determined or disposed of is to be treated as a forfeiture application for converted cryptoassets under paragraph 10Z7DG(2).

39. Where cryptoassets are converted into money, they would continue to be detained under paragraph 10Z7DD until the end of the period the cryptoassets would have been detained under Part 4BA. Any further detention would require an extension by an order made by the relevant court.
40. Any terrorist asset(s) or cryptoasset-related items seized by an immigration officer, or a customs officer, must be handed at the earliest opportunity to the police officer with responsibility for investigating whether an application for its continued detention is to be made. The amount of cash or the value of the listed asset(s), amount and type of cryptoassets, or value of the cryptoasset-related item(s), delivered to the police officer should be agreed and a receipt given for it by the police officer receiving it.
41. An authorised officer may also carry out (or arrange for the carrying out of) tests on any item of property that comes within the definition of 'terrorist asset'.

#### Release of detained assets

42. Where detained asset(s) or cryptoasset-related items are to be released, the authorised officer should inform the court without delay (in Scotland, the procurator fiscal is responsible for notifying the sheriff that detained assets are to be released).
43. If for any reason the authorised officer considers they are no longer justified in detaining the asset(s), including converted cryptoassets, and/or cryptoasset-related items, they should release and return them to the person from whom they were seized. But this does not apply where: an application for the forfeiture of cash under paragraph 6, for the forfeiture of listed assets under paragraph 10G, or for the forfeiture of cryptoassets under paragraph 10Z7CA, or for the forfeiture of converted cryptoassets under paragraph 10Z7DG, of Schedule 1 to the Act has been made and not concluded (including any proceedings on appeal); or, an application has been made under paragraph 9 relating to cash, under paragraph 10O relating to listed assets, under paragraph 10Z7CK relating to cryptoassets, or under paragraph 10Z7DK relating to converted cryptoassets, of Schedule 1 to the Act by a person who claims to be the victim<sup>2</sup> and the application has not been concluded; or, criminal proceedings have been

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<sup>2</sup> "Victim" means an applicant that was either: deprived of the cryptoassets, or of property which they represent, by criminal conduct; or, the cryptoassets were not immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct, and nor did they represent such property; or, the cryptoassets belonged to the applicant.

commenced in connection with the cash, listed asset(s), or cryptoassets, and have not been concluded, whether in the United Kingdom or elsewhere. A decision to release the cash, listed asset(s), cryptoassets, or converted cryptoassets, should be authorised by a police officer of at least the rank of Superintendent.

44. For cryptoasset-related item(s) which have been released but are not claimed within a year from the date of release, an authorised officer may retain the item and deal with it as they see fit, dispose of the item, or destroy the item. However, these measures may only be taken if the authorised officer has taken reasonable steps to notify the person from whom the cryptoasset-related item(s) were seized, or any other persons the authorised officer has reasonable grounds to believe may hold an interest, that the item has been released with senior officer approval. Any proceeds of the disposal of the item are to be paid into either the Consolidated Fund, or in Scotland, the Scottish Consolidated Fund.

#### Freezing of money held in bank and building society accounts, or cryptoassets held in a crypto wallet administered by a UK-connected cryptoasset service provider

##### Applying for an Account Freezing Order or Crypto Wallet Freezing Order

45. As per paragraph 10Q(3)(b) for an account freezing order, or paragraph 10Z7BA(3)(b) for a crypto wallet freezing order, of Schedule 1 to the Act, an enforcement officer who is a senior officer or authorised by a senior officer can make an application for an account or crypto wallet freezing order. Prior to making this application, they must consult with HM Treasury, unless in the circumstances it is not reasonably practicable to do so.
46. The senior officer should contact the Counter Terrorist Sanctions (CTS) team in HM Treasury's Office of Financial Sanctions Implementation (OFSI). The CTS team can be contacted via the OFSI helpline or e-mail address (020 7270 5454 or counterterrorism@hmtreasury.gov.uk). This will assist the senior officer to consider whether an account freezing order, or a crypto wallet freezing order, is the most suitable order to pursue or whether another order (e.g., a designation order under the Sanctions and Anti-Money Laundering Act 2018) would be more appropriate. The senior officer will ensure that a record of this consultation is recorded.
47. Any application for an account freezing order or a crypto wallet freezing order made to a magistrate's court by an enforcement officer will be based on them having reasonable grounds for suspecting that money held in an account maintained with a bank or building society comprises terrorism-related funds; or, cryptoassets held in a crypto wallet administered by a UK-connected cryptoasset service provider are terrorist cryptoassets.

