

UK #2 Economic Crime Plan 2023 - 2026
Commentary for the Private Sector - Financial Services on Key Actions to Note

Details	Action	Milestones	Comment
<p>Threat Prioritisation Action 17 Milestone 5 Page 44 Action Owner: NCA NECC; Supporting: HO, HMT, HMRC, FCA, CoLP, NPCC, CPS, OPBAS, Professional Body Supervisors, AML regulated sector. Delivery Date: Q1 2024</p>	<p>The NECC to deliver its new Money Laundering strategy to better understand the threat direct the response to areas of greatest impact and drive system enhancement.</p>	<p>5) Agree common standards on ML indicators and standards across criminal justice system (disruptions, investigations, prosecutions, convictions), and areas for improved tracking to ensure activity prioritised for greatest impact, and effectiveness measured (All).</p>	<p>Of importance to the private sector / financial services who have long asked for prioritisation so as to truly operate a risk based approach to fighting economic crime</p>
<p>Strengthen Operational & International Response to Kleptocracy Action 22 Milestone 1 Page 44 Action Owner: HO / FCDO; Supporting: NCA, NECC. HMT, CPS. Delivery Date: Q4 2024</p>	<p>Strengthen international coalitions to tackle long-term enablers of kleptocracy and enhance operational co-operation, including through HMG's overseas network of illicit finance experts.</p>	<p>1) Review progress of the UK-UAE bilateral partnership to tackle illicit finance (HO, FCDO).</p>	<p>The private sector / financial services sector with business interests in the UAE should take note. UAE remains an important relationship with the U.K. and improved co operation an important part of both countries success in fighting economic crime.</p>
<p>International Illicit Finance Threats Action 28 Milestone 1, 2 & 3 Page 65 Action Owner: NCA NECC; Supporting: HO/FCDO Delivery Date: Ongoing (1 & 3) - Q3 2023 (3)</p>	<p>Improve our understanding of the threat and expand NECC-led strategic response to specific jurisdictions of risk - including working upstream where appropriate. ML</p>	<p>1) Establish country specific projects to better respond to sectors and activities in key jurisdictions that pose the largest illicit finance risks to the UK (NECC). 2) Production of jurisdiction specific intelligence assessments (NAC). 3) Greater utilisation of public-private framework to issue industry alerts on international illicit finance risks (NECC).</p>	<p>The private sector / financial services will need to remain vigilant to newly identified third countries with increased risks and reflect any announcement in their country risk lists and adjust their methodologies accordingly. U.K. Based Financial Services are likely to be consulted in connection with third countries and may be able to influence outcomes.</p>

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<p>International Illicit Finance Threats Action 29 Milestones 2/2 Page 66 Action Owner: HMT DBT NECC; Supporting: HO/FCDO - HMT/FCDO Delivery Dates: 2023 -2025 (1) & 2023 - 2026 (2)</p>	<p>Provide technical assistance to eligible priority countries to improve implementation of global anti-money laundering, counter-terrorist financing, and counter proliferation financing standards, supported where appropriate by the private sector and law enforcement</p>	<p>1) Deliver pipeline of 4 projects per year supporting Overseas Development Aid-eligible priority countries in meeting the FATF standards and creating an effective and holistic defence to illicit finance (HMT). 2) Deploy UK expertise to priority countries to provide technical assistance to improve transparency over ownership and control of corporate entities (DBT).</p>	<p>U.K. Based Financial Services Firms are likely to be consulted in connection with third country assistance and capacity building support requested.</p>
<p>International Illicit Finance Threats Action 30 Milestone 1/1 Page 66 Action Owner: HMT Supporting: NCA, CPS, HO, FCDO. Delivery Date: Q2 2025</p>	<p>Strengthen international asset recovery standards to improve cross-border asset recovery outcomes</p>	<p>1) FATF projects on asset recovery lead to adoption of strengthened standards applied in next round of FATF mutual evaluations which peer review countries (HMT).</p>	<p>Timelines on this FATF current priority will extend long beyond the current Presidency and may not effect meaningful change in the UK with a mid year 2025 target, suggesting along with a limited additional target of £100 million a year that the U.K. will continue to report less than 0.5% of Asset recoveries as against estimated financial crime / money laundering for the foreseeable future.</p>
<p>International Illicit Finance Threats Action 31 Milestone 1/1 Page 66 Action Owner: HO. FCDO, HMT. Supporting: HMRC, MOJ Delivery Date: Ongoing</p>	<p>Strengthen our strategic dialogue with the CDs and OTs on jointly countering sanctions evasion, money laundering and terrorist financing.</p>	<p>1) Increased ministerial and technical cooperation on illicit finance issues (HO,FCDO, HMT).</p>	<p>Private Sector / Finance Sector Firms with presence and or relations with U.K. Crown Dependencies and Overseas Territories should note U.K. intent to bring CD & OTs along on in particular BO transparency and Sanctions Compliance</p>

