

# Transparency International UK's written evidence to the Treasury Select Committee Inquiry on Economic Crime

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## EXECUTIVE SUMMARY

The UK is a safe haven for corrupt and criminal wealth. The list of exposés detailing the investments and indulgences of a global cadre of corrupt individuals in or through our economy has become too large to ignore.

This submission outlines where the risk is, how the situation has changed since March 2019, and where the UK Government should focus efforts in the coming months and years. A timeline of money laundering scandals since the last inquiry on economic crime by this committee is included as Appendix 1.

### KEY RECOMMENDATIONS

The UK should provide **no place to hide** for corrupt wealth

- HM Government should legislate at the earliest opportunity to empower Companies House to verify the data it receives and support investigations into suspicious activity.
- This legislation should also be used to deliver on HM Government's commitment to introduce a public register of the beneficial owners that own or buy property in the UK, to prevent the property market being used to launder the proceeds of corruption and other crimes.
- A sustainable means of resourcing these changes could be introduced by increasing the company incorporation fee, which at present stands at only £12.

The UK should ensure there is **no one to help** move corrupt wealth by:

- Extending the 'failure to prevent' approach to corporate criminal offending to **economic crimes such as fraud and money laundering**
- **Strengthening the ability of supervisors to provide a credible deterrent** by ensuring they all have the necessary powers, sanctions, resources, and transparency arrangements in place. The range of different regulators means that these will vary. For example, private supervisors do not have access to criminal prosecution powers.
- **Protecting the independence of AML oversight and removing conflicts of interest** by ensuring professional body supervisors are institutionally separate from their promotional and commercial activities.

## THE IMPACT OF THE FINCEN PAPERS

1. The FinCEN files, [more than 2,500 documents](#) relating to \$2tn (£1.56tn) of transactions, once again highlighted the vast amount of illicit wealth that flows through the global economy. The UK Government has stated that roughly £100 billion of illicit wealth impacts the economy every year. And that's just the UK. It's not a surprise that the leak shows how UK banks continually failed to address suspicious activity and instead offered their services to those with money to hide. [Transparency International UK's research has already identified 86 UK banks](#) and financial institutions which have, unwittingly or otherwise, helped corrupt individuals acquire assets and move suspicious wealth.
2. What this story highlights is that this problem is multi-faceted. The FinCEN files don't point at just one sector or bank or actor as the only weak link in an otherwise stable chain. There are many holes that allow the money to slip through, and several outstanding reforms that need to be implemented in order to plug the gaps.
3. A total of [3,282 British companies were named in the leaked suspicious activity reports](#) - more than any other country in the world. Most of these were Limited Liability Partnerships and [Limited Partnerships](#). Although we are yet to see all of the UK companies involved, it would be no surprise if they turned out to be part of industrial-scale money laundering schemes like the [Russian Laundromat](#) and [Azerbaijan Laundromat](#) exposed by the Organised Crime and Reporting Project (OCCRP).
4. The majority of UK firms flagged in the files had been formed by a [handful of company formation agents](#), some of which had close links to Baltic Banks who have become synonymous with money laundering. This adds to the evidence collated by [ourselves](#) and [others](#) over recent years.
5. The UK branches of banks have also been identified as being involved in processing suspicious transactions including:
  - i. **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.
  - ii. [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
  - iii. 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.
6. The leaks have also raised questions about donations to UK political parties as it emerged Vladimir Chernukhin, the husband of Lubov Chernukhin, who has donated £1.7m to the Conservative Party was secretly funded by a Russian oligarch with close ties to President Putin.

7. At least 20% of the reports contained a client with an address in one of the world's top offshore financial havens, the British Virgin Islands.