## Making of an Account Freezing Order or a Crypto Wallet Freezing Order

48. An application for an account freezing order, or a crypto wallet freezing order, may be made without notice by the enforcement officer, if the circumstances of the case are such that notice of the application would prejudice the taking of any steps under Part 4B or Part 4BB of Schedule 1 to the Act, to forfeit either terrorism-related funds or terrorist cryptoassets.
49. When an order to freeze an account, or crypto wallet, has been granted, the enforcement officer should keep under review whether a continuation of the freezing order is justified. But this does not apply where an application has been made by a person who claims to be a victim, or where criminal proceedings have been commenced in connection with the money or cryptoassets, and have not been concluded, whether in the United Kingdom or elsewhere.

## Variation and setting aside of an Account Freezing Order or a Crypto Wallet Freezing Order

50. In cases where the authorised officer (or any person affected by the order) wishes to vary or set aside an order, they may apply to the relevant court under paragraph 10T, or paragraph 10Z7BC, of Schedule 1 to the Act. In Scotland, the references to setting aside an order are to be read as references to recalling the order instead.

## Conversion of cryptoassets in a frozen crypto wallet

51. In the case of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order (including where cryptoassets are subject to forfeiture proceedings), an authorised officer, or the person for whom the crypto wallet is administered, may choose to convert the cryptoassets by applying to the relevant court to request the cryptoassets held in the frozen wallet are converted into money. To determine whether conversion may take place, the court must consider whether the cryptoassets (as a whole) are likely to suffer significant loss in value during the period the crypto wallet freezing order ceases to have effect, or the cryptoassets are forfeited. Once the conversion order is made, and as soon as practicable, the UK-connected cryptoasset service provider must convert, or arrange to convert, the cryptoassets into money. Any conversion must be carried out to receive the maximum amount of money for the cryptoassets.
52. At the first opportunity after the cryptoassets have been converted, the UK-connected cryptoasset service provider must arrange for the money to be paid into an interest-bearing account, nominated by an authorised officer, and held there for safe keeping. The UK-connected cryptoasset service provider may deduct any reasonable expenses incurred by the provider in connection with the conversion of the cryptoassets into money. Any

interest accrued on the account, must be added at the money's forfeiture or release.

53. Once the cryptoassets are converted into money, the crypto wallet freezing order ceases to have effect, but any cryptoasset forfeiture application that has not yet been determined or disposed of, is to be treated as a forfeiture application for converted cryptoassets under paragraph 10Z7DG(2).
54. Where cryptoassets frozen in a crypto wallet are converted into money, the proceeds would continue to be detained under paragraph 10Z7DE, until the crypto wallet freezing order under Part 4BB was due to cease to have effect. Any further detention would require an extension by an order made by the relevant court.

#### Detention of the proceeds of converted cryptoassets

55. Where detained cryptoassets, including those held in a frozen crypto wallet, have been converted in accordance with an order by the relevant court, the proceeds of the converted cryptoassets may be further detained by an order for up to 2 years, beginning with the day on which the cryptoassets were detained under Part 4BA, or the crypto wallet freezing order was made. The relevant court may make an order to extend the detention up to 3 years, if a request for assistance is outstanding. (See paragraph 33).

#### **B. Powers to administratively forfeit terrorist property**

##### Administrative forfeiture of terrorist cash and bank and building society accounts

56. Administrative forfeiture is a process that permits law enforcement agencies to forfeit terrorist property by notifying affected persons of their intention to do so and does not require an application to the court for a forfeiture order.
57. The administrative forfeiture regimes in Schedule 1 to the Act allow detained terrorist cash or frozen terrorism-related funds held in bank or building society accounts to instead be forfeited via a notice issued by a senior officer.

##### Issuing of Cash Forfeiture Notice (CFN) and Account Forfeiture Notices (AFN)

58. A CFN under paragraph 5A or an AFN under paragraph 10W of Schedule 1 to the Act may be given by a senior officer, if that senior officer is satisfied that either the cash (or any part of it) is terrorist cash or that the funds in



the account (or any part of it) are terrorism-related funds.

