Dirty money – whether of Russian origin or otherwise – is a threat to our national security, and to the stability of our democracy, and is enabled by the anonymity granted by offshore instruments. Not knowing who owns our country and is funding our politicians, and being unable to find out the origin of their fortunes, is guaranteed to spread distrust. People only go offshore in order to do things they cannot do onshore.

Offshore anonymity makes it easy for foreign politicians to loot their countries. This corruption undermines stability, and angers citizens, thus driving unrest and terrorism. The consequences of unchecked corruption are visible in Nigeria, Ukraine, Afghanistan and elsewhere.

Britain is one of the world’s premier financial centres, and oversees a significant proportion of global money flows. If we exposed dirty money, it would significantly hamper the ability of kleptocrats and organised criminals to profit from their crimes, thus deterring them from committing further crimes.

Here are nine suggestions for government action that could expose dirty money that is already present in the UK, and prevent it flowing here in future.

1. **Parliament must properly resource our law enforcement bodies to allow them to enforce the laws Britain already has.** Both the National Crime Agency and the City of London Police have testified to the fact they struggle to retain staff in the face of private sector competition. (In evidence to the Home Affairs Committee on the Proceeds of Crime, printed June 29, 2016). If the NCA and City police were resourced properly, they would secure more prosecutions, which would raise morale, help them retain staff, and thus work more efficiently, and hence secure further prosecutions. This is the top priority, without this, all other efforts can be at best a partial success.

2. Investigators’ ability to do their jobs is hampered by the anonymity available from misusing UK corporate vehicles. Companies House collects and publishes beneficial ownership information (“Person of Significant Control”), but does not check the information’s accuracy. People creating corporate structures, particularly if those structures are owned via tax havens such as Nevis or the Seychelles, provide false information on their registration documents, thus making our corporate registry inaccurate. **Companies House must check information provided to it, or regulated professionals must do so on its behalf.** Parliament should also consider forcing all limited companies to have at least one UK-resident natural person as a director, and barring companies from acting as partners in limited partnerships. These two steps would make some of the most commonly used scams impossible.
3. The government has promised to bring in a registry of all offshore companies owning property in the UK by 2021. It is imperative that this registry is created as soon as possible. All offshore companies holding property in the UK must be forced to declare their true beneficial owner, that information must be made public, and that information must be verified by a regulated professional.

4. Britain has historically encouraged its Crown Dependencies and Overseas Territories to become tax havens to save us from supporting them financially. All of them have been used to hide the ownership of dirty money, from all over the world: Uzbekistan (Gibraltar); Angola (British Virgin Islands); Russia (Jersey); etc. We must stop putting our desire to save money ahead of the fight against corruption. Britain’s Overseas Territories and Crown Dependencies must be forced to commit to the same transparency requirements as the United Kingdom. Any business they lose as a result is business they shouldn’t be hosting in the first place.

5. Britain’s regulatory architecture is highly fragmented (See Transparency International’s report Don’t Look, Won’t Find, which explains how the Archbishop of Canterbury’s Faculty Office is one of 27 bodies tasked with combating money laundering). Some sectors, such as banks, are highly regulated; other sectors, such as company formation agents or auctioneers, are barely regulated at all. We need a coherent approach where all individuals and companies handling large sums of money are regulated to the same standard.

6. We need to cancel the Tier One Investor Visa scheme. It has been an access route into this country for dirty money for decades and, in 2015, the Migration Advisory Council concluded it provided almost zero benefit to the country. Wealthy people should obtain visas by the ordinary route.

7. Trusts operate in a different way to companies and partnerships but, in some of their uses, they can obscure the provenance of money as effectively. That means trusts can act as a loophole in the corporate registry architecture. Most trusts are entirely innocent legal arrangements, but some are harmful, and should be properly regulated. Parliament should examine whether some trusts should be treated in the same way as other ways of holding property, with people associated with them being made public on public registries.

8. There are legitimate reasons for some owners of property to seek anonymity from public scrutiny (if their security is at risk, for example). At present, however, anonymity is provided only to those rich enough to afford it, rather than to those vulnerable enough to need it, and their identity is shielded from everyone, including from law enforcement. We must create a legal pathway for anonymity from public scrutiny to be provided to anyone who genuinely needs it, but which will not block law enforcement from discovering the true owners of property if they need to. This would stop their being any legitimate reason for individuals to hold property offshore.
9. Some MPs have themselves been far too willing to accept money from questionable sources. Foundations created by oligarchs from Ukraine, Azerbaijan and elsewhere have funded expensive trips, book advances, outings and more. If parliament is to ask for better conduct from bankers, estate agents, auctioneers, and others exposed to the temptation of accepting dirty cash, it is imperative that MPs resist that temptation themselves. **MPs must demand full transparency from donors to political parties and individual politicians, to avoid the impression that British democracy is for sale.**

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