## THE WORK OF COMPANIES HOUSE

8. The UK is failing to prevent companies registered here from being abused to facilitate the laundering of the proceeds of global criminality and corruption. A total of 3,282 British companies were named in the FinCEN Files - more than any other country in the world.
9. The weaknesses in the oversight of services offered by Trust and Company Service Providers (TCSPs, also known as company formation agents) and the limited powers available to Companies House make the UK company formation regime open to abuse by illicit actors, allowing them to distance themselves from the origins of their illicit wealth whilst retaining the façade of a respectable UK company.
10. **The UK government must do more to prevent companies registered here being used in money laundering schemes** in order to protect the reputation of Britain as a good place to do business.
11. Companies House is responsible for maintaining the register of UK Companies (and, when it is legislated for, will be responsible for maintaining the register of overseas entities that own or buy property in the UK<sup>1</sup>). However, it does not currently have adequate resources or powers to sufficiently monitor and ensure the integrity of company incorporation data that is submitted to them. This allows false and misleading data to be submitted to it. There is a risk that some of this misleading data is purposefully being submitted to obscure the identity of individuals using UK companies to launder money.
12. Companies House currently polices around four million firms' compliance with the Persons of Significant Control (PSC) register, **without adequate powers to make proactive checks** on the accuracy of the information submitted. Thousands of companies are either not complying with the rules or are filing highly suspicious entries. For example: research conducted by Global Witness in 2018 identified five beneficial owners controlling more than 6,000 companies – raising the question of whether some of these individuals were 'nominee directors', which is prohibited by law.<sup>2</sup>
13. Transparency International UK (TI-UK) has analysed the abuse of UK companies in global corruption and money laundering schemes<sup>3</sup>, and found that **UK companies are being used to facilitate corruption around the world.**
14. In 2017, TI-UK found 766 UK companies used in 52 corruption and money laundering scandals amounting to more than £80 billion.<sup>4</sup> **We have continued to collect this information, and have now identified 929 UK companies involved in**

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<sup>1</sup> <https://www.gov.uk/government/consultations/draft-registration-of-overseas-entities-bill>

<sup>2</sup> <https://www.globalwitness.org/en/blog/pursuit-hidden-owners-behind-uk-companies/>

<sup>3</sup> [https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK\\_AtYourService\\_WEB.pdf](https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK_AtYourService_WEB.pdf)

<sup>4</sup> <https://www.transparency.org.uk/publications/hiding-in-plain-sight>

**89 cases of corruption and money laundering, amounting to £137 billion in economic damage.<sup>5</sup>**

15. The introduction of the UK's public beneficial ownership register has been a major step forward in preventing the abuse of UK companies; however, some are still being used to launder corrupt wealth, representing an ongoing risk. Using Companies House data, TI-UK has identified **17,000 legal entities controlled by at least one individual or company that acted as an officer for Limited Liability Partnerships (LLPs) found to be involved in economic crime. More than 5,400 of these shell companies remain active.**<sup>6</sup>
16. Addresses across the UK are used for mail forwarding to companies involved in financial crime. **More than one-third (6,073) of the 17,000 suspicious entities we found as part of our shell company analysis were registered at just 10 addresses**, an indication that the same trust and company service provider (TCSP) formed and managed these shell companies.<sup>7</sup>
17. Empowering Companies House with an investigative role and powers to enable it to identify and support investigations into those abusing UK corporate entities, and providing it with adequate resources to perform this function, would enable Companies House to take a more proactive role in the fight against financial crime in the UK.
18. In September 2020, the Government confirmed the following welcome reforms:
  - i. Introducing identity verification checks for all directors, People with Significant Control (aka beneficial owners) and those filing information on behalf of a company.
  - ii. Companies House will require evidence of checks carried out by regulated professional service providers submitting information on behalf of clients
  - iii. Giving Companies House the powers to query, investigate and remove false information.
  - iv. Only regulated Trust and Company Service Providers (TCSPs) will be able to incorporate entities at Companies House once these changes are made.
19. Separate to this announcement, Companies House has announced that they will also end the practice of removing dissolved companies' records from the register after six years. This is something that TI-UK has been advocating for, and it will help with our investigations as many of the cases we analyse involve companies that were dissolved more than six years ago.
20. However, the Government missed the opportunity to introduce a cap on the number of directorships that a single individual can hold. An individual holding a high number of directorships is a warning sign that could point towards involvement in economic crime.

