



Wilton Park



Report

## **Driving Dirty Money out of the UK: Beyond Economic Crime Plan 2**

Wednesday 17 - Friday 19 May 2023 | WP3056

In partnership with:



**OPEN SOCIETY  
FOUNDATIONS**



## Report

# Driving Dirty Money out of the UK: Beyond Economic Crime Plan 2

Wednesday 17 - Friday 19 May 2023 | WP3056

In partnership with The Joffe Charitable Trust and Open Society Foundations

### Executive summary

- The UK has made substantial progress in the fight against economic crime. This includes significant new legislation and executive plans. It builds on much previous work, accelerated by heightened political attention following the war in Ukraine.
- However, there is multi-sector consensus that the system as a whole is inadequate in proportion to the harm. It remains fragmented, chronically underfunded in some parts, vastly expensive in others and insufficiently effective. The over-riding priority placed on compliance does not achieve the goal of sufficiently disrupting criminal activity. Kleptocrats continue to enjoy their wealth in the UK, damaging national credibility. These shortcomings are shared internationally. There is collective ambition for bold reforms to create a more efficient and effective system.
- Existing plans and forthcoming legislation enjoy wide support. They have the potential to make significant strides. But they involve many moving parts, and their full benefits in tackling economic crime will only be achieved with a coordinated multi-sector focus on implementation over several years.
- Top priorities from Economic Crime Plan 2 (ECP2) are:
  - The Data Strategy and the People & Skills Strategy, which are lynchpins of the 2023-26 reforms.
  - System prioritisation.
- Other key priorities in this cycle of reforms include:
  - Companies House reform – proposed legislation is well advanced, but significant debate remains on maximising impact,
  - Anti-money laundering reforms – a major opportunity to strengthen the UK's economic crime ecosystem,
  - Transparency – seeing through current commitments and further enhancing transparency of corporate ownership,
  - Embedding a new narrative around economic crime that bolsters public and political engagement,
  - Bringing a broader range of stakeholders into the tent e.g. professions, the technology sector.
- Current plans will fix longstanding challenges. But further bold steps are required to restructure the UK's response to economic crime so that it is effective and proportionate to the harm. Work is needed now in order to build on ECP2 once it is complete.

- In order to develop and achieve the next generation of reforms, the UK needs:
  - A clear vision of national aims in relation to economic crime,
  - Better understanding of what works in stopping economic crime and measurable outcomes, based on reliable research,
  - Leadership to drive the issue within government and beyond,
  - Sustainable and proportionate funding, in particular for enforcement agencies,
  - Sustained public and political momentum,
  - The capability to identify and respond to major emerging threats.
- Work should start now on scoping necessary reforms to the global approach to fighting economic crime, before the next round of Financial Action Task Force (FATF) Mutual Evaluation Reports ends in the early 2030s, when change may be possible and required. This is not currently in train. It needs immediate and inclusive leadership.
- Work is needed to increase diversity (across all dimensions) within the economic crime field. The global and complex nature of economic crime means that it will particularly benefit from a diverse workforce.
- Economic crime is a global problem. National reforms need to work across borders, in support of international approaches. We have the opportunity to learn from other countries. Given our central position in the global financial system, the UK also has an opportunity to play a leadership role on the global stage alongside other major financial centres, if we continue to strengthen domestic foundations and resources.
- This conference demonstrated the value of multi-stakeholder dialogue. It surfaced significant common ground and insight across sectors as well as shared appetite for collaboration and change. Looking ahead, policy development and delivery would continue to benefit from similar opportunities. Further multi-stakeholder dialogue can bring together diverse insights, opportunities and challenge, track delivery and enable better coordination and course correction.

## Introduction

1. This conference brought together senior decision makers from across the key sectors involved in tackling economic crime in the UK, including the private sector, multiple government departments, regulators, law enforcement, academia and civil society. The group came together against a backdrop of rapid and extensive change following Russia's full-scale invasion of Ukraine. It sought to achieve the following outcomes:
  - Identify recommendations for practical actions to support the delivery of Economic Crime Plan 2 and respond to other current priorities.
  - Identify outline priorities for a next generation of reforms and next steps to developing them further.
  - Create opportunities for further collaboration across sectors and strengthen insights and networks across sectors.
2. There is a multi-sector consensus that the system as a whole is inadequate in proportion to the harm. It is fragmented, expensive for large financial institutions and insufficiently effective. UK financial services firms spend an estimated £34bn per year on compliance, equal to three quarters of the UK defence budget. There continue to be questions about how the near 1 million Suspicious Activity Reports produced in 2021-2022 are used by law enforcement. Official estimates of the amount of money laundered in the UK remain stubbornly high, in the hundreds of billions. A patchwork of 25 different organisations supervise the regulated professions' compliance with anti-money laundering regulations. Kleptocrats continue to enjoy their wealth in the UK, damaging national credibility.