59. A CFN must comply with the requirements of paragraph 5A(4) and should state inter alia the amount of cash in respect of which it has been given, where/when the cash was seized, confirm that the senior officer is satisfied the cash is terrorist cash, the period for objecting to the proposed forfeiture and that, unless an objection is received in time, the cash will be forfeited and the address to which any objections must be sent. The CFN should be given in accordance with regulations made by the Secretary of State under paragraph 5A(6) of Schedule 1 to the Act.
60. An AFN must comply with the requirements set out at paragraph 10W(4) and state the amount of money in the frozen account in respect to which it is given; confirm that the senior officer is satisfied the money represents terrorism-related funds; specify a period for objecting to the proposed forfeiture, the address to which any objections must be sent; and explain that unless an objection is received in time, the terrorism-related funds will be forfeited. An AFN should be given in accordance with regulations made by the Secretary of State under paragraph 10X(1) of Schedule 1 to the Act.
61. A CFN or AFN should, if possible, be given to every person to whom a notice under paragraph 3(2) of Schedule 1 to the Act or to whom notice of the account freezing order was given.
62. Where a CFN or AFN is given, the cash or terrorism-related funds in respect of which the notice has been given is to be detained or frozen until the cash or funds are forfeited under the notice, or the notice lapses, or the cash or funds are released.
63. The period for objecting must be at least 30 days, beginning from the date the notice is given. An objection may be made by anyone, in writing. If no objection is received, at the end of the period the cash or funds referred to in the notice will be forfeited.
64. An objection to an administrative forfeiture notice does not prevent court-ordered forfeiture and it is not necessary for an administrative forfeiture notice to be issued, if it is decided that an application for forfeiture should be made to the court.
65. If no objection is made within the period for objecting, and the CFN or AFN issued under paragraphs 5A or 10W respectively has not lapsed, the cash or money in respect of which the CFN or AFN has been issued is forfeited. In the case of an AFN, the enforcement officer must notify the bank or building society with which the frozen account is maintained of the court's decision.

## Lapse of Cash Forfeiture and Account Forfeiture Notices

66. If an objection to the CFN or AFN is received, or if an application for forfeiture is made to the court, or if the cash or funds are released then the CFN or AFN will lapse.
67. If a CFN or AFN lapses because an objection has been made and the period of detention authorised by the court has expired, the cash or funds may be detained for a further period of up to 48 hours (calculated in accordance with paragraph 3(1A) or 10Y(9)) of Schedule 1 to the Act. If it is decided that neither an application for further detention under paragraphs 3(2) or 10T nor an application to the court for forfeiture under paragraphs 6 or 10Z(2) is going to be made, the authorised officer must notify the bank or building society as soon as possible and the cash or funds must be released.

## Application to set aside forfeiture under a Cash Forfeiture Notice or an Account Forfeiture Notice

68. A person aggrieved by the forfeiture of cash via a CFN or by the forfeiture of money via an AFN may apply to the magistrates' court or (in Scotland) the sheriff for an order to set aside the forfeiture under paragraphs 5D(1) or 10Z(1) of Schedule 1 to the Act. The application to set aside must be made within 30 days of the end of the period for objecting to the forfeiture. The relevant court will consider whether the cash or funds to which the application relates could be forfeited by the court under the judicial forfeiture process (discussed below). If the court is satisfied that the cash or funds (or any part of it) could not be forfeited, then it must set aside the forfeiture notice.

## Release of cash or money held in bank or building society accounts subject to Cash Forfeiture Notice or an Account Forfeiture Notice

69. Where the relevant court sets aside the administrative forfeiture of cash or money held in an account under paragraphs 5E or 10Z(6) of Schedule 1 to the Act, the appropriate authorised or enforcement officer may release the cash or money if satisfied that the detention is no longer justified.
70. Where administrative forfeiture is set aside then, per paragraph 5E, where detained cash has accrued interest whilst sitting in an interest-bearing account nominated by the law enforcement agency, that interest should be added to the money on its release. Per paragraph 10Z(7), where money held in an account has accrued interest whilst frozen, that interest should be added to the money on its release.

