

## DITCHING OF ECONOMIC CRIME BILL PROMPTS URGENT DEBATE AND SPARKS ANGER AMONGST SENIOR PARLIAMENTARIANS

- Over 25 MPs urged the Government to press ahead with long awaited legislation in an Urgent Question called by Kevin Hollinrake MP this morning
- Cross-party MPs and Peers have previously called upon Government to prioritise a bill on economic crime in this Government's third parliamentary session to prevent the UK continuing to be the jurisdiction of choice for dirty money.
- In a Commons debate HM Treasury Commissioner Lee Rowley MP confirmed Government plans to legislate Companies House reform to tackle criminal use of the registry.
- Lord Agnew's resignation letter this week shed light on the decision to 'kill off the prospect of an economic crime bill in the third session'.

26th January 2022

Demand across the House of Commons for the economic crime bill has reached fever pitch as fraud hit record levels during the pandemic. Lord Agnew revealed in his resignation letter that plans for an economic crime bill have been dropped from the Queen's Speech due in May, despite legislation being ready and waiting since 2018.

This revelation prompted an Urgent Question from Kevin Hollinrake MP that attracted widespread support from across the House. MPs were unanimous in their concern that the bill would not be presented during the next Parliamentary session. Minister for Small Businesses Paul Scully MP responded saying he will not speculate about the Queen's speech but confirmed that Government remains committed to tackling economic crime. A response to the consultation on Companies House reform is due 'soon' and a registry of overseas entity bill, which has undergone pre-legislative scrutiny, will be introduced in the broader reforms to Companies House 'when parliamentary time allows', however no timescales or reassurance was given.

**Alison Thewliss MP, SNP Shadow Chancellor commented** *'Lord Agnew said it was a foolish decision to kill off the economic bill and with the evidence I've heard in the Treasury Select Committee in an inquiry on this, I would wholeheartedly agree... Reform is well overdue.'*

**Sir Robert Buckland MP, commenting on the Law Commission's current work on corporate criminal liability, said** *'they are due to present options early this year and I would urge [the Minister] first of all to use all expedition to get on with the job of legislating on economic crime and secondly to incorporate what I hope will be sensible recommendations from the Law Commission so that we can get corporate criminal liability in the country right. At the moment, the law is just not working and action is needed.'*

**Dame Angela Eagle MP commented** *'Whilst the Minister wrings his hands, London has become the jurisdiction of choice for dirty money. The levels of fraud are soaring upwards in the wrong direction. We have waited years and years for the open register of beneficial ownership of companies and it hasn't appeared, we've waited years and years for corporate liability reform.'*

As the most frequent crime committed in the UK, fraud is now rampant and damaging lives. This is evidenced by the £4.3 billion pounds in business support loans that were fraudulently received. Money laundering alone costs our economy £100 billion a year, according to the National Crime Agency. Spotlight on Corruption [found](#) this week that the government spends the equivalent of just 0.042% of GDP or £852 million per year on fighting economic crime, even though economic crime costs the UK economy £290 billion every year, equal to 14.5% of GDP, highlighting how law enforcement agencies are desperately under-resourced and ill-equipped to tackle this devastating crime.

Illicit finance funds terrorism, organised crime and other malicious actors, as well as damages our national security and enables corruption overseas. The UK cannot afford to continue enabling the criminal use of Companies House, our housing market or our financial sector.

The All-Party Parliamentary Group (APPG) on Anti-Corruption & Responsible Tax and the APPG on Fair Business Banking are supportive of the 2019 Government's Economic Crime Plan proposed reforms, which includes introducing a register of overseas entities that own UK property and reforms to Companies House. In addition, making failure to prevent economic crime a criminal offence is currently under consultation with the Law Commission.

**Dame Margaret Hodge MP, Chair of the APPG on Anti-Corruption & Responsible Tax commented** *'Casting aside new legislation to tackle the threat of economic crime is a serious betrayal by this Government. Successive governments have promised action to combat fraud and dirty money. Just*

*last month the Prime Minister pledged that the property register was forthcoming. They cannot kick the can down the road any longer without economic crime causing further damage.'*

**Kevin Hollinrake MP, Chair of the APPG on Fair Business Banking commented** *'Further delays to this hugely important bill would be a very significant strategic error. The legislation has been promised in manifesto after manifesto and with good reason as the measures within it will crack down on fraud, corruption, organised crime, terrorism and the impoverishment of nations by corrupt politicians and kleptocrats. I call on the government to reconsider.'*

### **Notes to editors**

Conservative MPs and Peers sent a [letter](#) to Prime Minister Boris Johnson on the 8th November asking for the Bill to be prioritised. They are yet to receive a response.