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<p>International Illicit Finance Threats Action 32 Milestones 2/2 Page 67 Action Owner: FCDO, HO Supporting: DBT, CH Delivery Dates: Q4 2023 (1) & Q2 2025 (2)</p>	<p>Champion and where appropriate support increased transparency of registers of beneficial ownership in CDs and OTs as part of a broader campaign on beneficial ownership transparency internationally.</p>	<p>1) CDs and OTs have publicly accessible beneficial ownership registers that are operational and high quality, recognising human rights and data protection considerations (CDs and OTs).</p> <p>2) Case studies of UK influencing G7, G20 and other governments to establish national registers of company beneficial ownership or take action to strengthen their effectiveness (HO, FCDO).</p>	<p>1) Private Sector / Finance Sector Firms with presence and or relations with U.K. Crown Dependencies and Overseas Territories should note U.K. intent to bring CD & OTs along on in particular BO transparency and Sanctions Compliance in line with UK standards</p> <p>2) Consider position regarding National Register's of Company BOs to align or influence.</p>
<p>Cross cutting system reforms and capabilities Action 33 Milestones 1 & 4, 6 & 7 Pages 69 - 70 Action Owner: FCDO, HO Supporting: DBT, CH Delivery Dates: Q4 2023 (1) Q1 2024 (4), Q1 2024 (6), Q3 2024 (7)</p>	<p>Strengthen the role of the NECC as the system leader responsible in collaboration with regulators and wider public sector for informing priorities for the economic crime system and defining a single view of economic crime threats, and in tandem identify and agree activity which can be de-prioritised to enable an increased focus on high-utility activity.</p>	<p>1) Review what activities businesses in the regulated sector could dial-up and dial-down (UKF, regulated sector representatives).</p> <p>4) Examine how prioritisation supports better allocation of resource against key areas to reduce the threat, and mechanisms to ensure this resource is not lost. (UKF, regulated sector representatives).</p> <p>6) Find indicators to measure the impact of dialling up resource to support priority areas and dialling down resource in other areas (All).</p> <p>7) Put in place prioritisation framework (All).</p>	<p>1) - 4) Dialling up activities to respond to priorities is fundamental to the risk based approach as is dialling down, though the latter remains elusive in practice. Areas of possible focus for dialling down could be domestic payment screening (if carried out) and media screening in lower risk areas such as retail.</p> <p>Whilst the private sector is not even a supporting Owner the opportunity to influence and persuade should be considered.</p>

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<p>Information Sharing, Data & Technology Action 34 Milestones 4/4 Pages 72 Action Owner: HO-UK Finance. Supporting: NECC, PSFA, HMT, OPBAS, CoLP, DBT (Companies House), HMRC, FCA AML Regulated Sector, AML Supervisors. Delivery Dates: Q4 2023 (1), Q1 2024, Q4 2024, q1 2024.</p>	<p>Production and phased implementation of a new Public Private Economic Crime Data Strategy that enhances the exploitation of available data across the ecosystem to better prevent, detect and pursue economic crime.</p>	<p>1) Strategy Design Holistic review and recommendation of ECP priorities and associated data sets (both public and private with consideration to other associated sector outside financial services) (HO, UKF).</p> <p>2) Creation of a delivery road map to set out how and when proposed changes would be introduced (HO, UKF).</p> <p>3) Implementation Implement findings from holistic review, and delivery roadmap to develop public-private economic crime data strategy (HO, all).</p> <p>4) Develop public-private data sharing initiatives, building on the work of the NECC-led Fusion Pilot (NECC).</p>	<p>1) - 4) Information Sharing has been at the heart of changes proposed by the private sector / financial services since 2015 and this opportunity to look and propose strategic actions to identify and enhance data sharing strategies an important one and should be focussed on.</p>
<p>Information Sharing, Data & Technology Action 35 Milestone 3 Page 73 Action Owner: CO/PSFA. Supporting: NECC, PSFA, HMT, OPBAS, CoLP, DBT (Companies House), HMRC, FCA AML Regulated Sector, AML Supervisors Delivery Date: Q1 2025</p>	<p>Review and improve data sharing to support the response to public sector fraud.</p>	<p>3) Pilot PSFA Economic Crime Data Partnerships with the banking sector (tier 1/challenger banks) (PSFA).</p>	<p>3) As above regarding importance to grasp opportunities for data sharing and in this case opportunity to collaborate with PSFA, though pilots have been carried out before and PFSA and other government departments may not have staffing to work alerts and investigate cases generated. There is a privacy and data protection question in collaborating bank account and government data for government investigations.</p>