## Application of cash forfeited under a Cash Forfeiture Notice or money forfeited under an Account Forfeiture Notice

71. Where any cash or money held in a bank or building account was first detained in pursuance of an order made by a magistrates' court and any accrued interest on it, is to be paid into the Consolidated Fund by the authorised officer. Cash or funds are paid into an interest bearing account controlled by each law enforcement agency and once forfeited a form is completed to transfer the funds and the relevant interest to the centralised Consolidated Fund account but not before the end of the period within which an application to set aside the forfeiture can be made or, if such an application is made, until is determined. If forfeited in Scotland, it is to be paid into the Scottish Consolidated Fund.

### **C. Powers to apply to the court for forfeiture of terrorist property**

72. Where administrative forfeiture has either lapsed, or is not applied for, or in the case of listed assets or cryptoassets, which cannot be administratively forfeited via an AFN or CFN, an authorised officer or the Commissioners for HM Revenue and Customs, may apply to the magistrates' court for a forfeiture order in respect of terrorist assets. An enforcement officer may apply to the magistrates' court for a forfeiture order in respect of terrorism-related funds, listed assets or cryptoassets - but not cryptoasset-related items. In Scotland, applications for forfeiture of terrorist assets or terrorism-related funds may be made by Scottish Ministers to the Sheriff.

### Applying for the forfeiture of terrorist cash

73. Whilst terrorist cash is detained under Schedule 1, any application under paragraph 6 by or on behalf of the authorised officer for the forfeiture of terrorist cash must be authorised by a police officer of the rank of Superintendent. Prior to any application being authorised, they should review the facts in order to be satisfied on the balance of probability that the cash is terrorist cash. In Scotland, applications for the forfeiture of terrorist cash are made to the sheriff by the Scottish Ministers.

74. An authorised officer should inform the person who is the owner of the cash or persons likely to be impacted by a cash forfeiture application and provide reasons for why he or she suspects that the cash should be forfeited under paragraph 6 of Schedule 1 to the Act.

## Appeals

75. In cases where an application for a forfeiture order is refused, the authorised officer can appeal. He/she must make the application for appeal before the end of the period of 30 days starting with the day on which the court makes its decision.
76. Where an appeal against the making of an order for the forfeiture of cash is upheld by the Crown Court in England and Wales, the county court in Northern Ireland or, in the case of Scotland, the sheriff principal, and the court orders the release of (the whole or any part of) the cash, the authorised officer should make arrangements as soon as practicable to release the cash.

## Application of forfeited cash

77. Where cash is forfeited by a magistrates' court under paragraph 6, the forfeited cash and any accrued interest should be paid into the Consolidated Fund by the authorised officer. If forfeited in Scotland, the cash should be paid into the Scottish Consolidated Fund. However, per paragraph 5(4) of Schedule 1, the cash should not be released until any other proceedings relating to the cash - such as an application for its release under paragraph 9 or proceedings for an offence with which the cash is connected - can be made or, if made, determined.

## Applying for the Forfeiture of Terrorist Assets, Terrorist Cryptoassets and Converted Cryptoassets

78. Where assets have been detained, or cryptoassets have been held in a crypto wallet, or where cryptoassets have been converted into money, under Schedule 1 to the Act, the Commissioners for His Majesty's Revenue and Customs, or an authorised officer, can make an application for a forfeiture order to the magistrate court, or (in Scotland) the sheriff by Scottish Ministers, for the forfeiture of (either the whole amount or any part of it) asset(s), if an appropriate court is satisfied on the balance of probability that the asset(s) are terrorist assets.
79. Where an application for the forfeiture of cryptoassets held in a crypto wallet and subject to a crypto wallet freezing order is made, the crypto wallet freezing order will continue to have effect until either, the cryptoassets have been transferred by the cryptoasset service provider into a crypto wallet nominated by an authorised officer, or the forfeiture application has been determined or disposed of.
80. Where an application for the forfeiture of any property is made, the property is to be detained until the any proceedings linked to the application have

been concluded. In the case of cryptoassets, this would be subject to Part 4BD (conversion of cryptoassets).

81. In the case of property earmarked as terrorist property, the application should clearly state the owner or, excepted joint owners to whom the property belongs, the person(s) who holds the associated property or any other person who either has an interest in it or will be impacted by such an application.

#### Reasonable legal expenses

82. In approving the forfeiture order, a court may provide for the payment of reasonable legal expenses that the person may have incurred under paragraph 10G(3), or relevant items of expenditure under paragraph 10G(5)(a), or under paragraphs 10Z7CA(4) and 10Z7CA(6). Where this is the case, the authorising officer should seek the authorisation from a “senior officer”. For the purposes of this section a “senior officer” means a police officer of at least the rank of superintendent.

