



Home Office



HM Treasury

Rt Hon Nicky Morgan MP & Rt Hon Yvette Cooper MP
Chairs
Treasury Select Committee & Home Affairs Select Committee
House of Commons
London
SW1A 0AA

11 July 2019

Dear Nicky and Yvette

Publication of the Economic Crime Plan

Tomorrow, the Home Office and HM Treasury will publish the public-private Economic Crime Plan. The Economic Crime Plan sets out to deliver a step change in how we tackle economic crime. At the heart of this is a partnership between the Government, law enforcement and the private sector. Strategic priorities have been collectively agreed to deliver an effective and ambitious whole-system response to economic crime that will ensure the integrity of our financial system, protect our vulnerable people and communities, and attract business to the UK.

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.

Ensuring that the UK is a clean and safe place to do business is fundamental to the UK's prosperity and attractiveness as a financial centre. Dirty money and criminal activity in a financial system weakens people's faith in its integrity and deters participation. It also drives a hidden economy that reduces tax revenues. Overseas money held in the UK by those linked to organised crime and corruption has the potential to represent a threat to the UK's national security, while also undermining the security and prosperity of those overseas countries.

It is therefore imperative the UK is world-leading when it comes to responding to economic crime. Last year, the Financial Action Task Force found that the UK had one of the strongest systems for combatting money laundering and terrorist financing of over 60 countries it has assessed to date. Criminals, however, are continuously adapting their methods and we know there is more work to be done. This Plan provides the first collective articulation of the action being taken by both the public and private sectors over the next three years to ensure the UK cannot be abused for economic crime.

For this to be achieved, the capabilities, resources, and experience of both the public and private sectors need to be harnessed. Successfully combating economic crime can only be achieved through a public-private partnership, with much better coordination and cooperation between both 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. To develop this plan, a wide range of representatives from the public and private sectors and civil society were consulted. Representatives from the public and private sectors have worked together to identify threats and agree the collective response to tackle these threats.

The actions contained in the Plan will spearhead a whole-system overhaul of our approach to economic crime. To bolster law enforcement capabilities, the Government has committed over £48 million in 2019-20. This funding is going towards the National Crime Agency's National Data Exploitation Capability and its National Assessment Centre. It will increase investigative capability and improve capability at a local and regional level to tackle fraud. This resource will also support the continued build of the National Economic Crime Centre. A key deliverable of this plan is our continued commitment to reform the Suspicious Activity Reporting regime and the UK's Financial Intelligence Unit. As cornerstones of our whole response to economic crime, these must work better to produce richer intelligence and improve operational effectiveness. This Plan also sets out our commitment to improving our response to fraud. Those committing fraud are responsible for impacting on the lives of a vast number of victims and we must be able to respond better to this threat.

The Plan will also strengthen the resilience of the UK's defences against economic crime and ensure that business and the financial sector are not abused by criminals. We will promote innovation in the private sector and encourage business to take advantage of pioneering new technologies that can be used to more effectively combat economic crime as well as reduce compliance costs for firms. We will respond to the evolving threat landscape by establishing a new cryptoassets regime with the Financial Conduct Authority as their anti-money laundering and counter-terrorist financing (AML/CTF) supervisor. More broadly, we will continue to enhance our risk-based approach to AML/CTF supervision across all sectors.

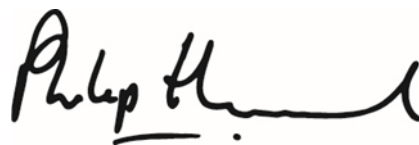
The UK has been a global pioneer in developing and implementing an effective transparency of ownership regime and we will continue this work. The Department of Business, Energy and Industrial Strategy is consulting on proposals that, if implemented in full, will fundamentally reform Companies House. We will also ensure the transparency of overseas ownership of UK property and reform our regime for limited partnerships.

Together, the actions in this Plan represent an ambitious programme of work that will enable us to better combat economic crime. There will be continued ministerial oversight of implementation of the Plan through the Economic Crime Strategic Board.

A copy of this letter and the Economic Crime Plan will be placed in the libraries of the House. The Plan will be available online at <https://www.gov.uk/crime-justice-and-law/crime-prevention>.



Rt Hon Sajid Javid MP
Home Secretary



Rt Hon Philip Hammond MP
Chancellor of the Exchequer