3. These shortcomings are shared internationally. According to a review of Financial Action Task Force (FATF) findings, approximately 75% of AML supervision around the world is failing, 99% of preventative measures by regulated firms are failing, and 80% of countries are failing to investigate and recover assets.
4. There is collective ambition for bold reforms to create a more efficient and effective system within the UK and globally. There is optimism that this can be achieved:
  - resources already allocated can be re-focused;
  - economic crime is a cross party, apolitical issue and work on recent legislation and ECP2 has shown the impact of this; and
  - there is significant consensus and appetite from experts and policy makers across the spectrum on the need for substantial reform.

## **Section 1: Delivering Economic Crime Plan 2, associated strategies and legislation**

### **Widespread support for ECP2 and the current reform agenda**

5. There is widespread support for ECP2 and the current reform agenda. The focus on economic crime precipitated by Russia's full-scale invasion of Ukraine means that longstanding gaps in the UK's defences are now being addressed, creating strong foundations for more ambitious future work. The reform agenda has the potential to strengthen UK soft power and promote change abroad. It is vital that at least as much attention is focused on delivering, monitoring and course correcting the new legislation and plans as has been on developing them.

### **Delivering the economic crime data strategy**

6. **The economic crime data strategy announced in ECP2 is a key enabler of the plan's successful delivery.** It has potential to unlock a much more efficient and effective response to economic crime, particularly through better data sharing. Dependencies throughout the plan rely on the data strategy, especially people, skills and resource allocation. **Where stakeholders have limited capacity to support the plan, they should consider whether their input is needed first of all on the data strategy.**
7. **The data environment is moving fast, so future proofing is a challenge.** New technologies are already incompatible with existing rules. For example, privacy regulations cannot be applied to blockchain and decentralised finance because there is no way to assert individual rights. In future, it is possible that companies may be formed and dissolved almost instantly, for specific transactions. The strategy needs to be able to respond to such developments.
8. **The data strategy requires a clear purpose and should be granular about what needs to be shared with whom.** The data strategy should not only enable data sharing, but also **enable analysis that informs policy and priorities.** The data sharing strategy needs to work for all sectors involved in combatting economic crime e.g. wider private sector (tech, fintech, professionals), law enforcement and civil society. Concerns about data and associated legal challenges also inhibit investigative journalists from sharing full details of their work with stakeholders who could act on it. Clear purpose could also help make a more compelling case for data sharing and enable a better balance between data minimisation principles and transparency.
9. Some **key opportunities and considerations for the strategy include:** (i) exploring data standardisation (e.g. the huge impact of ISO 20022 in payments data and further payments data opportunities, and the Legal Entity Identifier) and considering how this can work globally; (ii) learning from existing data sharing technology and systems e.g. expensive failures in NHS and useful foundations in

other sectors; there is a wealth of experience and non-proprietary systems from the private sector; (iii) “safety by design” approach to data sharing using existing privacy enhancing technologies and careful use of predictive analytics (iv) use of synthetic data; (v) learning from other initiatives e.g. Smart Data Council, platforms which share sanctions information from overseas into UK that work well; (vi) reviewing previous initiatives which have proven successful and considering opportunities to scale up e.g. the Joint Money Laundering Intelligence Taskforce; and (vii) embedding diversity and addressing potential bias at an early stage of system design.

10. **There are important tensions between privacy and data sharing; but excessive caution and lack of certainty also inhibit data sharing.** Fears should be proactively addressed by individual regulators and the ICO. Firms should explore what they really need in order to share data, with a willingness to be more proactive. Legislative amendments should be identified if other steps to create certainty and confidence are insufficient.
11. **Data sharing needs to work globally: exemptions for economic crime should be established and promoted by the G7 and Five Eyes countries** where many of the world’s largest financial centres – and money laundering hubs – are located. In key jurisdictions, banking secrecy and requirements that critical data is hosted in-country (data localisation) are major impediments to realising the potential of data sharing.

#### **Delivering the people and skills strategy**

12. **The people and skills strategy is fundamental to the success of ECP2. Further progress depends on getting the right people in the right place with the right skills and technology.** The staff uplift of 1275 (with an uplift of 875 announced in ECP2 and the Fraud Strategy and a further 400 new staff being recruited by Companies House) is welcome but depends on being able to recruit and retain the right people. There is strong appetite for an ambitious strategy that goes beyond a secondment model. Updated technology could radically increase staff productivity. **A multi stakeholder working group should be set up to support strategy development.**
13. Pay and budgets are real issues. Some law enforcement staff for example are opting out of their pension because it is unaffordable. Agencies need more spending flexibility to adjust salaries for specific roles and the ability to be creative with rewards. Salary disparities within different parts of the public sector should be addressed to avoid staff consistently leaving one agency for better paid roles in another. **Whilst workarounds may be needed in the short term, ultimately salary reviews will be needed and likely additional budget.**
14. A clearly defined economic crime career path could ensure a sustainable approach to recruiting, training and retaining staff. Opportunities to explore include: (i) creating a profession, rather than just jobs; (ii) developing academic pathways into careers and making better use of existing qualifications; (iii) learning from other previous schemes such as Payback, or the Government Legal Service and military experience of bringing the outside in; and (iv) identifying and including skills for the future e.g. cyber and focusing on diversity.
15. Movement between the public and private sector is inevitable. There has also been growth in non-profit expertise on enforcement in the last ten years. **The strategy should consider how to set incentives that protect the need for public sector independence with the value of movement between sectors.** Retirement credits and a review of pension rules (for example US pension rules make movement between public and private sectors easier) could help to incentivise this. Another approach would be to co-locate the public and private sectors in a single trusted environment in which data can be shared, though potential conflicts of interest would need to be carefully managed.

