



BRIEFING PAPER

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Economic crime in the UK: a multi-billion pound problem

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Summary

The precise scale of economic crime in the UK is unknown, but it could run to tens or hundreds of billions of pounds per year. The extent of these crimes – which include money laundering, fraud and corruption – led the Intelligence and Security Select Committee in its July 2020 report on Russia to note that London is considered a ‘laundromat’ for corrupt money.

In December 2019 the Treasury Committee found various regulatory and legislative failings in the way in which these crimes are being tackled. It urged the Government to make improvements to the supervisory system and to introduce new powers to combat economic crime. In 2019 The Financial Action Task Force (the global money laundering and terrorist financing watchdog) praised the UK’s efforts on the issue in 2019, but also found failings and identified a lack of resources for investigating these crimes.

The Government agrees about the need to tackle economic crime, which it says causes “much harm to individuals and communities, and damage to legitimate business and the UK’s reputation.” It set out its overall approach to tackling the issue in its July 2019 Economic Crime Plan. The Plan covers the years 2019-2022 and draws together all the work being conducted by the public and private sector.

A number of the 52 actions contained in the plan may involve future legislative reforms, including changes to:

- the *Proceeds of Crime Act* to improve the way in which the proceeds of crime can be confiscated;
- corporate criminal liability, to punish and prevent economic crimes when committed on behalf of or in the name of companies;
- block company stock exchange listings on national security grounds;
- improve transparency over UK property ownership;
- Companies House powers to enable it strike off from its register dissolved or inactive limited partnerships.

The Royal United Services Institute said that as at September 2020, 23% of actions in the plan had been completed, 59% were in progress, 9% were overdue, 6% of actions either had no due date or had been paused.

Following the September 2020 leak of the FinCEN papers, which put a spotlight back on the scale of economic crime in the UK, the Treasury Committee wrote to the Government to clarify how it would be responding.

It is also important to note the possible implications of the Brexit negotiations on the UK’s ability to tackle economic crime. In addition, some stakeholders contend that failure to reach a trade deal with the EU could damage the UK’s ability to tackle economic crime, even if Brexit might offer other opportunities.

1. Scale of the problem

Economic crime covers a range of crimes including:

- Money laundering
- Bribery and corruption
- Fraud
- Counterfeit currency¹

It is difficult to assess the extent of economic crime in the UK. The Treasury Select Committee stated that “it seems that it can reasonably be said to run into the tens of billions of pounds, and probably the hundreds of billions.”² The Government also noted in 2019 that although “no reliable estimate exists for the scale of money laundering impacting the UK annually [...] it is likely to be tens of billions of pounds.”

The very high figures are for the likely criminal funds that are either channelled through the UK or facilitated by UK structures, rather than those that directly affect the country.³ That impact is likely to be much less. Serious and organised crime, much of which is economic in nature, is estimated to cost the UK £37 billion a year.⁴

[An October 2019](#) report from Transparency International (TI) highlighted the various types of ‘enabling activities’ that UK-based firms undertake that can help criminals to launder corrupt wealth in the UK. These include banking transactions, company formation and management, property transactions and lifestyle management (such as assisting in the procurement of UK visas or citizenship).

Similar points were raised in the Intelligence and Security Committee report on Russia, published in July 2020. The Committee noted:

It is widely recognised that the key to London’s appeal [to Russian oligarchs] was the exploitation of the UK’s investor visa scheme, introduced in 1994, followed by the promotion of a light and limited touch to regulation, with London’s strong capital and housing markets offering sound investment opportunities. The UK’s rule of law and judicial system were also seen as a draw. The UK welcomed Russian money, and few questions – if any – were asked about the provenance of this considerable wealth. It appears that the UK Government at the time held the belief (more perhaps in hope than expectation) that developing links with major Russian companies would promote good governance by encouraging ethical and transparent practices, and the adoption of a law-based commercial environment.