#### Forfeited converted cryptoassets

83. Converted cryptoassets detained under paragraph 10Z7DD and forfeited under paragraph 10Z7DG, and any accrued interest must be applied as follows –

- First, they must be used to pay reasonable expenses incurred by an authorised officer in connection with their safe storage during the period the cryptoassets were detained under Part 4BA;
- Second, they must be used to pay reasonable expenses incurred by an authorised officer in connection with the cryptoassets conversion into money, under paragraph 10Z7DA(6);
- Third, they must be used to pay reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets;
- Fourth, they must then be paid -
  - If forfeited by a magistrates’ court in England and Wales, or Northern Ireland, into the Consolidated Fund, and
  - If forfeited by the sheriff, into the Scottish Consolidated Fund.

84. Converted cryptoassets detained under paragraph 10Z7DE and forfeited under paragraph 10Z7DG, and any accrued interest must be applied as follows –

- First, they must be used to pay reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets;
- Second, they must then be paid -
  - If forfeited by a magistrates’ court in England and Wales, or Northern Ireland, into the Consolidated Fund, and
  - If forfeited by the sheriff, into the Scottish Consolidated Fund.

### Associated and Joint Ownership of terrorist assets

85. Associated and joint ownership means property of the respondent that is either held jointly with other joint tenants or a recognised associated joint owner.

### Agreements about Associated and Joint Ownership of terrorist assets, including cryptoassets

86. Under paragraph 10I or paragraph 10Z7CD, an authorised officer with permission from the senior officer can enter into an agreement with the excepted joint owner, or the person who holds the associated property, to make a payment to the person identified in the intended forfeiture order. An order to this effect will be made instead of a forfeiture order under paragraphs 10G(2), or 10Z7CA(3). The effect of this order, so far as required for giving effect to the agreement, may include provision for vesting, creating, or extinguishing any interest in the property.

87. The authorised officer will need to make the magistrates’ court aware of this agreement during forfeiture proceedings, so that the court can make an order for the excepted joint owner, or the person who holds the associated property, to make this payment. The authorised officer can also make a case to the court to reduce any payment to the person identified in the forfeiture order after establishing and agreeing with the other party that they have suffered a loss as a result of the seizure of the forfeitable property and any associated property.

88. In this agreement, the authorised officer can also make a case to reduce any payment to the person identified in the forfeiture order after agreeing with the other party that they have suffered a loss as a result of the seizure of the forfeitable property and any associated property. Where there is more than one item of associated property or multiple excepted joint owners or persons holding associated property, the authorised officer needs to obtain an agreement with all of them to determine the total amount to be paid.

89. In cases where a forfeiture order is not granted or an order is granted to sever the excepted joint owner's interest (where no agreement was reached between the authorised officer and either the excepted joint owners or holders of associated property), the authorised officer can appeal. He / she must make the application for appeal before the end of the period of 30 days starting with the day on which the court makes its decision.

### Appeals

90. Under paragraphs 10K for cash, paragraph 10Z7CG for cryptoassets, or paragraph 10Z7DH for converted cryptoassets, any party, including the authorised officer, to the proceedings for a forfeiture order may appeal against:

- The making of forfeiture order under paragraphs 10G and 10J(7), or paragraphs 10Z7CA and 10Z7CE(7);
- A decision not to make an order under paragraphs 10G, or paragraph 10Z7CA, unless the reason was to make an order under either paragraphs 10I or 10J(7), or paragraphs 10Z7CD or 10Z7CE(7).

91. An appeal under this paragraph should be made to the Crown Court (England and Wales), Sheriff Appeal Court (Scotland) or county court (Northern Ireland). An appeal must be made within 30 days starting with the day on which the court makes the decision or order.

### Realisation of Forfeited Assets

92. If property is forfeited by the court under paragraphs 10G, 10J, or paragraphs 10Z7CA or 10Z7CE of Schedule 1 to the Act, the authorised officer must realise the property, or make arrangements for its realisation (e.g. sell or auction listed assets). The realisation of the property must as far as practicable be carried out to ensure the maximum amount is obtained for the property.

93. For cryptoassets, where an authorised officer is satisfied that it is either not reasonably practicable, or contrary to the public interest, to realise the cryptoassets, the authorised officer may destroy them, based in particular on whether the reintroduction of the cryptoassets into general circulation would facilitate criminal conduct by any person in future.

