

New taskforce to safeguard integrity of UK as international financial centre

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Corporate Crime analysis: Discussing the government's new taskforce to tackle economic crime, Neil Swift, partner in the business crime department at Peters & Peters, says that while high-level ministerial commitment to overall economic crime strategy is certainly welcome, there is a risk that the Economic Crime Strategic Board (ECSB) will be seen as mere window-dressing.

Original news

Home Secretary and Chancellor chair new economic crime taskforce, [LNB News 14/01/2019 95](#)

Home Secretary Sajid Javid and Chancellor Phillip Hammond are joint chairs of a new government taskforce dedicated to fighting economic crime. The ECSB will meet twice a year and consists of senior figures from the UK financial sector including CEOs from Barclays, Lloyds and Santander as well as senior representatives from UK Finance, the National Crime Agency (NCA) and the Solicitors Regulation Authority.

Why has the ECSB been set up and what is its aim?

The ECSB has been set up to provide ministerial direction and oversight to the agencies responsible for combating economic crime and corruption, in coordination with key private sector stakeholders. The ECSB's stated aim is to agree strategic priorities on economic crime across government, dictate the allocation of resources to deliver on those priorities, and then scrutinise the performance of that co-ordinated response to the threat of economic crime. The ECSB will be co-chaired by the Home Secretary and the Chancellor of the Exchequer.

The government hopes the ECSB will strengthen law enforcement and criminal justice action in matters of economic crime, and thereby help to safeguard the integrity of the UK as an international financial centre, as envisaged in the government's five-year strategy paper—[UK Anti-Corruption Strategy 2017-2022](#).

This taskforce has been set up just a year after the National Economic Crime Centre (NECC) was established—why do we need another taskforce?

The creation of the NECC, like the ECSB, was proposed in the government's anti-corruption strategy—the ECSB and the NECC were always intended to work together to strengthen law enforcement and criminal justice action. Both the NECC and ECSB combine representatives of government and law enforcement with the private sector. However, each has a distinct purpose.

The NECC was established to pool complementary skills, knowledge, and expertise, and thereby improve intelligence and capability to fight economic crime more effectively and efficiently. It is a multi-agency taskforce that co-ordinates the actual law enforcement response to economic crime. The creation of the NECC may reduce the risk that offences will not be prosecuted simply by falling outside of the remits of the different agencies already established.

The ECSB has a complementary role, to oversee strategic priorities, overall performance and to ensure that resources allocated to fighting economic crime are used in accordance with the overall anti-corruption strategy.

What value will the public/private collaborative approach have?

The public/private collaborative approach is a familiar one, and in this instance is seen by the government as a solution that draws together maximum expertise and investment. According to the [Serious and Organised Crime Strategy November 2018](#), the government intends to 'equip the whole of government, the private sector, communities and individual citizens to play their part in a single collective endeavour to rid our society of the harms of serious and organised crime.'

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The perceived value of this approach is in the global picture of economic crime in the UK that can be drawn by the various stakeholders, which can shape more robust and effective solutions to any weaknesses or dangers identified. Beyond the maxim 'knowledge is power,' the co-operation of businesses as allies of law enforcement, rather than as easy targets of ever-increasing compliance strictures and sanctions, has doubtless been identified as a more attractive message to the private sector in tackling corruption and economic crime.

The Joint Money Laundering Intelligence Taskforce (JMLIT), active since 2015, is a good example of this public/private collaboration, which is now being imitated internationally. JMLIT is an information-sharing partnership between the financial sector and law enforcement, intelligence from which has helped improve understanding of how criminals take advantage of the UK's financial systems and has led to over 130 arrests. JMLIT has since been absorbed into the NECC, which is also based on the collaborative model.

Is there anything the taskforce does not address? And if so, should it?

The remit of the ECSB is very broad, that is to supervise the enforcement of economic crime in the UK by reference to priorities determined by the broad church of its members, being those with the greatest interest in reducing economic crime. Given its self-defining breadth, it is difficult to envisage anything that, if needed to be addressed, the ECSB would then not have a mandate to manage.

What can practitioners expect to see from the ECSB?

In the long-term, practitioners can expect to see priorities in the fight against corruption and economic crime informed by collaboration with private businesses. The aim is to ensure government expenditure on law enforcement is more cost-effective, and the enforcement agencies are more targeted in their approach and more efficient in their methodologies.

In its first meeting, the Home Secretary announced £3.5m of Home Office funding to support work to reform the suspicious activity reports regime. Practitioners and law enforcement have been aware for some time that the regime is buckling under its own workload, receiving an overwhelming 463,938 reports during 2017–2018, into a system designed to receive 20,000 reports a year. The public/private collaboration would be immediately vindicated if the ECSB can help deliver a reformed regime that streamlines and focuses reporting for the benefit of the investigating authorities, while improving private sector confidence that their compliance budgets are well spent—however, whether £3.5m is sufficient, particularly given the need for investment in technology for the long term, is debatable.

What is certainly welcome is high-level ministerial commitment to overall economic crime strategy.

Are there any other points of interest worth mentioning here?

There is a risk that the ECSB will be seen as mere window-dressing. Most arms of law enforcement, including the police and the Crown Prosecution Service, have seen substantial budget cuts over recent years. Drives towards efficiency and effectiveness in areas of government spending generally involve less rather than more funding. For those who believe that bad management contributes to poor performance more than insufficient resources, the ECSB will be seen as a means of exerting a greater degree of strategic control over how resources are used. Only time will tell, but changes over the last few years to funding the Serious Fraud Office, with first a reduction in its overall operating budget coupled with blockbuster funding, followed by the volte face back to financial self-governance, may be prophetic.

Neil Swift has extensive and broad experience in business crime, advising individual and corporate clients in relation to investigations and prosecutions by all major UK agencies, in particular the Serious Fraud Office (SFO), the Financial Conduct Authority and HMRC. He frequently advises professionals and professional firms in relation to their regulatory obligations. He also advises clients who are the subject of law enforcement enquiries overseas, and who are or may be the subject of Interpol notices or extradition proceedings. Swift regularly represents clients in high-profile corruption cases, acting for both company directors and companies in relation to enquiries being conducted by the SFO, often in conjunction with overseas law enforcement, particularly the US Department of Justice. Much of



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