



**10th June 2022**

**LAW COMMISSION LETS THE CORRUPT, THE CRIMINAL AND THE ENABLERS OF ECONOMIC CRIME OFF THE HOOK**

- *In response to the Law Commission's Corporate Criminal Liability Options Paper, the All-Party Parliamentary Group on Anti-Corruption and Responsible Tax views the restricted scope of the Law Commission's recommendations as a missed opportunity to get serious about tackling corporate crime, particularly where it relates to money laundering.*
- *The Law Commission have let the corrupt, the criminal and the enablers of economic crime off the hook with their unambitious, uninspired and insipid recommendations.*
- *By including the simple maintenance of the status quo as their very first recommendation, the Law Commission have left the door open for continued government stasis on the issue, encouraging the administration to carry on kicking the can down the road.*
- *However, the APPG cautiously welcomes the extension of failure to prevent offence to include fraud, and urges the government to expedite the relevant legislation.*
- *The UK has never prosecuted a bank for money laundering or sanctions busting. In 2019 the UK imposed regulatory fines on banks of £260 million. In contrast, in the same year, the U.S. imposed \$3 billion in criminal fines against 6 banks, and nearly \$6 billion in non-criminal fines against 31 banks.*

**Dame Margaret Hodge MP, Chair of the APPG on Anti-Corruption & Responsible Tax said:**

*'The Law Commission's options paper on Corporate Criminal Liability is a thundering disappointment that lets corporate criminals and the enablers of economic crimes off the hook. What was couched as a once-in-a-generation chance for reform has instead left the door open for yet further inaction on tackling the scourge of dirty money.*

*In the wake of data leaks, like the FinCEN Files, which demonstrate how major banks are complicit in washing dirty money from the very worst origins, it beggars belief that money laundering has been excluded from the new "failure to prevent" offences. And we will never truly reform corporate culture in Britain until there is a real deterrent against bad behaviour – that means prosecutions against those at the top and the threat of going to prison.*

*Small and medium sized businesses will still be hounded by law enforcement for wrongdoing but the biggest corporations and their senior managers will get off scot-free. Meanwhile similar exercises in other jurisdictions are leading to real radical reform of corporate laws, yet here in Britain we have another sorry fudge that will do little to correct our reputation as a safe haven for economic criminals.*

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**Background:**

*Having been tasked with providing a recommendation on reform to corporate liability in 2020, following 'inconclusive' consultations in 2017 and a decision in 2010 that no reform was necessary, the advice provided by the Law Commission today, if heeded, would still render the enforcement regime largely toothless and more importantly fail to provide adequate deterrence to financial criminals and their enablers.*

*The extant inadequacies in the UK's broader oversight regimes has led the US Treasury to designate the UK a 'higher-risk' jurisdiction for money laundering, severely damaging the reputation of 'Global Britain' and its ability to project its purported values of prosperity, the rule of law and democracy around the world. Furthermore, research by Spotlight on Corruption reveals that economic crime costs the UK the equivalent of at least 14.5% of GDP annually and remaining out of step with global best practice would limit its ability to recoup both private and public money – the US recovered some £22 billion after the 2008 financial crash, while the UK was unable to muster a single prosecution of the responsible large corporate firms.*

**ENDS**

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