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<p>Law enforcement capacity and public private workforce strategy Action 38 Milestones 3/3 Page 78 Action Owner: NECC, CoLP Supporting: HO, PSFA. UK Finance. Delivery Dates: Q4 2023 (1), Q2 2024 (2), Q4 2025 (3)</p>	<p>Develop an economic crime people and skills strategy which will consider the pipeline, skills and capabilities required for law enforcement to combat Economic Crime, and consider partnerships with industry (including exploring secondments).</p>	<p>1) Finalised project plan which identifies short and long-term milestones (NECC and CoLP). 2) Deliver short term fixes (NECC and CoLP) 3) Deliver long term solutions (NECC and CoLP).</p>	<p>1) - 3) LE Capacity build up of investigators can be supported by the private sector / financial services both in training on what an investigation looks like in the private sector / financial services plus the opportunity for staff to be seconded and vice versa between public and private sectors.</p>
<p>Funding Action 41 Milestones 5/5 Page 82 Action Owner: HO Supporting: HMT, UK Finance, FCA Delivery Dates: Q3 2023 (1), Q3 2023 (2), Q4 2023 (3) As Parliamentary Time Allows (4) Dependent on Legislation (5)</p>	<p>Explore a mechanism to enable suspected illicit funds held in suspense accounts to be used in tackling economic crime, while protecting customers' access to their legitimate funds.</p>	<p>1) Explore a viable policy proposal through industry engagement (HO). 2) Consult with stakeholders on draft policy, incl requirements for legislation (HO). 3) Publish Government response to the consultation (HO). 4) Legislation in place (if required) (HO). 5) Implement scheme (if agreed) (HO)</p>	<p>1) - 5) This has been long discussed. The private sector / financial services have promoted the use of these funds though legislative action may need to be taken. The private sector / financial services should actively promote a decision and action being taken to sustain funding for tackling Economic Crime.</p>

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<p>Funding Action 42 Milestones 2/2 Page 82 Action Owner: HO Supporting: HMT. Delivery Dates: Q4 2024 (1), Q4 2024 (2),</p>	<p>Enable more assets recovered from criminals including through the Asset Recovery Incentivisation Scheme (ARIS) from criminals including through the Asset Recovery Incentivisation Scheme (ARIS)</p>	<p>1) Develop potential options to enable increased reinvestment of ARIS receipts (HO) 2) Explore further ways to enable multi year investment (subject to levels of ARIS receipts) (HO)</p>	<p>1) - 2) The ambition level of £100 million additionally a year taking estimated asset recoveries per year to £500 million is less than 0.5% of estimated U.K. laundered funds yet it will still be a challenge to achieve these sums based on prior statistics with the last year being a standout year and benefiting from the Glencore DPA fine. Nevertheless assets recovered being hypothecated into the fight for economic crime is something the private sector / financial services should actively support. (Note US experiences have generated some headlines on US LEA seizing property without respect for private property rights having more of an incentive to benefit from the asset recovery directly)</p>
<p>Measuring Progress & Governance Action 43 Milestones 3/3 Page 85 Action Owner: HO Supporting: HMT, NECC, UK Finance, AML supervisors, FCA, PBS supervisors, DBT, FCDO Delivery Dates: Q3 2023 (1), Q4 2024 (2), Ongoing (3)</p>	<p>Develop an outcomes framework for Economic Crime Plan 2.</p>	<p>1) Agree priority indicators to form an initial outcomes framework. Report on delivery towards outcomes framework through established economic crime governance (HO). 2) Publish formal update on progress in developing new data and indicators (HO). 3) Monitor performance and improve data sources from the publication of ECP2 onwards. Initial indicators will be built upon throughout implementation of the plan (HO).</p>	<p>1) - 3) Developing, indicators and outcomes frameworks to measure progress after the Plan is underway is a curious order. Ensuring the indicators and outcomes framework is legitimate & doesn't end up putting lipstick on the pig is important. The private sector / financial services should be clear what indicators should be for the system be they - harms reduction, crime reduction, criminal justice (convictions and asset recoveries) etc and also for their own programmes (AKA the Wolfsberg Effectiveness Criteria).</p>

See: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147515/6.8300_HO_Economic_Crime_Plan_2_v6_Web.pdf