What is now clear is that it was in fact counter-productive, in that it offered ideal mechanisms by which illicit finance could be recycled through what has been referred to as the London

¹ Treasury Committee, Economic Crime - Anti-money laundering supervision and sanctions implementation, Twenty-Seventh Report of Session 2017–19, 5 March 2019

² *ibid*

³ *ibid*

⁴ HM Treasury, [Economic Crime Levy consultation](#), 21 July 2020

'laundromat'. The money was also invested in extending patronage and building influence across a wide sphere of the British establishment – PR firms, charities, political interests, academia and cultural institutions were all willing beneficiaries of Russian money, contributing to a 'reputation laundering' process.

[...]

It is not just the oligarchs either: the arrival of Russian money resulted in a growth industry of enablers – individuals and organisations who manage and lobby for the Russian elite in the UK. Lawyers, accountants, estate agents and PR professionals have played a role, wittingly or unwittingly, in the extension of Russian influence which is often linked to promoting the nefarious interests of the Russian state. A large private security industry has developed in the UK to service the needs of the Russian elite, in which British companies protect the oligarchs and their families, seek kompromat on competitors, and on occasion help launder money through offshore shell companies and fabricate 'due diligence' reports, while lawyers provide litigation support.⁵

How well are these crimes being tackled?

The Treasury Committee reviewed the UK's approach to economic crime in 2019, leading to the publication of its report into [Economic Crime - Anti-money laundering supervision and sanctions implementation](#) in March 2019. This flagged various regulatory and legislative issues.

The Rt Hon. Nicky Morgan MP, the then Chair of the Treasury Committee, urged the Government to "bring greater order" to the "fragmented supervisory system, better identify the scale of the problem, and make a greater effort to combat the known risks and gaps in the supervisory system".⁶ The Committee made a number of [a number of recommendations](#) to the Government, including that it:

- develop more precise estimates of the scale of economic crime in the UK;
- review the UK's anti-money laundering supervision more frequently;
- ensure that all estate agents are registered with HMRC for anti-money laundering (AML) purposes;
- give Companies House new powers to combat economic crime; and,
- reform the corporate criminal liability framework for economic crime.⁷

The Financial Action Task Force (FATF) – an inter-governmental body that sets international standards for addressing money laundering and terrorist financing – also reviewed the UK's approach in December 2018. It concluded that the UK "has a well-developed and robust

⁵ Intelligence and Security Committee of Parliament, [Russia](#), July 2020

⁶ Treasury Committee, [UK's fragmented anti-money laundering system needs re-ordering, warns Treasury Committee](#), 8 March 2019

⁷ Treasury Committee, Economic Crime - Anti-money laundering supervision and sanctions implementation, Twenty-Seventh Report of Session 2017–19, 5 March 2019

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regime to effectively combat money laundering and terrorist financing". Making its case, FATF said that:

The UK aggressively pursues money laundering and terrorist financing investigations and prosecutions, achieving 1400 convictions each year for money laundering. UK law enforcement authorities have powerful tools to obtain beneficial ownership and other information, including through effective public-private partnerships, and make good use of this information in their investigations. However, the UK financial intelligence unit needs a substantial increase in its resources and the suspicious activity reporting regime needs to be modernised and reformed.

The country is a global leader in promoting corporate transparency and it is using the results of its risk assessment to further strengthen the reporting and registration of corporate structures. Financial institutions as well as all designated non-financial businesses and professions such as lawyers, accountants and real estate agents are subject to comprehensive AML/CFT requirements. Strong features of the system include the outreach activities conducted by supervisors and the measures to prevent criminals or their associates from being professionally accredited or controlling a financial institution.⁸

Nevertheless, the FATF report was in line with the Treasury Committee Report. It noted that the UK needed to "strengthen its supervision, and increase the resources of its financial intelligence unit." It stated that it "needs to address certain areas of weakness, such as supervision and the reporting and investigation of suspicious transactions."⁹

TI challenged the overall positive assessment that FATF had given to the UK, which it said failed "to take into account ongoing failings in the UK system which – according to the National Crime Agency – allow in excess of £100 billion in illicit funds to impact the UK each year." In particular, it said:

The FATF report states the UK's system for ensuring professionals follow money laundering rules is "highly effective". Our own research contradicts this assessment, identifying the need for a major overhaul of how the private sector's money laundering standards are overseen. This includes low levels of sanctions against those found to have weak systems to defend against dirty money.

