

# ECONOMIC CRIME QUARTERLY



October 2022

## Introduction

Welcome to October's edition of Economic Crime Quarterly. We have restarted this newsletter - which goes out to both public and private partners - to provide updates, share successes, and messages from across Economic Crime.

This edition will cover the following topics:

- **A word from our new Security Minister, Tom Tugendhat MBE**
- **Economic Crime and Corporate Transparency Bill hits key milestone**
- **Development of second Economic Crime Plan continues at pace**
- **New and improved SARs portal to be launched by NCA**
- **ICAEW training delivers powerful messages**
- **Anti-money Laundering Conference supports best practice in legal sector**

## Forward look

Date	Event
w/c 24 October	Committee Stage of the Economic Crime and Corporate Transparency Bill begins
Friday 4 November	Public Private Steering Group
Tuesday 29 & Wednesday 30 November	SocEx Economic Crime Conference
Monday 5 December	Public Private Steering Group

## A word from our new Security Minister, Tom Tugendhat MBE

I am delighted to have been appointed Security Minister and in particular to take on the economic crime portfolio. I look forward to working with you all as we develop a strong response to the threat economic crime poses to our national security, and I believe that the partnership of the public and private sectors is crucial in delivering the change we need.



The invasion of Ukraine has put a spotlight on the threats from dirty money, and I am pleased that we are introducing reforms that will make it much harder for kleptocrats to shield their ill-gotten gains through the Economic Crime and Corporate Transparency Bill. I am committed to delivering this vital piece of legislation to strengthen our fight against economic crime.

I would like to thank all those organisations that have worked with officials both on the Bill and on our other initiatives to tackle economic crime. Your support is invaluable as we tackle this threat together.

Tom Tugendhat was appointed Minister for Security on 6 September 2022. He previously served as Chair of the Foreign Affairs Committee from 2017 to 2022 and has been the Member of Parliament for Tonbridge and Malling since 2015.

## Economic Crime and Corporate Transparency Bill hits key milestone

The Economic Crime and Corporate Transparency Bill was introduced in Parliament on 22 September and had its Second Reading on 13 October. Building on the recently enacted Economic Crime (Transparency and Enforcement) Act, the Bill will bear down further on kleptocrats, criminals and terrorists who abuse our financial system, strengthening the UK's reputation as a place where legitimate business can thrive while driving dirty money out of the UK.

The Bill measures include:

- Reforms to Companies House
- Reforms to prevent abuse of limited partnerships
- Additional powers to seize cryptoassets more quickly and easily
- Reforms to support more effective and targeted information sharing to tackle money laundering and economic crime
- New intelligence gathering powers for law enforcement
- Removing regulatory burdens on businesses
- Introducing an economic crime regulatory objective to the Legal Services Act
- Removing the cap on the SRA's fining powers for economic crime disciplinary matters
- Streamlining the process for updating the UK's high risk third country list
- Extending 'pre-investigation' powers to all SFO cases

The Bill forms part of a wider set of tools to help tackle economic crime, including fraud and money-laundering, delivering greater protections for the public and local businesses, and supporting enterprise by enabling Companies House to deliver a better service for over four million UK companies.

## Development of second Economic Crime Plan continues at pace



Following on from the recent Public Private Steering Group call, where the second iteration of the Plan's actions were presented, we are now working to streamline actions, and ensure consistency in the level of detail. We have also started to develop the first draft of the Plan. In addition, we are working to set out the governance of Plan's actions, and opportunities for private sector involvement will be discussed in the November call.

Further to the recent call for volunteers to speak to our analyst team on the development of the performance indicators, the team will be reaching out to hold discussions on relevant data held within your organisations, views on the key outputs and outcomes we should be striving to achieve, and measures to aid the development of the Dashboard.

### Next steps

The next meeting in November will consider the first draft of the Plan itself, the governance of the Plan's activity and provide an update on the Performance Dashboard. A formal Board in December will sign off the Plan, ahead of a meeting of the Economic Crime Strategic Board.