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<sup>5</sup> [https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK\\_AtYourService\\_WEB.pdf](https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK_AtYourService_WEB.pdf)

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

## Recommendations

21. HM Government should legislate at the earliest opportunity to empower Companies House to verify the data it receives and support investigations into suspicious activity.
22. This legislation should also be used to deliver on HM Government's commitment to introduce a public register of the beneficial owners of overseas companies that own or buy property in the UK, to prevent the property market being used to launder the proceeds of corruption and other crimes.
23. A sustainable means of resourcing these changes could be introduced by increasing the company incorporation fee, which at present stands at only £12.

## CORPORATE LIABILITY FOR ECONOMIC CRIME

24. The FinCEN leaks showed that despite being at risk of receiving major fines, [banks continue to process suspicious transactions for high risk clients](#), often reporting these years after they first occurred. This permissive culture can be attributed in part to the lack of credible deterrent, with little prospect of criminal prosecution in the UK. Existing corporate liability laws in the UK make it virtually impossible to prosecute large corporate actors for wrongdoing including high-scale fraud and money laundering.
25. To address this, the UK Government should reform corporate liability laws by introducing a "failure to prevent economic crime" offence. This would remove the need to find a 'controlling mind' at board level and make it easier for law enforcement to prosecute banks who have badly fallen short in their anti-money laundering obligations.
26. In 2016 the UK committed to consulting on extending the 'failure to prevent' criminal offence for bribery to other economic crimes, such as fraud and money laundering. Soon after, this consultation was downgraded to a Call for Evidence, the results of which were published in November 2020 – more than three years after the Call for Evidence closed.
27. At the same time, The Law Commission announced a review of the laws around corporate criminal liability<sup>8</sup>. The Commission aims to publish the Options Paper in late 2021. This is a welcome step forward.
28. The Government and the Law Commission have recognised on various occasions that the current corporate liability rules in the UK make it "*impossibly difficult*" to prosecute large corporate actors.<sup>9</sup> Prosecutors have long argued that the current rules are unfair, seriously disadvantage small and medium sized enterprises (SMEs), and foster poor corporate governance, acting as a perverse incentive to insulate

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<sup>8</sup> 'Law Commission begins project on corporate criminal liability' [Accessed 18 November 2020] :

<https://www.lawcom.gov.uk/law-commission-begins-project-on-corporate-criminal-liability/>

<sup>9</sup> [http://www.lawcom.gov.uk/app/uploads/2015/06/cp195\\_Criminal\\_Liability\\_consultation.pdf](http://www.lawcom.gov.uk/app/uploads/2015/06/cp195_Criminal_Liability_consultation.pdf)

boards in larger companies from knowledge of misconduct to enable those companies to avoid prosecution.

29. The introduction of a 'failure to prevent' offence in the Bribery Act was an acknowledgement of the inadequacy of the current corporate liability regime. While the 'failure to prevent' offence has been extended to criminal tax evasion, it has not been extended to other economic or serious crimes.
30. The failure to extend the 'failure to prevent' model, or review the corporate liability regime, means that **it is currently virtually impossible to prosecute large corporate actors for money laundering, fraud and other economic crimes**. The result is effective impunity for these actors. The recent dismissal of the case against Barclays for conspiracy to commit fraud in relation to misconduct relating to the financial crisis of 2008 – the only attempted prosecution of a corporate for such misconduct – illustrates the difficulties.<sup>10</sup>

### *The identification doctrine*

31. Under the terms of reference for the review, the Law Commission will consider "...whether the 'identification doctrine' is fit for purpose, when applied to organisations of differing sizes and scales of operation"<sup>11</sup>. The identification doctrine holds that for a company to be guilty of a criminal offence it must be established that someone who can be described as its "directing mind and will" was involved in committing the offence.
32. The doctrine makes it very difficult to prosecute large companies, as it requires evidence that a very senior person was complicit in the illegal activity. The principle can incentivise senior members of a corporation to turn a blind eye to criminal acts committed by its representatives, insulating the company (and themselves) from liability. The result is an unfair situation in which the 'low-hanging fruit' of small companies, with simpler corporate structures, are more easily targeted.

