



Attendees

Joe Powell MP
Luke Charters MP
Lloyd Hatton MP
Marie Rimmer MP
Rachael Blake MP
Steve Race MP
Phil Brickell MP
Meg Hiller MP
Paul Kohler MP
Yuan Yang MP

Introduction

Intro by Joe Powell. Introductions by quorum. Overview of the different angles of the corruption and tax landscape. Acknowledgement of the previous achievements of the APPG.

CG gave overview of the previous achievements of the APPG.

- Adoption by the Government of a new ‘failure to prevent fraud’ offence following extensive lobbying efforts by the ACRT APPG and amendments tabled by APPG champions at the Committee Stage.
- The Government introduced reforms to how we hold companies accountable for criminal offences (the Identification Doctrine), in response to amendments proposed by the APPG at Committee Stage.
- In our first Economic Crime Manifesto, the APPGs recommended increasing the cost of company incorporation to ensure that the UK’s corporate register, Companies House, has a more sustainable self-funding model. Despite initial reluctance, the Government has increased the incorporation fee from £12 to £50 - helping to properly fund our corporate register.
- Per the APPGs’ manifesto proposals, the Government has strengthened the objectives of Companies House, widening the scope to include preventing companies from conducting criminal activities.
- The Government is requiring Companies House to refuse an application for authorisation as a corporate service provider if it appears that the applicant is not a ‘fit and proper person’. This amendment has been

referred to by the Government as turning Companies House into a "quasi-regulator".

- Following lobbying and amendments tabled by the ACRT APPG, the Government has agreed to empower UK courts to strike out claims that are strategic litigation against public participation (SLAPPs) – otherwise known as ‘lawfare’ tactics – where disclosure would be in the public interest in tackling economic crime.

HB overview of the Athena Foundation. Overview of funding and the resources available to MPs.

Election of Officers

- Joe Powell MP was unanimously elected as Chair. Rachel Blake MP, Lord Agnew, and Paul Kohler MP were also unanimously elected as Co-Chairs.

Decision on the name and purpose of the group

- The quorum unanimously agreed to maintain the existing name. The group also agreed to maintain the APPG’s existing mission purpose.

Election of the Secretariat

- The Athena Foundation was unanimously elected as the secretariat for the group.

Strategic direction and priorities of the group

The group agreed to adopt the following key objectives:

Enforcement

- Addressing fragmentation in the enforcement landscape, ensuring system leadership and accountability by re-appointing an anti-corruption champion (and an Economic Crime Commissioner at the operational level).
- Holding companies to account for financial crimes by introducing a ‘failure to prevent’ money laundering offence and broadening the existing ‘failure to prevent’ fraud offence to cover companies of all sizes.
- Tackling resourcing challenges faced by our economic crime enforcement agencies – including by pooling funding (by creating an Economic Crime Fighting Fund) and introducing cost protections for agencies pursuing asset recovery.
- Tackling fraud: pushing for the appointment of an anti-fraud champion, for expanding the fraud strategy so that it considers public sector fraud and for the creation of an anti-fraud levy on large tech corporations in recognition of the role they play in facilitating fraud.

Enablers

- Introducing whistle-blower rewards and protections (In David Lammy's six-point plan).
- Increase the funding, human resources, and technical capacity of the UK Financial Intelligence Unit (UKFIU), which is the main body in charge of analysing Serious Activity Reports (SARs) so that the UKFIU can more effectively undertake strategic and operational analysis of SARs.
- Ensuring our review of AML supervision is robust, and our review of the MLR regulations considers extending the scope of the MLRs to cover private schools, universities, PR agencies, developers, all letting agents and commodity traders.
- The absence of a robust regulatory framework to hold senior executives to account limits our ability to deter wrongdoing; we should introduce individual Senior Executive Liability for economic crimes committed by a company as a result of neglect by a senior executive.

Transparency

- Plugging the remaining Companies House loopholes - including on shareholder information and non-Scottish Limited Partnerships and monitoring the effective implementation of ECCTA.
- Ensuring that commitments are met by Crown Dependencies and Overseas Territories (CDOTs) regarding Publicly Accessible Registers of Beneficial Ownership (PARBOs) (In David Lammy's six-point plan).
- Improving transparency of property ownership via trusts and closing the trust loophole in the Register of Overseas Entities (In David Lammy's six-point plan).
- Accountability and Anti-Corruption
- Strengthening the rules around donations to political parties (Labour Party Manifesto Commitment), including by introducing a requirement for parties to check the source of donations, and strengthening the independence and powers of the Electoral Commission.
- Eliminate use of Strategic Lawsuits against Public Participation (SLAPPs) who use their wealth to gag people from asking legitimate questions. (In David Lammy's six-point plan).
- Tackling the revolving door and revamping lobbying transparency (delivering on the full suite of the Committee on Standards in Public Life recommendations).

International impact

- Toughen up our policy and enforcement of sanctions in partnership with our international allies, to tackle enablers of sanctions evasion (In David Lammy's six-point plan).
- FCDO leadership on this agenda is an opportunity for us to move beyond Russia and national security implications, to also consider the development impacts. Leading global efforts to address Illicit Financial

Flows (IFFs), tax evasion, and their development impacts on the Global South.

- Tackling the UK's role in enabling kleptocracy, propping up autocratic regimes such as Russia and beyond.

Fair and responsible tax policy

- Introducing capital gains tax reform (CGT), council tax reform, and pushing for a wealth tax.
- Pushing for a full review of corporate and individual tax reliefs and their effectiveness.
- Cracking down on the enablers of tax evasion/avoidance and closing the tax gap.
- Supporting UK involvement in global efforts to tackle tax evasion: OECD Global Minimum Agreement, UN Convention on Tax.

Legislative opportunities from the King's Speech:

- A Crime and Policing Bill will be brought forward. While this Bill is targeted at anti-social behaviour, there might be scope to hook economic crime enforcement reforms and to improve asset recovery onto this legislation.
- A Draft Leasehold and Commonhold Reform Bill will also be published. Planning reform was also announced though it is not clear if these changes will be introduced through primary legislation. We might be able to use these as opportunities for enhancing transparency around land ownership, including ownership via trusts.
- A Bill will be introduced to establish an independent football regulator. We could potentially use this as an opportunity to raise asset seizure and the UK's enabling role in laundering kleptocratic wealth.
- Ministers will strengthen the integrity of elections. We could use this as a hook for giving the Electoral Commission more powers and independence, improving the accuracy and quality of the register, and strengthening the rules around donations to political parties.
- The Government will conduct a Strategic Defence Review. This review offers an opportunity to raise the national security risks posed by economic crime.
- Ministers will seek a new security pact to strengthen cooperation on the mutual threats faced by the UK and the EU. This pact is an opportunity for us to also highlight the national security implications of economic crime and the need to work with allies to tackle these challenges.
- The Draft Audit Reform and Corporate Governance Bill includes new sanctions on directors who abuse financial reporting. This could be an opportunity to raise senior executive liability.
- The Cyber Security and Resilience Bill might provide an opportunity to improve our response to fraud, with respect to data-sharing practices in particular.

Any other business

- Some members of the APPG discussed the roles and workstreams they would take on within the APPG.
 - Luke Charters would look at anti-money laundering fraud
 - Phil Brickell would look at the revolving door between the public and private sector and more broadly transparency in public life.
- The quorum agreed to create a WhatsApp group.
- The quorum agreed its immediate next steps would be to ask oral questions to Ministers before the summer recess.