## The importance of SARs in providing unique intelligence to help disrupt serious and organised crime

Suspicious Activity Reports (SARs) are a unique dataset for the UK's response to money laundering, terrorist finance and other serious and organised crime. Each year, 900,000+ SARs are received by the UK Financial Intelligence Unit (UKFIU), all of which are triaged to identify links to the highest priority threats and crime types.

Last year, over £40m was recovered from suspected criminals due to SAR intelligence, over £300m assets were restrained as a result of DAML SAR intelligence, and 16,548 SARs relating to potentially vulnerable people were fast-tracked to law enforcement to support victims that require safeguarding. SARs are a vital source of intelligence, providing information that would otherwise not be visible to law enforcement.

To find out more about how SARs are used to help disrupt all types of crime, please view this [short video](#) that the UKFIU have put together, hosted on the NCA website.

## New and improved SARs portal to be launched by NCA

As part of the SARs Reform Programme, a new SAR Portal for submitting suspicious activity reports is being delivered. The new Portal will improve the quality of SAR data through enhanced data validation and structured fields, as well as improve user experience through an intuitive interface that is consistent with other government websites.

The development of the SAR Portal is now nearly complete, and the programme is currently focusing on testing activities ahead of an iterative go-live approach. To familiarise reporting organisations with the new SAR Portal, the programme hosted a demonstration event on 16 August 2022. If you were unable to make this, you can view the [recording of the demonstration online](#).

Please note that further guidance materials for using the new SAR Portal will be published ahead of go-live.

## ICAEW training delivers powerful messages

On 28 September the Institute of Chartered Accountants in England and Wales (ICAEW) held an event as part of its participation in the B20 Integrity and Compliance Taskforce.

The event was centred around the most recent ICAEW training film, which is produced in collaboration with HMRC. The film, "All too familiar", follows the interaction between two separate accounting firms with a common client – deliberately chosen to be relevant to accounting firms of all sizes.



It focuses not only on the red flags that were missed but clearly demonstrates that underlying economic crime are real people who are victims – a powerful message to frontline staff. It also highlights the importance of suspicious activity reporting and its role in supporting law enforcement action.

The lessons to be drawn out from the film are also reflected in the Taskforce report. These include many which are familiar to those of us in the UK – improved international collaboration and standardisation, greater use of public private partnerships and greater use of technology, both in facilitating the compliance processes (e.g. onboarding) but also in identifying and highlighting patterns or behaviour which could point to criminality.

As an accountant, involvement both in the Taskforce paper and also in this event highlighted the real value of collaboration in the development of ECP 2.0. The touchpoints to criminal activity and the red flags differ, but all sectors have their piece of the overall jigsaw.

If you would like to learn more about the film, you can register your interest [here](#).

By Angela Foyle

Head of Risk Management and Economic Crime, Global Risk, Quality and Governance, BDO Global

## Anti-money Laundering Conference supports best practice in legal sector

Just under 450 delegates from the legal sector, regulators, law enforcement and government attended the recent Law Society Anti-money Laundering and Financial Crime Conference. With experts from the Home Office, HM Treasury,

Companies House, OFSI, BEIS, the Solicitors Regulation Authority, HM Revenue and Customs, NCA and the NECC, the programme provided delegates with an opportunity to engage with speakers and colleagues through a selection of plenary panel and workshop sessions. The sessions included an exploration of the current political and legislative landscape, sanctions compliance, organised crime and money-laundering risks to the legal profession, the new SARs portal, new Register of Overseas Entities, and AML compliance best practice.

The Law Society welcomes the continued engagement with government under the public-private partnerships in understanding and identifying risk and joint working, most significantly with the publication of the Economic Crime and Corporate Transparency Bill, drafting of the next Economic Crime Plan and Companies House reform.



By Rick Kent

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## Contact

If you wish to discuss this newsletter in more detail or contribute to the next issue, please contact us at [HOECSET@homeoffice.gov.uk](mailto:HOECSET@homeoffice.gov.uk)

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