### **Recommendations**

33. TI-UK believes that the identification doctrine should be abandoned and replaced as the guiding principle of corporate liability. It is unnecessarily restrictive and makes it very difficult to prosecute a large corporation. The identification doctrine is now being reviewed by the Law Commission.
34. The Law Commission review on the identification doctrine is due to come up with an options paper towards the end of 2021. This means that any legislative reform is unlikely to take place before 2023 at the earliest.

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<sup>10</sup> A five-year investigation into Barclays, concerning a 2008 \$3bn loan made to Qatar, was dismissed by Southwark Crown Court in May 2018. The loan, linked to Qatari investment in the bank, was alleged to have enabled Barclays to avoid a government bailout at the height of the financial crisis. Barclays was charged with conspiracy to commit fraud and unlawful financial assistance under the Companies Act 1985. After the initial charge was dismissed by Southwark Crown Court, the SFO made an application to the High Court to reinstate these charges – a highly unusual move, which the High Court rejected in October. <https://www.ft.com/content/b133c82a-8f22-11e8-bb8f-a6a2f7bca546>

<sup>11</sup> Proposed Terms of Reference, The Law Commission: <https://s3-eu-west-2.amazonaws.com/lawcom-prod-storage-11jxou24uy7q/uploads/2020/11/CCL-ToR-FINAL.pdf>



35. Before then, we should draw on the success of ‘failure to prevent’ style offences already established in both the UK Bribery Act and the Criminal Finances Act. These however only cover the facilitation of tax evasion and corporate bribery of public officials. There remain serious gaps in relation to other offences – especially fraud and money laundering - which require urgent remedy. TI-UK believes that a failure to prevent economic crime offence should be introduced promptly to address these gaps.
36. A failure to prevent offence would be a proportionate step to take to limit the current imbalance whereby smaller companies can be held accountable but larger ones cannot while the Law Commission conducts its review. A failure to prevent economic crime offence is not only compatible with this review but complements it. The identification doctrine is not superseded by a failure to prevent offence but rather continues to apply to substantive (or “main”) offences. A failure to prevent offence is regarded by the courts as a ‘lesser’ offence than a “main” offence.

## THE WORK OF OPBAS AND THE PROFESSION BODY ANTI-MONEY LAUNDERING SUPERVISORS

37. The FinCEN Files showed the costs of weak regulation of the private sector, particularly UK company formation agents. Despite forming and administering companies for high risk clients for years, formation agents face little prospect of serious sanctions, with one agent identified by the leak fine £1,000 in 2019.
38. The system that should prevent dirty money from entering the UK is failing, with an excess of £100 billion in illicit funds estimated to impact the UK every year.<sup>12</sup> A disjointed system of 25 different supervisors is tasked with supervising businesses’ compliance with money laundering regulations, yet most of these regulators fail to meet basic standards of good governance and effective supervision.
39. The UK’s AML supervisory regime is **inadequate, ineffective, and disjointed**.<sup>13</sup> A well-functioning regime depends on businesses having systems in place to detect corrupt wealth and reporting it to the police, and effective supervisors that can both provide guidance and hold businesses to account when they fail in these duties. However, the UK’s regime is currently failing on both fronts.
40. There is an inconsistent record on compliance across regulated industries. Regulated industries in the UK have requirements imposed upon them by the Money Laundering Regulations 2017 to help identify suspected corrupt wealth.<sup>14</sup> Yet there is an **inconsistent record on compliance across regulated industries**, which include banks, lawyers, accountants, estate agents, trusts and company service providers (TCSPs) and those dealing in high value goods, like jewellery and luxury yachts.

