



Home Office



HM Treasury

12th July 2019

Dear colleagues,

The Economic Crime Plan, Asset Recovery Action Plan and Office of Professional Body AML Supervision

Today, the Government and private sector have jointly published a landmark Economic Crime Plan, outlining a range of strategic measures to tackle economic crime.

It has been developed as a public-private partnership to reflect the regulated sector's role as the first line of defence against economic crime. The ever-evolving and clandestine nature of economic crime means it can only be fully combatted by harnessing the capabilities, resources, and experience of both the public and private sectors. A wide range of stakeholders from both the private sector and civil society were consulted during the development of the Plan. **The result is 52 concrete measures to enhance the UK's economic crime response**, with commitments from government departments, law enforcement, regulators and the banking, finance, legal and accountancy sectors.

The problem of economic crime

Economic crime covers a broad range of illicit activity which causes serious harm to the public. Economic crimes like fraud, corruption and money laundering enable and fund other crimes which cause lasting harm – such as child sexual exploitation, drug dealing, human trafficking and modern slavery. Our communities are left damaged, and often our most vulnerable citizens are harmed. Serious and organised crime is estimated to cost the UK £37 billion each year and the ONS estimated there were 3.6 million fraud offences in England and Wales in 2018 alone – it is the second most common crime in the UK.

The UK has made serious inroads in our fight against economic crime. From 2014 to 2017, law enforcement agencies restrained over £1.25 billion in criminal assets, and recovered over £1 billion in the same period. Last year, the Financial Action Task Force (FATF) – the organisation that sets and monitors international standards for illicit finance – found that the UK has the strongest overall anti-money-laundering and counter-terrorist financing (AML/CTF) regime of over 60 countries assessed to date.

The Economic Crime Plan

However, we must go further, which is why we have today published a landmark Economic Crime Plan, outlining 52 measures to tackle money laundering,

terrorist financing, fraud and more. A copy of the Plan is available at the Library of the House and online at <https://www.gov.uk/crime-justice-and-law/crime-prevention>.

This Plan was commissioned in January by the Economic Crime Strategic Board, which is composed of the Chancellor, Home Secretary, and senior representatives of the public and private sector. The Board asked that the Plan to be developed as a public-private partnership. The ever-evolving and clandestine nature of economic crime means it can only be fully combatted by harnessing the capabilities, resources, and experience of both the public and private sectors. The private sector is the first line of defence and it spends substantial sums to comply with regulatory obligations to prevent economic crime. By preventing this illicit activity from occurring in the first place, we can have a more efficient and effective response to economic crime.

The measures in the Plan target 7 strategic priorities to:

- develop a better understanding of the threat posed by economic crime and our performance in combatting economic crime
- pursue better sharing and usage of information to combat economic crime within and between the public and private sectors across all participants
- ensure the powers, procedures and tools of law enforcement, the justice system and the private sector are as effective as possible
- strengthen the capabilities of law enforcement, the justice system and private sector to detect, deter and disrupt economic crime
- 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
- improve our systems for transparency of ownership of legal entities and legal arrangements
- deliver an ambitious international strategy to enhance security, prosperity and the UK's global influence.

The Asset Recovery Action Plan

The Economic Crime Plan is being published alongside the new Asset Recovery Action Plan.

As set out in the 2018 Serious and Organised Crime Strategy and the Economic Crime Plan, a coherent, whole-system approach is needed to attack illicit finances successfully and deliver a step-change in our collective efforts to disrupt, deter and reduce crime. The plan sets out how we will work with partners from across the public and private sector to reform and improve the asset recovery regime in order to see a return to year-on-year increases in the value of assets denied to and recovered from criminals.

In particular, the plan sets out how we will work together to ensure the legal framework supports effective confiscation and denial of criminal assets; improve operational performance through prioritisation of financial investigation and collaborative working; continuously review and embed best practice; and foster

innovation and collaboration, including the clear ambition to work across Government and the private sector to develop new, innovative approaches to recovering unenforced confiscation orders.

Collectively, the actions in the support delivery of the four objectives that the Government has set out for asset recovery, to disrupt criminal activity, deprive criminals of the proceeds of crime, discredit negative role models in society, and deter people from becoming involved or continuing in crime.

Office for Professional Body AML Supervision

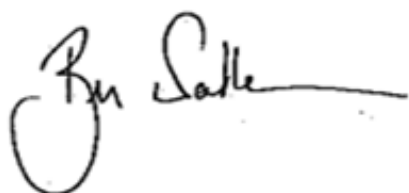
As last year's report from FATF identified specific weaknesses in relation to AML/CTF supervision, we would like to particularly highlight ongoing work to tackle this. We are progressing with a series of measures to tackle inconsistencies in the quality of risk-based supervision and address identified weaknesses. Improving our supervisory regime so that we can better prevent economic crime from occurring in the first place is a key priority in the Economic Crime Plan.

The government reviewed the supervisory regime and in 2018 established the new Office for Professional Body AML Supervision (OPBAS) to oversee the 22 professional body AML supervisors. In March 2019, OPBAS published a summary of its first-year assessments of the professional body supervisors, finding a range of weaknesses. By December 2019, OPBAS will ensure all the professional body supervisors have appropriate strategy plans in place to address the findings. Where they do not, OPBAS has powers to investigate and penalise poor standards, including recommending that Treasury remove a professional body's status as an AML/CTF supervisor. OPBAS's report is available on the Financial Conduct Authority's website: <https://www.fca.org.uk/opbas>.

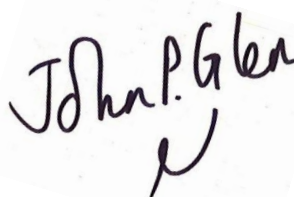
Next steps

Work has already commenced to begin implementing the Economic Crime Plan to meet key deadlines and deliver an enhanced response to economic crime. The Economic Crime Strategic Board will monitor progress.

Please do not hesitate to get in touch if you have any further questions about the Economic Crime Plan, Asset Recovery Action Plan or OPBAS.



RT HON BEN WALLACE MP
Minister of State for Security and
Economic Crime



JOHN GLEN
Economic Secretary to the Treasury