94. The property should not be realised or destroyed before the end of the period within which an appeal may be made or, if made, before the appeal is determined or otherwise disposed of.

## Application of Forfeited Assets

95. Once the property has been realised, the authorised officer must ensure that the proceeds of realisation are applied in the following order:
- First, they must apply the proceeds to make any payment required under paragraph 10J(9), or paragraph 10Z7CE(9), to the person who holds the associated property or who is an excepted joint owner;
  - Second, they must ensure the payment of any legal expenses that are payable under paragraphs 10G(3) or 10J(4), or paragraphs 10Z7CA(4) or 10Z7CE(4);
  - Third, they must arrange the payment or reimbursement of any reasonable costs incurred in storing or insuring the property whilst detained under Part 4A, or Part 4BC, of Schedule 1 to the Act and in realising the property; and
  - Fourth, the proceeds must be paid into the Consolidated Fund, if the property was forfeited by a magistrates' court or the High Court, or into the Scottish Consolidated Fund, if the property was forfeited by the sheriff or the Court of Session.

## Victims

96. Under paragraph 10O, or paragraphs 10Z6A, 10Z7CK, or 10Z7DK, a person who claims that detained property, including money frozen by an account freezing order, or cryptoassets held in a crypto wallet subject to a crypto-wallet freezing order, belongs to them can apply to a magistrates' court, or in Scotland, to the sheriff, for some or all of the assets to be released. The court may order the release if it appears that (i) the applicant was deprived of the property by criminal conduct; (ii) prior to the deprivation the property was not obtained by, or for criminal conduct; and (iii) that the property belongs to the applicant. In addition to the above, the court may also order the release of funds, cryptoassets or converted cryptoassets, if the conditions of paragraph 10O(6), or paragraphs 10Z6(5), 10Z7CK(6), or 10Z7DK(7) are met. This has the same meaning as it does for paragraph 9 of Schedule 1 to the Act.
97. However, the property/assets are not to be released if an application for their forfeiture is made, or a forfeiture notice given, under paragraphs 6 (cash), 10(G)(7) (listed assets), 10W or 10Z2 (frozen account), or paragraph 10Z7CA (cryptoassets), or paragraph 10Z7DG (converted cryptoassets), until those proceedings are concluded, or if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence in which the property/assets are connected, until those proceedings are concluded.



## Compensation

98. Under paragraph 10P, or paragraphs 10Z7CM or 10Z7DL, if no forfeiture order is made in relation to detained property/assets, the individual to whom the property belongs, or from whom it was seized, may make an application to a magistrate's court, or in Scotland to the sheriff, for compensation. This does not apply to orders under paragraph 10O, or paragraphs 10Z7CK or 10Z7DK.

99. If the court or sheriff is satisfied that the applicant has suffered loss as a result of the detention of the property/assets and the circumstances are exceptional, the relevant court may order compensation to be paid, it must be paid by the organisation which originally seized the property.

- If the property was seized by an officer of HM Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.
- If the property was seized by a constable -
  - In England and Wales it is to be paid out of the police fund from which the police force expenses are met;
  - In the case of the Police Service of Scotland it is to be paid by the Scottish Police Authority;
  - In the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out by the Chief Constable of the Police Service of Northern Ireland.
- If the property was seized by a counter-terrorism financial investigator who was a civilian member of the police force or a member of staff at the City of London police force, it should be paid out of the police fund from which the expenses of the force are met.
- If the property was seized by an immigration officer, the compensation is to be paid by the Secretary of State.

## Applying for forfeiture of terrorism-related funds or terrorist cryptoassets

100. While an Account Freezing Order, or a Crypto Wallet Freezing Order has effect, the account or wallet to which the freezing order applies is "the frozen account" or "the frozen wallet". A senior officer may make an application to a magistrates' court for the forfeiture of money held in the frozen account, or cryptoassets held in the frozen wallet. In Scotland the Scottish Ministers may apply to the sheriff for forfeiture.

101. Prior to any application being made, they should review the facts in order to be satisfied on the balance of probabilities that - the money held in a bank or building society comprises terrorism-related funds, or that the

cryptoassets held in the crypto wallet by a cryptoasset service provider comprises terrorist cryptoassets.