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<sup>12</sup> National Crime Agency (May 2019) '[National Economic Crime Centre leads push to identify money laundering activity](#)'.

<sup>13</sup> See Transparency International UK’s reports [Don’t Look, Won’t Find](#) (2015) and [At Your Service](#) (2019) for more detail.

<sup>14</sup> These include: (1) know your customer screening (such as obtaining beneficial ownership information and undertaking due diligence checks), (2) record-keeping requirements, and (3) maintaining and following policies and procedures to drive compliance with these rules.

- i. **Almost 50 per cent of businesses subject to a money laundering compliance review by HMRC were found to be ‘non-compliant’**, with HMRC acting as the AML supervisor for a range of activities, from estate agency to company formation, as well as the sale of high value goods.<sup>15</sup>
  - ii. A review of 59 law firms providing trust and company services by the Solicitors Regulation Authority (SRA) – an AML supervisor for part of the legal sector – resulted in **just under half being subject to disciplinary proceedings for insufficient AML procedures**.<sup>16</sup>
  - iii. An FCA study of 19 firms found **some remained unaware of money laundering risk** through capital markets.<sup>17</sup>
41. The UK banking sector’s connection to global ‘laundromats’ provides a clear example of the extent of this problem. Over the past six years, the Organised Crime and Corruption Reporting Project (OCCRP) has published investigations based on leaked banking data, showing the movement of hundreds of billions of pounds in criminal and suspicious funds from the FSU.<sup>18</sup>
42. **These ‘Laundromats’ have helped reveal the role British banks play as entry points into the UK economy.** Often, these funds will be paid from secretive companies with Baltic bank accounts to UK banks’ clients for goods and services.
43. Whilst many of the clients of UK banks were legitimate businesses – ranging from luxury goods stores to travel agents – some were identified as politically exposed persons (PEPs) from high-corruption-risk jurisdictions. We conducted analysis on all Laundromat data related to UK bank accounts. Through this, we found that:
- i. Clients at 72 UK banks and branches sent or received over £570 million in suspicious funds between 2003 and 2017 with most of this activity occurring between 2005 and 2014.
  - ii. Clients at just 10 banks were responsible for sending and receiving more than 90 per cent of these funds.<sup>19</sup>
44. In total, these transactions involved more than 3,100 British bank accounts; however almost one third of the £575 million was paid into just five UK bank accounts. **When questioned about Laundromat transactions, these banks insisted they had strict AML measures in place.**<sup>20</sup> While this example provides a stark reminder of the scale of the problem, it is important to remember that there are problems across regulated industries, not just in banking.
45. **The disjointed nature of the UK’s AML supervision system creates significant risks regarding conflicts of interest, the quality of supervision, and insufficient and opaque civil sanctions.** Inconsistent compliance across regulated industries is

<sup>15</sup> HM Treasury, *Anti-money laundering and counter-terrorist financing: supervision report 2017-18* (July 2019).

<sup>16</sup> Solicitors Regulation Authority (7 May 2019) ‘[Review shows too many law firms falling short on anti-money laundering.](#)’

<sup>17</sup> Financial Conduct Authority (2019) *Understanding the money laundering risks in the capital markets: Thematic review TR19/4.*

<sup>18</sup> See OCCRP (2014) *The Russian Laundromat*; OCCRP (2017) *The Azerbaijani Laundromat*; OCCRP (2019) *The Troika Laundromat.*

<sup>19</sup> See Transparency International UK (2019) *At Your Service* p.17 for more detail.

<sup>20</sup> The Guardian (20 March 2017) ‘[British banks handled vast sums of laundered Russian money.](#)’



able to continue, and perhaps arose in the first place, because of numerous flaws in the UK's supervisory regime. Both civil society and the Office for Professional Body AML Supervision (OPBAS) – a standards body established in 2018 to oversee non-public body supervisors – have found numerous flaws.

