FROM THE OFFICE OF THE JUSTICE MINISTER

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[redacted]

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Kathy O'Hanlon
Clerk to the Committee for Justice
Room 242
Parliament Buildings
Ballymiscaw
Stormont
Belfast BT4 3XX

19 June 2026

Dear Kathy,

HM TREASURY'S FINANCIAL SERVICES AND MARKETS BILL – LAYING OF MEMORANDUM NOT SEEKING CONSENT REGARDING PROVISIONS RELATING TO CRYPTO ASSET RECOVERY POWERS

I wish to advise Committee members about HM Treasury's Financial Services and Markets Bill. It was introduced to Westminster in the House of Lords on 19 May and the Justice Minister intends to seek legislative consent for a measure contained within it, subject of course to Executive approval and consultation with the Committee.

The measure introduces an enabling power for the Treasury and UK Secretary of State to make technical amendments by secondary legislation to parts of the crypto recovery powers in the Proceeds of Crime Act 2002 (POCA), the Anti-terrorism, Crime & Security Act, 2001 (ATCSA) and the Terrorism Act 2000 (TACT).

On 30 April, the Justice Minister was informed by the Home Office Security Minister that legislative consent was not required for this measure. However, on 18 June, further correspondence was received advising that the Home Office had reconsidered their

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devolution analysis and that legislative consent is required in so far as the amendments related to POCA.

I have attached a copy of the memorandum which will be laid before the Assembly outlining that the Minister is not currently seeking consent at this time but intends to do so in due course.

I will write to you again when the Minister is in a position to seek Executive colleagues' approval to lay a legislative consent motion before the Assembly and provide you with a further formal briefing.

Yours sincerely

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MEMORANDUM NOT SEEKING CONSENT
FINANCIAL SERVICES AND MARKETS BILL

Background

1. This memorandum has been laid before the Assembly by the Minister of Justice under Standing Order 42A (4)(b).

2. Standing Order 42A - Legislative Consent Motions - details the procedure for seeking the agreement of the Assembly to the United Kingdom Parliament considering provisions of a Bill which deal with a devolution matter. Paragraph (2) of Standing Order 42A prescribes that a legislative consent memorandum shall be laid in respect of any devolution matter for which a legislative consent motion is proposed.

3. Under Standing Order 42A (4)(b) I am laying this memorandum explaining why a legislative consent motion is not currently being sought; however I am advising members that a legislative consent motion will be needed in relation to the UK's Financial Services and Markets Bill ('the Bill').

4. The relevant Northern Ireland related justice provisions in the Bill are detailed below for which I intend to bring forward a legislative consent motion in due course.

Summary of the Bill and its policy objectives

5. The Bill was introduced to Westminster in the House of Lords on 19 May 2026 and can be found on the UK Parliament's website.

6. The Bill aims to modernise how the financial services sector is regulated and enable it to grow and lend more to businesses. It will also make consumer protections fit for the digital age – all while maintaining high standards on regulation and oversight, supporting the UK's position as a leading global financial centre.

Provisions which deal with a Devolution Matter

7. The devolved areas for which I am likely to seek legislative consent for Westminster to legislate on (subject to Executive approval) are clauses 46 and 47. The clauses make amendments to the Proceeds of Crime Act 2002 ('POCA'), in relation to crypto assets recovery.

8. POCA, as amended by the Economic Crime and Corporate Transparency Act 2023, allows law enforcement agencies to seize, freeze, forfeit and confiscate crypto assets linked to criminal activity and/ or unlawful conduct. However, with the fast-moving technological advances in the crypto assets sector, issues with the current wording of parts of the legislation have significantly limited the effectiveness of the recovery powers.

9. Clause 46 introduces a delegated power enabling the UK Secretary of State or HM Treasury to amend and update the relevant provisions by secondary legislation. The power enables amendments of a technical nature as the fast-moving sector continues to rapidly evolve. It does not allow for the creation of any new power, offence or liability, or to otherwise make any new provision or changes of a substantive effect.

10. Clause 47 details the relevant repeals of existing powers.

Reasons for not seeking a Legislative Consent Motion at this time

11. Whilst consent is not being requested at this time, formal consent will be sought for the above measure, subject to Executive agreement and once the Committee for Justice has been briefed.

12. The Assembly will appreciate that the content and timing of any Westminster Bill are outside the control of Northern Ireland Departments. I received formal correspondence from the UK Government that the measure above engaged the legislative consent process on 18 June. I was therefore not able to lay the memorandum within ten working days as required under Standing Order 42(A).

Engagement to date with the Committee for Justice

13. At the same time as laying this Memorandum, my officials have written to the Justice Committee to advise of the need for a legislative consent motion in relation to the Bill and will provide briefing in due course.

Conclusion

14. It is my view, in the interests of good government, the provisions of the Bill dealing with devolution matters should be agreed and as such, it is my intention to bring forward a Legislative Consent Motion and further Memorandum as soon as possible, following securing the Executive's agreement.

Naomi Long MLA

Minister of Justice

19 June 2026