⁸ Financial Action Task Force, [The United Kingdom's measures to combat money laundering and terrorist financing, Mutual Evaluation Report of the United Kingdom – 2018](#), 7 December 2018

⁹ *ibid*

2. Government action

The Government agreed with the FATF and Treasury Committee reports about the need to tackle economic crime. It said in July 2020 that “economic crime represents a significant and ever-changing threat to the UK that has a harmful impact on our economy, competitiveness, citizens, and institutions.” It went on:

These crimes [...] not only result in financial gain for their perpetrators, but also leave a trail of victims, causing much harm to individuals and communities, and damage to legitimate business and the UK’s reputation. Serious and Organised Crime, much of which is driven by economic crime, is estimated to cost the UK £37 billion a year.¹⁰

The Government flagged “the significant progress that has been made in the UK’s response to economic crime”. It stated that it had introduced “world-leading reforms” including:

[T]he creation of the National Economic Crime Centre; establishing the Office for Professional Body Anti-Money Laundering Supervision; the introduction of new powers such as Unexplained Wealth Orders and Account Freezing Orders; and the launch of dedicated public-private initiatives such as the Joint Money Laundering Intelligence Taskforce.

Since its commencement, over £1.8 billion has been taken off criminals using the powers in the Proceeds of Crime Act 2002, and billions more has been recovered using deferred prosecution agreements and HM Revenue and Customs’ tax powers. Even more importantly, over £293 million has been returned to victims.¹¹

Nevertheless, the Government stated that the threat to the UK from economic crime “remains high and is constantly evolving”.¹²

The Government’s set out its overall approach for addressing the issues identified by the Treasury Committee and FATF in its [Economic Crime Plan, 2019 to 2022](#).

The Plan draws together all the work being conducted by the Government and private sector on tackling economic crime. It set out seven strategic priorities containing 52 actions:

- Strategic Priority One: **Understanding the Threat** and Performance Metrics. Develop a better understanding of the threat posed by economic crime and our performance in combatting economic crime.
- Strategic Priority Two: **Better Information-Sharing**. Pursue better sharing and usage of information to combat economic crime within and between the public and private sectors across all participants.
- Strategic Priority Three: **Powers, Procedures and Tools**. Ensure the powers, procedures and tools of law

¹⁰ HM Treasury, [Economic Crime Levy consultation](#), 21 July 2020

¹¹ *ibid*

¹² *ibid*

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enforcement, the justice system and the private sector are as effective as possible.

- Strategic Priority Four: **Enhanced Capabilities**: Strengthen the capabilities of law enforcement, the justice system and private sector to detect, deter and disrupt economic crime.
- Strategic Priority Five: **Risk-Based Supervision** and Risk Management. Build greater resilience to economic crime by enhancing the management of economic crime risk in the private sector and the risk-based approach to supervision.
- Strategic Priority Six: **Transparency of Ownership**. Improve our systems for transparency of ownership of legal entities and legal arrangements.
- Strategic Priority Seven: **International Strategy**. Deliver an ambitious international strategy to enhance security, prosperity and the UK's global influence.

A number of these actions may involve future legislative reforms, including changes to:

- the *Proceeds of Crime Act* to improve the way in which the proceeds of crime can be confiscated;
- corporate criminal liability, where criminal offences are designed to punish and prevent economic crimes when committed on behalf of or in the name of companies;
- block company stock exchange listings on national security grounds;
- improve transparency over UK property ownership (through a Registration of Overseas Entities Bill);
- limited partnerships, including by giving Companies House a power to strike off from its register dissolved or inactive limited partnerships.