MPs that also commented during this morning's urgent question:

Shadow Secretary of State for Business, Energy and Industrial Strategy Jonathan Reynolds MP

John Penrose MP

Alison Thewliss MP

Andrew Mitchell MP

Chris Bryant MP

Sir Robert Buckland MP

Layla Moran MP

Mary Robinson MP

Dame Angela Eagle MP

Rt Hon Matt Hancock MP

Rt Hon Sammy Wilson MP

Aaron Bell MP

Rushanara Ali MP

Chris Evans MP

Mark Pawsey MP

Rt Hon Ben Bradshaw MP

Damian Collins MP

Rt Hon Stephen Timms MP

Richard Fuller MP

Andy Slaughter MP

Nigel Mills MP

Peter Grant MP

Simon Fell MP

Jonathan Edwards MP

Mike Wood MP

Jim Shannon MP

Rt Hon Philip Dunne MP

Margaret Hodge MP led a [debate](#) on economic crime on 2nd December 2021 with the following members putting their name forward to speak:

Andy McDonald MP, Labour

Liam Byrne MP, Labour

John Spellar MP, Labour

Virendra Sharma MP, Labour

Stephen Timms MP, Labour

John McDonnell MP, Labour

Yvette Cooper MP, Labour

Valerie Vaz MP, Labour

Charlotte Nichols MP, Labour

Derek Twigg MP, Labour

John Penrose MP, Conservative

Stephen Hammond MP, Conservative

Andrew Mitchell MP, Conservative

Kieran Mullan MP, Conservative

Robert Langan MP, Conservative

Paul Howell MP, Conservative

Simon Fell MP, Conservative

Caroline Dinenage MP, Conservative

Stephen Crabb MP, Conservative

James Grundy MP, Conservative

Mark Garnier MP, Conservative

Kirsty Blackman MP, SNP

John McNally MP, SNP

Hannah Bardell MP, SNP

Martyn Day MP, SNP

Alison Thewliss MP, SNP

Joanna Cherry MP, SNP

Kirsten Oswald MP, SNP

Peter Grant MP, SNP

Siobhain McDonagh MP, Labour

Julie Elliott MP, Labour

Christine Jardine MP, Liberal Democrat

Caroline Lucas MP, Green

Marion Fellows, MP SNP

Alan Brown MP, SNP

Deidre Brock MP, SNP

John Baron MP, Conservative

Julian Knight MP, Conservative

Robert Halfon MP, Conservative

Helen Hayes MP, Labour

*All Party Parliamentary Group (APPG) is an interest group that occupies a strategic and effective position within Parliament. It is cross-party, with a minimum number of parliamentarians from the Government and the official opposition, and cross-house, made up of both peers and MPs. The APPG on Fair Business Banking is a platform through which businesses, professionals and trade bodies can discuss issues regarding commercial banking and its role in the life cycle of a business, and through which parliamentarians can access information on banking, finance and related issues, including business rescue and insolvency, on behalf of constituents. As a cross-party group, the APPG is an effective vehicle to effect meaningful change via the Parliamentary system. The Group's status is that of an APPG is bound by the rules set out by [The Office of the Parliamentary Commissioner for Standards](#). It does not have charitable status, or official status in the House, nor is it funded by Parliament. It relies wholly on the participation and contribution of parliamentarians, industry members and stakeholders committed to creating a strong platform for business in the UK to thrive. The APPG is coordinated and administered via the APPG on Fair Business Banking Secretariat. The APPG on Fair Business Banking processes personal data. Further information on the processing of personal data for constituents is found on our [Data Protection Privacy Notice for Constituents](#) and for members and affiliates of the APPG on our [Data Protection Privacy Notice](#). We hold your information securely on Parliament's digital network and keep your information for one year after the current Parliament ends (maximum of 5 years). We will not share your personal data with a third party unless we have your express consent. You have the right to access your data, withdraw consent for the APPG to hold your data, to have your data corrected or to restrict the use of your data at any time. Please contact [buchananh@parliament.uk](mailto:buchananh@parliament.uk) in order to do so. The data controller is the Chair of the APPG.*