102. An enforcement officer or, in the case of cryptoassets, an authorised officer, should inform any persons likely to be impacted by an application for forfeiture and provide reasons for why they suspect that the money held within this account, or the cryptoassets held in this wallet, should be forfeited.
103. Where forfeiture is ordered, the enforcement officer or in the case of cryptoassets, the authorised officer, must notify the bank, building society, or cryptoasset service provider, with which the account or crypto wallet is maintained or administered, as soon as is practicable of the court's decision and the requirement on the bank, building society or cryptoasset service provider, to transfer the funds, or cryptoassets, into either in the case of funds, an interest-bearing account nominated by the enforcement officer, or in the case of cryptoassets, into a crypto wallet nominated by the authorised officer.
104. The enforcement officer, or the authorised officer, should ensure a central record is kept of the details of the account, or crypto wallet, and when the funds were deposited, or the cryptoassets were transferred.

#### Applying for the continuation of an account freezing order or crypto wallet freezing order pending an appeal

105. An enforcement officer, or for a crypto wallet an authorised officer, may apply, without notice, to the court or sheriff (whichever court made the decision being appealed), for the account freezing order, or crypto wallet freezing order, to continue to have effect. The application must be authorised by a senior officer. Where an order is granted, it will continue to have effect until the end of the period of 48 hours starting with the making of the order, or until any appeal that is brought within this time period is either determined or disposed of.

#### Appeals

106. Under paragraph 10Z4 or paragraph 10Z7CG, any party to the proceedings for a forfeiture order, including the enforcement officer, or for the crypto wallet the authorised officer, may appeal against the decision to make or not to make an order under paragraph 10Z2 or paragraph 10Z7CA.
107. An appeal under paragraph 10Z4 or paragraph 10Z7CG, should be made to the Crown Court (England and Wales), Sheriff Appeal Court

(Scotland) or county court (Northern Ireland). An appeal must be made within 30 days starting with the day on which the court makes the order or decision. If the court upholds the appeal against the forfeiture order, it may order the release of the whole, or any part, of the terrorism-related funds, or terrorist cryptoassets.

### Application of forfeited money

108. Money forfeited by a forfeiture order and any interest accrued on it whilst in the frozen account which was forfeited by a magistrates' court, is to be paid into the Consolidated Fund by the Enforcement Officer. If forfeited by the sheriff, is to be paid into the Scottish Consolidated Fund under paragraph 10Z6 of Schedule 1 to the Act, but not before the end of the period within which an application to set aside the forfeiture can be made or, if such an application is made, until is determined.

### Compensation

109. Under paragraph 10Z7 or paragraph 10Z7CM, if the account freezing order, or crypto wallet freezing order, is made and none of the funds, or cryptoassets, are forfeited, the person by or for whom the frozen account is operated, or by or for whom the crypto wallet was administered, may make an application for compensation. If the court, or sheriff, is satisfied that the applicant has suffered loss as a result of the making of the account freezing order, or the crypto wallet freezing order, and the circumstances are exceptional, the relevant court may order compensation to be paid. Any compensation must be paid by the organisation which originally seized the property.<sup>110</sup> If the account freezing order, or crypto wallet freezing order, was applied for by a constable;

- In England and Wales it is to be paid out of the police fund from which the police force expenses are met;
  - In the case of the Police Service of Scotland it is to be paid by the Scottish Police Authority;
  - In the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out by the Chief Constable of the Police Service of Northern Ireland.
- If the account freezing order was applied for by a counter-terrorism financial investigator who was a civilian member of the police force or a member of staff at the City of London police force, it should be paid out of the police fund from which the expenses of the force are met.

**ANNEX A**

**NOTIFICATION OF CASH, LISTED ASSET(S), CRYPTOASSETS, AND/OR CRYPTOASSET-RELATED ITEM(S) SEIZURE AND DETENTION UNDER SCHEDULE 1 TO THE ANTI-TERRORISM, CRIME AND SECURITY ACT 2001**

Under Part 2 of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001, cash to the value of in..... (currency). The postal orders\*/ cheques\*/ travellers' cheques\*/ bankers' drafts\*/ bearer bonds\*/ bearer shares\*/ gaming vouchers\*/ fixed-value casino tokens\*/ betting receipts\*/ was/were seized on.....(date) at ..... (place).

or

Under Part 4B of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (“the Act”), listed asset(s) to the value of in..... (currency). The precious metals\*/ precious stones\*/ watches\*/ artistic works\*/ face-value token\*/ postage stamps\*/ was/were seized on..... (date) at..... (place).

or

Under Part 4BA of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (“the Act”), cryptoassets to the value/amount of in.....(crypto currency/currency). The cryptoassets were seized on..... (date) at .....(place)

or

Under Part 4BA of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (“the Act”), cryptoasset-related item(s) to the value of .....in .....(currency). The cryptoasset-related item(s) were seized on .....(date) at.....(place).