Progress and comment on the Economic Crime Plan

Responding to the publication of the Plan, TI stated that there were a number of key omissions:

- A failure to include key next steps on reforming the UK's corporate liability laws, which currently let big corporates off the hook for serious financial crimes such as money laundering.
- An insufficient response to money-laundering supervisors failing to carry out their duties.
- A lack of safeguards against policy capture in relation to the funding of reforms to Suspicious Activity Reports (SARs). These reports are how the private sector alerts the police to transactions which appear suspicious.¹³

Helena Wood, Associate Fellow at the Royal United Services Institute (RUSI), stated in January 2020 that the Government should deal "with the crucial issue on which the plan largely remains silent: the

¹³ Transparency International, [Urgent action required to address gaps in UK government's plan to combat economic crime](#), 12 July 2019

fundamental capacity and capability issues within the UK's operational response to economic crime." She went on:

Although economic crime has always been the poor cousin of terrorism and organised crime in policing, this has been exacerbated by 10 years of policing austerity and the advent of a local agenda in policing driven by the imposition of Police and Crime Commissioners in 2012; an agenda which is not suited to the geographically diffuse nature of many economic crimes.

The National Economic Crime Centre (NECC), established just over a year ago, was set up ostensibly to add a level of bandwidth in this space. Whilst its multi-agency, coordinating role has undoubtedly brought some coherence to the picture, with no operational capability of its own it does little to deal with the fundamental capacity issues in the wider policing landscape.

In short, a significant policing budget is needed to match the policy ambition of the plan. Six months after its launch, this remains absent.¹⁴

The Government has in part responded to this resourcing issue with a recent consultation on an Economic Crime Levy to fund action on money-laundering. See next section.

Helena Wood also stated that given "the limited policy bandwidth available in government... there is an argument for a certain level of prioritisation" of the 52 actions in the plan (my emphasis):

Top of the list should be tackling the extent to which UK companies have become the money launderer's vehicle of choice, due in equal parts to **the lack of scrutinising powers at the UK's companies register, Companies House, and the lax supervisory regime for the Trust and Company Service Providers (TCSPs) that act as formation agents**. Delivering the promised reform of the UK company formation process will make these vehicles less attractive. As will a display by Her Majesty's Revenue and Customs – the UK's tax-collecting authority and the anti-money laundering (AML) supervisor for many TCSPs – of its renewed and more robust supervisory approach to this particular sector.

Next on the list should be the **continued reform of the UK's fragmented AML supervisory regime, a regime that has failed to ensure a 'first line of defence' in many sectors (such as accountancy, the legal profession and estate agency)**. The so-called 'supervisor of supervisors', the Office for Professional Body AML Supervision (OPBAS) has made a good start at highlighting the scale of the problem in its first two years. However, OPBAS alone cannot solve the underlying structural issues in the UK's approach and there is an argument for a more fundamental rethink of the system. In short, can 25 different supervisors really work effectively as a whole?

Ensuring reform of the UK's beleaguered Suspicious Activity Reporting (SARs) regime also merits high priority. It is unfair to create a private sector 'first line of defence' (through robust supervision) if the ensuing suspicious activity they highlight to law enforcement authorities lies unactioned in an antiquated (some might say antique) IT system; a system which is ill-equipped to

¹⁴ Royal United Services Institute, [Getting the Economic Crime Plan Done: Why Economic Crime Matters for Johnson's 'Global Britain'](#), 13 January 2020

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deal with the volume of information it now has to process. Delivering IT reform, though costly, should be more straightforward than dealing with the wider issues – namely, an understaffed central UK Financial Intelligence Unit, housed with the National Crime Agency and the lack of SARs' analytical capacity within operational policing.

RUSI has prepared [an online tracker to monitor progress against the actions in the Plan](#). The tracker provides information about each of the actions and its current status.

As at 22 September 2020, RUSI reported that:

- 23% of actions had been completed, such as the completion of a long-term economic crime research strategy;
- 59% were in progress, such as promoting information-sharing around fraud;
- 9% were overdue, such as investigating whether a new power was needed to block the listing of companies on the stock market;
- 6% of actions either had no due date or had been paused (such as the Business Integrity Initiative, which was delayed due to COVID-19).¹⁵

¹⁵ Royal United Services Institute, [Economic Crime Plan Online Tracker](#), viewed 22 September 2020

3. Current issues

This section elaborates on specific economic crime issues that have arisen as a result of recent media or parliamentary interest. It is not a definitive list of current issues. Members and their staff can request briefing on issues not covered here. The issues covered are:

- Financing action on economic crime and the economic crime levy
- Transparency of property ownership: the beneficial ownership register
- Brexit
- Victims of fraud
- The FinCEN papers

3.1 Financing action on economic crime: the economic crime levy

As noted above, RUSI indicated that a lack of funding for tackling economic crime could be an important barrier to the success of the Government's Economic Crime Plan.