46. A **disjointed approach** arises from a system in which there are 25 different bodies with responsibility for AML supervision, including 14 for the accountancy sector alone.<sup>21</sup> Both Transparency International UK and the Royal United Services Institute have criticised this system.<sup>22</sup>
47. Inconsistencies in the **quality of supervision** across different bodies, leaving many firms without effective oversight. Research carried out by OPBAS in 2018 found that 23% of relevant professional body supervisors undertook no form of AML supervision and that 18% had not fully identified their supervised populations.<sup>23</sup>
48. Real **conflicts of interest** amongst supervisors who also act as trade bodies for their industry, undermining the independence of their enforcement activity. For example, OPBAS found in 2018 that 62% of accountancy supervisors had some overlap between their advocacy and regulatory functions, several instances where member interests were in competition with supervisory responsibilities.<sup>24</sup>
49. **Insufficient and opaque civil sanctions**, providing little deterrent against future AML failings; fines issued by HM Revenue and Customs (HMRC) and professional body supervisors, in particular, are so low as to not be considered effective. The Financial Action Task Force (FATF) have also noted that the Financial Conduct Authority should increase the number of sanctions, on both firms and individuals, to create a credible deterrent.<sup>25</sup>
50. While OPBAS have identified some improvements over the past year, they still have significant concerns.<sup>26</sup> If the UK is to prevent dirty money entering the UK economy, we need to ensure that there is **no one to help corrupt individuals launder, store or spend corrupt funds**.

## **Recommendations**

51. Through a more effective combination of advice and guidance, audit and enforcement action, **AML supervisors should provide a stronger incentive structure for regulated businesses** to maintain high standards and effective controls against dirty money.
52. We propose four key recommendations for strengthening our supervisory system and getting a grip on the UK's dirty money problem:

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<sup>21</sup> Transparency International UK (2015) [Don't Look, Won't Find](#).

<sup>22</sup> Treasury Committee (2019) [Economic Crime – Anti-money laundering supervision and sanctions implementation](#), p.7.

<sup>23</sup> OPBAS (2019) [Themes from the 2018 anti-money laundering supervisory assessments.](#), p.5.

<sup>24</sup> Ibid., p.7.

<sup>25</sup> FATF, [Mutual evaluation review: United Kingdom](#) p.124

<sup>26</sup> OPBAS (2020) [Anti-Money Laundering Supervision by the Legal and Accountancy Professional Supervisors: Progress and themes from 2019](#).

53. **Strengthen the ability of supervisors to provide a credible deterrent** by ensuring they all have the necessary powers, sanctions, resources, and transparency arrangements in place. The range of different regulators means that these will vary. For example, private supervisors do not have access to criminal prosecution powers.
54. **Protect the independence of AML oversight and removing conflicts of interest** by ensuring professional body supervisors are institutionally separate from their promotional and commercial activities.
55. **Remove weaknesses in the AML supervisory regime** by stripping duties from bodies failing to comply with the principles of effective and proportionate supervision.
56. Ensure the police and supervisors pursue egregious breaches of the Money Laundering Regulations 2017 through **criminal prosecution**.