Any application for the continued detention of the cash under Part 2, listed assets under Part 4A, or cryptoassets, or cryptoasset-related

item(s) under Part 4BA of Schedule 1 to the Anti-terrorism, Crime and Security Act 2001, must be made not later than the period of 48 hours from the period beginning with the time when it was seized.

An application will be made by a constable\*/ customs officer\*/ immigration officer\*/ the Commissioners for Customs and Excise\* to the magistrates' court at/\*by the procurator fiscal to the sheriff's court at:.....

You will receive a copy of the written application to the court with notification of the hearing unless it is made *ex parte* under Paragraphs 3(3A)(a) and 10D(4)(a), or Paragraphs 10Z7AG(5)(a) and 10Z7AC(5)(a) of Schedule 1 to the Act . You are entitled to appear in court at the hearing, either in person or represented by a solicitor. In the case of an *ex parte* application, you will be notified of the outcome of the application. If no application for the continued detention of the cash, listed asset(s), cryptoassets, or cryptoasset-related item(s), is made within the period of 48 hours mentioned above, the cash, listed asset(s), cryptoassets, or cryptoasset-related item(s) seized must be released.

Signed  
Time  
Date

I acknowledge that cash to the value of in..... (currency) / postal orders\*/ cheques\*/ travellers' cheques\* /bankers' drafts \*/ bearer bonds\*/ bearer shares\*/ gaming vouchers\*/ fixed-value casino tokens\*/ betting receipts\*/ has been seized from me and that I have read and understood this notification.

Signed  
Time  
Date

◆Delete as necessary.

or

I acknowledge that listed asset(s) to the value of in.....  
(currency) / precious metals\*/ precious stones\*/ watches\*/ artistic  
works\*/ face-value token\*/ postage stamps\*/ has been seized from me  
and that I have read and understood this notification.

Signed .....

Time .....

Date.....

◆Delete as necessary.

or

I acknowledge that cryptoassets to the amount/value of .....in  
.....(crypto currency/currency) has been seized from me and that I have  
read and understood this notification.

Signed .....

Time .....

Date.....

◆Delete as necessary.

or

I acknowledge that the cryptoasset-related item(s) to the value of  
.....in .....(currency) has been seized from me and that I  
have read and understood this notification.

Signed .....

Time .....

Date.....

◆Delete as necessary.

## ANNEX B

### CRYPTOASSET VERSUS CRYPTOASSET-RELATED ITEMS QUICKVIEW TABLE

	<b>Schedule 1 of ATCSA</b>	<b>Cryptoassets</b>		<b>Cryptoasset- related items</b>	
<b>Seizure</b>	Part 4BA	✓	10Z7AD	✓	10Z7AA
<b>Prior Authorisation for detention</b>	Part 4BA	✓	10Z7AE		
<b>Initial detention</b>	Part 4BA	✓	10Z7AF	✓	10Z7AB
<b>Further detention</b>	Part 4BA	✓	10Z7AG	✓	10Z7AC
<b>Detention of the proceeds</b>	Part 4BD	✓	10Z7DD		
<b>Forfeiture</b>	Part 4BC	✓	10Z7CA/10Z7CB		
<b>Safekeeping</b>	Part 4BA	✓	10Z7AH	✓	10Z7AH
<b>Release</b>	Part 4BA	✓	10Z7AI	✓	10Z7AI
<b>Conversion</b>	Part 4BD	✓	10Z7DA/10Z7DC		
<b>Realisation</b>	Part 4BC	✓	10Z7CI		
<b>Destruction</b>	Part 4BC	✓	10Z7CI		
<b>Victims</b>	Part 4BC	✓	10Z7CK		
<b>Compensation</b>	Part 4BC	✓	10Z7CM		
<b>Retain/dispose/destroy</b>	Part 4BA			✓	10Z7AI (6)











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