In the March 2020 Budget, the Government announced its intention to explore a more "sustainable resourcing model" for tackling economic crime that would be comprised of both public and private funds. It [launched a consultation in July 2020](#) exploring whether private funds should be raised through a levy placed on those working in the anti-money laundering (AML) sector. It indicated that the levy could raise approximately £100 million per year.

The consultation document also noted that "the levy will complement other funding sources of the sustainable resourcing model, including a continuing public sector contribution". [It said that](#) the public sector contribution "will be finalised through the upcoming Spending Review and will take account of the conclusions from the Home Office's review of the Asset Recovery Incentivisation Scheme and the recommendations from the Independent Review of Serious and Organised Crime led by Sir Craig Mackey."

The consultation document described what actions the levy could fund, including:

- more human resources in the UK Financial Intelligence Unit and more financial investigators;
- the Suspicious Activity Reports (SARs) Reform Programme;
- National Economic Crime Centre (NECC), National Assessments Centre (NAC) and National Data Exploitation Centre (NDEC) costs;
- economic crime awareness raising campaigns; and

- Companies House and Insolvency Service reforms so that these bodies can check, query and seek corroboration on information submitted to them.¹⁶

The consultation closes on 14 October 2020.

3.2 Transparency of property ownership: beneficial ownership register

Beneficial ownership refers to the person or persons who ultimately own or control an asset (for example, a property or a company) and benefit from it. The concept of beneficial ownership exists because the direct legal owner of an asset is not necessarily the person ultimately controlling and benefitting from the asset.

For example, the direct legal owner of a residential property may be an anonymous company registered overseas. Registers of beneficial ownership provide transparency and play an important role in the fight against corruption, tax evasion and money laundering.

TI has [produced a series of reports](#) arguing that “the UK’s property market is a prime destination for corrupt individuals and other criminals to launder their stolen wealth.” It has been calling for the Government to bring forward legislation to introduce a publicly accessible register of the true owners of overseas companies that buy or own UK property.

The Government is planning to do this by introducing a beneficial ownership register for UK properties owned by overseas companies and legal entities. In July 2018, it published the [Draft Registration of Overseas Entities Bill](#), and a Joint Committee responsible for scrutinising the draft Bill published their report on 20 May 2019.

Paul Scully, Minister for Small Business, Consumers and Labour Markets, gave [a written statement in July 2020](#) flagging that the Government was considering how best to take forward the register.

Library briefing [Registers of beneficial ownership](#), August 2019, discusses the development of registers of beneficial ownership in the UK and around the world and these legislative proposals.

3.3 Brexit

In its 2019 report on Economic Crime, the Treasury Committee considered the implications of the UK’s departure from the EU. In evidence to the Committee, Duncan Hames from TI explained:

Our exposure to new markets is both a risk and an opportunity. The risk is evident. British businesses are going to be doing more business with Governments and companies in jurisdictions where there are high levels of corruption. The opportunity comes from our economic engagement. We cannot ignore these countries any longer if we need to do trade with them. Therefore, the opportunity comes with using that engagement—they will want good trade agreements with Britain after Brexit—to leverage higher standards of anti-corruption and anti-money laundering in those jurisdictions; requiring existing conventions to be upheld in

¹⁶ HM Treasury, [Economic Crime Levy consultation](#), 21 July 2020

these countries, such as the UN Convention against Corruption, as part of the terms for us fostering greater business with these jurisdictions. Trade brings risk and opportunities.

The Committee urged the Government to remain vigilant to the risks of corruption when conducting future trade negotiations:

The UK's departure from the European Union will inevitably result in a change in international trading relationships. Such new trading relationships may also provide opportunities to those wishing to undertake economic crime in countries that are more vulnerable to corruption. The UK must remain alert to that risk, including when it conducts trade negotiations. The Government must be consistently clear about its intention to lead in the fight against economic crime, and not compromise that in an effort to swiftly secure new trading relationships.