## ASSET RECOVERY

57. TI-UK's investigations have identified billions of pounds of suspicious assets in the UK, yet a limited amount is seized and returned.
58. Through our ongoing research, we have identified 513 properties in the UK bought with suspicious wealth, with a combined value of more than £5 billion<sup>27</sup>. This is likely to be just the tip of the iceberg. One hundred and one of these properties were bought in the name of an individual, whilst 412 were bought using a corporate entity. In total, we identified 249 separate corporate entities holding these properties. The most common jurisdiction of incorporation was the British Virgin Islands (BVI), which accounted for over half of these companies. UK companies accounted for around one fifth. Of the 513 properties we identified, 82 are commercial – including hotels, restaurants, golf courses and office space – whilst 430 are residential.
59. Until recently, UK law enforcement had limited power to seize corrupt property. The Criminal Finances Act introduced new measures in the UK, including Account Freezing Orders (AFOs) and Unexplained Wealth Orders (UWOs) – an investigative tool that provides stronger powers for UK law enforcement to act on the proceeds of grand corruption, including physical assets such as property. In October 2020, the National Crime Agency announced<sup>28</sup> it had secured the forfeiture of land and properties worth £10million from a Leeds businessman with links to a violent and serious organised crime group. A court had previously ordered Mansoor 'Manni' Mahmood Hussain to explain how he was able to legitimately afford the assets.
60. Many of the people who move dirty money into the UK have vast resources to fight any attempt to seize and recover their assets. The International Corruption Unit within the National Crime Agency (NCA) is part-funded by the FCDO to investigate and return assets that have been laundered out of developing countries. The role of the UK as a safe haven for funds stolen from abroad extends well beyond the remit

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<sup>27</sup> Property purchased by PEPs from high corruption risk jurisdictions, individuals with corruption allegations against them or those with charged or convicted with corruption offences.

<sup>28</sup> <https://www.nationalcrimeagency.gov.uk/news/businessman-with-links-to-serious-criminals-loses-property-empire-after-settling-10m-unexplained-wealth-order-case>

of countries prioritised by UK Aid spending, and it is important that the NCA receives sufficient funding to tackle this. TI-UK welcomes the introduction of the Economic Crime Levy and encourages the Government to consider using some of those funds to support efforts by law enforcement to act on corrupt assets.

61. Whilst the Government recognises the urgent need to deal with the UK’s £100billion-a-year dirty money problem, it must ensure that investigators are provided with the tools and resources they need to take on difficult and complex corruption cases. Government should legislate to bring greater transparency over the UK property market and provide more robust financial backing for law enforcement at the earliest opportunity.

### **Recommendations**

62. The Government should provide adequate funding for law enforcement to tackle high-end money laundering and complex financial crime.

## **APPENDIX 1**

### **A TIMELINE OF MONEY LAUNDERING SCANDALS SINCE 2019**

<b>Date</b>	<b>Event</b>
11th March 2019	Treasury Committee release report on Economic Crime
24th October 2019	<a href="#">“At Your Service”</a> – Analysis of more than 400 corruption and money laundering cases reveals 582 firms and individuals offering services to those with suspect wealth
4th December 2019	<a href="#">#29 Leaks</a> - London company formation agent revealed to have managed companies involved in global corruption and money laundering schemes
20th January 2020	<a href="#">Luanda Leaks</a> – Documents reveal how daughter of former Angolan President built \$2 billion empire, with the assistance of UK firms
21st July 2020	<a href="#">Russia Report</a> - Role of UK enablers highlighted in dubious Russian investment and reputation management in the UK
20th September 2020	<a href="#">FinCen Files</a> – Leaked documents show how UK banks missed suspicious activity and UK shell companies featured heavily in global money laundering schemes

## ABOUT TRANSPARENCY INTERNATIONAL UK

Transparency International (TI) is the world's leading non-governmental anti-corruption organisation. With more than 100 chapters worldwide, TI has extensive global expertise and understanding of corruption.

Transparency International UK (TI-UK) is the UK chapter of TI. We raise awareness about corruption; advocate legal and regulatory reform at national and international levels; design practical tools for institutions, individuals and companies wishing to combat corruption; and act as a leading centre of anti-corruption expertise in the UK.

We work in the UK and overseas, challenging corruption within politics, public institutions, and the private sector, and campaign to prevent the UK acting as a safe haven for corrupt capital. On behalf of the global Transparency International movement, we work to reduce corruption in the high-risk areas of Defence & Security and Pharmaceuticals & Healthcare.

We are independent, non-political, and base our advocacy on robust research.