In response to the Committee's recommendation, the Government stressed its commitment to combatting economic crime and stressed the possible post-Brexit benefits of being able to negotiate improved economic crime standards through new "bilateral and multilateral engagement":

The government's commitment to combatting economic crime will not diminish once the UK has exited the European Union (the EU). Instead, the UK hopes to strengthen its status as a world leader in this field through continuing to implement and champion international standards and by driving forward the global 'race to the top' through both our bilateral and multilateral engagement (as the Chancellor set out in his speech on the global regulatory landscape in December last year).

The Treasury Committee also called on the Government to maintain current practical arrangements for information-sharing that exist between UK and EU law enforcement agencies. In response, the Government said it had been clear that it wished to work with the EU (and EU Member States) to tackle money laundering and terrorist financing once the UK has left the EU, and this will include maintaining the flow of information.

Brexit negotiations

In [a blog post on 11 June 2020](#), Tom Keating, Director of the Centre for Financial Crime and Security at RUSI noted concerns about the progress of the negotiations:

In his most recent speech, Michel Barnier noted that 'Prime Minister Johnson agreed ... that our agreement should cover anti-money laundering and counter terrorism financing', but also pointed out that 'We are very far from this objective'.

This followed Barnier's previous sigh of disappointment after the completion of the third round of negotiations with the UK in May, where he observed that his team was 'disappointed by the UK's lack of ambition in a number of areas that may not be central to the negotiation, but which are nonetheless important and symbolic', for example, 'the fight against money laundering'.

Mr Keating thought the source of the problem was perhaps a section in the EU's draft legal text for a New Partnership with the UK, which would commit the UK and the EU to internationally agreed standards that would constrain the UK's ability to act as it wishes in future. Some

UK law firms have indicated that a failure to reach an agreement with the EU could damage our ability to tackle this crime due to the implications for intelligence sharing.¹⁷

3.4 Victims of fraud

Criminals successfully stole £1.2 billion from individuals through banking fraud and scams in 2018. Businesses and the public sector are estimated to lose around £5.9 billion per year.

House of Commons Library [briefing on Banking fraud](#), July 2019, sets out full information about the scale and impact of fraud on individuals, how the police responds to fraud and what support is available for victims.

3.5 The FinCEN papers

Suspicious Activity Reports (SARs) are used to alert law enforcement to potential instances of money laundering or terrorist financing. SARs are made by banks, financial institutions and other professionals such as solicitors, accountants and estate agents.

According to the National Crime Agency they are “a vital source of intelligence not only on economic crime but on a wide range of criminal activity”. They provide “information and intelligence from the private sector that would otherwise not be visible to law enforcement” and they can “also be submitted by private individuals where they have suspicion or knowledge of money laundering or terrorist financing.”¹⁸

In September 2020 a large number Suspicious Activity Reports that had been sent to the US authorities between **2000 and 2017** were leaked – the FinCEN papers. These documents detailed banks concerns about around \$2tn of transactions.

[The BBC](#) said that the papers “show how Russian oligarchs have used banks to avoid sanctions that were supposed to stop them getting their money into the West”. It set out some of the other findings:

- [HSBC allowed fraudsters to move millions](#) of dollars of stolen money around the world, even after it learned from US investigators the scheme was a scam.
- [JP Morgan allowed a company to move more than \\$1bn](#) through a London account without knowing who owned it. The bank later discovered the company might be owned by a mobster on the FBI's 10 Most Wanted list.
- Evidence that one of Russian President Vladimir Putin's closest associates [used Barclays bank in London to avoid sanctions](#) which were meant to stop him using financial services in the West. Some of the cash was used to buy works of art.

¹⁷ Financial Times, [Brexit risks making London's dirty money fight harder, say lawyers](#), 26 May 2020

¹⁸ National Crime Agency, [Suspicious Activity Reports](#), viewed 22 September 2020

- The husband of a woman who has donated £1.7m to the UK's governing Conservative Party's was secretly funded by a Russian oligarch with close ties to President Putin.
- The UK is called a "higher risk jurisdiction" and compared to Cyprus, by the intelligence division of FinCEN. That's because of the number of UK registered companies that appear in the SARs. Over 3,000 UK companies are named in the FinCEN files - more than any other country.
- Chelsea [football club] owner Roman Abramovich once held secret investments in footballers not owned by his club through an offshore company.
- The United Arab Emirates' central bank failed to act on warnings about a local firm which was helping Iran evade sanctions.
- Deutsche Bank moved money launderers' dirty money for organised crime, terrorists and drug traffickers. More details (BuzzFeed News)
- Standard Chartered moved cash for Arab Bank for more than a decade after clients' accounts at the Jordanian bank had been used in funding terrorism.¹⁹

Following the revelations, the UK Government published its response to a [Corporate transparency and register reform consultation](#) that had closed in August 2019. The response detailed that the Government would make a number of reforms to improve the reliability and accuracy of information on the Companies Register:

- identity verification: introducing compulsory identity verification for all directors, People with Significant Control and those filing information on behalf of a company
- reforms to Companies House powers: providing the Registrar of Companies stronger powers to query, seek evidence for, amend or remove information and to share it with law enforcement partners when certain conditions are met
- protecting personal information: improving the processes for removing personal information from the register
- company accounts: the response proposes further consultation on how to introduce full digital tagging of accounts to ensure consistency, easier identification and comparability of information on the register²⁰

Security Minister James Brokenshire said that the changes will give "law enforcement and the private sector more accurate information to crack down on dirty money and financial exploitation".²¹

On 23 September 2020, following the release of the FinCEN papers, Rt Hon. Mel Stride MP, Chair of the Treasury Committee, said "some of the information coming from the release of the FinCEN papers is deeply

¹⁹ BBC, [FinCEN Files: All you need to know about the documents leak](#), 21 September 2020

²⁰ HM Government, [Corporate transparency and register reform](#), 18 September 2020

²¹ BBC, [FinCEN Files: One of the world's 'dodgiest addresses' is in leafy Hertfordshire](#), 21 September 2020

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troubling. The Treasury Committee wants to know whether Ministers, HMRC and the FCA are on top of this.”

The Committee wrote to the Government, HMRC and the Financial Conduct Authority (FCA), asking them to answer a series of questions, including:

- The Government recently published its response to the consultation on Corporate transparency and register reform. That consultation ended in August 2019. Why does it appear to have taken the release of the FinCen papers to stimulate further reform?
- What needs to be done to further secure the financial system from economic crime?
- Are UK law enforcement agencies following up on the information in the FinCEN papers?
- Will the release of the FinCEN papers impact on the submission of Suspicious Activity Reports (SARs)?
- Is the UK system robust to potential leaks?
- Are reports that the UK is a “higher-risk” jurisdiction a cause for concern?
- Is HMRC an effective money laundering supervisor for those within its jurisdiction?
- Will the release of the FinCEN papers impact any ongoing HMRC investigations?
- Will the FCA take enforcement action?²²

²² Treasury Committee, [Treasury Committee seeks answers from Ministers, HMRC and FCA on FinCEN papers](#), 23 September 2020

4. Related Library briefings

Library briefings containing further background on these issues, including of a more historic nature, include:

- [Bribery Bill \[HL\] Bill No 69](#), March 2010 (RP 10/19)
- [Crimes and misdemeanours: penalties and punishment in the UK financial services sector](#), April 2014 (SN 6872)
- [The international anti-corruption summit](#), May 2016 (CBP 7580)
- [Corporate economic crime](#), May 2016 (CBP 7359)
- [Politically Exposed Persons Regime](#), December 2020 (CBP 7376)
- [Bank accounts: problems of identification](#), June 2017 (CBP 3366)
- [Foreign investment in UK residential property](#), July 2017 (CBP 7723)
- [Money laundering law](#), February 2018 (SN 2592)
- [Sanctions and Anti-Money Laundering Bill 2017-19](#), February 2018 (CBP 8295)
- [Registers of beneficial ownership](#), August 2019 (CBP 8259)
- [Tax avoidance and tax evasion](#), April 2020 (CBP 7984)
- [UK's first post-Brexit sanctions](#), July 2020
- [Corporate Criminal Liability](#), December 2020 (CBP 9027)

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