## System prioritisation

16. **There is broad consensus on the importance of much greater prioritisation at the system level, in order to reduce unnecessary noise and protect resource for high impact activity.** However, effective prioritisation will require choosing to de-emphasise some activities. All sectors fear the consequences and in some cases liabilities arising from this. A multi-stakeholder approach could support prioritisation by providing effective challenge at the prioritisation stage, taking a balanced approach where course correction is needed and enabling learning. It is also important that organisations are protected from distraction caused by inappropriate projects championed by specific leaders that do not fit with the wider effort.

## Anti-Money Laundering Regulatory and Supervisory Reform

17. **The upcoming consultation this year on reforming the anti-money laundering supervisory regime – currently a patchwork of 25 different supervisors - represents a key opportunity to strengthen the UK's response to economic crime.** Whilst there is not yet consensus on what a new structure should look like, there is general agreement that it should be ambitious and should start with establishing a common mission focused on harm reduction rather than pure compliance. There is a strong view among many groups that the regulatory framework is not currently adequate because key parts of the ecosystem are either excluded or not effectively regulated.
18. **Building an effective defence ecosystem is about more than regulation; but rules and supervision do drive incentives.** An effective regulator can be seen as facilitating good outcomes for business, not inhibiting it. Reformers will want to consider how AML requirements can support engagement which goes beyond compliance e.g. including professional ethics. Enforcement should not be the only measure of success; in some regards, it represents a last resort and a failure to pre-emptively address wrongdoing.
19. More granular understanding of how criminals and kleptocrats use legitimate businesses to benefit from dirty money will help design better regulation. For instance, a kleptocrat may initially work with small professional firms they can control and then move on to larger firms. Ultimately, more effective AML supervision could help turn high-risk sectors like Trust and Company Service Providers (TCSPs) into valuable elements of the UK's defence against economic crime.

## Developing an ecosystem wide response – beyond AML reform

20. Developing wider ecosystem commitment to addressing economic crime will require carrots as well as sticks. There are tensions between stakeholders that have long established roles in the fight against economic crime (e.g. banks, civil society organisations) and those that have less experience of regulation (e.g. the tech sector) or who have historically had more limited obligations, or may be exploring how to refresh commitments to fight economic crime within existing ethical frameworks (e.g. legal profession).
21. For example, much current debate focuses on the legal profession and the new norms that will be set by the AML reforms, the implementation of the new statutory objective for legal regulators on promoting the prevention and detection of economic crime and new ethics initiatives e.g. by the Institute of Business Ethics. It may be helpful to consider two clear dimensions of choice for all professionals: who do I choose to represent; how do I choose to represent them?
22. Establishing new norms will require dialogue in order to identify solutions that respect and uphold principles such as rule of law, the right to representation and the separation of powers. There is room to develop safeguards for these crucial constitutional functions.

23. Greater engagement with the tech sector is expected to require a more granular set of asks to help firms better understand their role in the ecosystem.
24. Even in the most heavily regulated sectors, there is a view that the most valuable activity is that which is beyond the requirements of law and regulation. Widening the ecosystem of sectors that act as an effective first line of defence will require the right incentives, cultural change, tools and trust. Changing culture is about more than new rules or ethics codes. Persuasive narratives involving tangible human stories are also needed to support change. Impact reporting in the 'social' element in ESG frameworks could also be useful.

#### **Learning what works, establishing measurable outcomes and continual improvement**

25. **It is not clear what 'good' looks like when it comes to fighting economic crime: measurable outcomes are needed to evaluate progress.** Government plans in ECP2 to tackle long-standing data and evidence gaps and the announcement of the new social research team are therefore very welcome. Researchers should: (i) learn from past initiatives; (ii) understand what really deters economic crime, with a focus on the behaviour of criminals and oligarchs; (iii) develop partnerships with academics and researchers outside government and (iv) look for ways to share as much work as possible with external stakeholders.
26. Increased transparency of government analysis and reviews would help efforts to measure success, share learning on what works and support prioritisation. Mechanisms for sharing past and future reviews with wider stakeholders should be explored. Understanding what works is about more than just accountability for delivering ECP2 and needs to look forward to providing evidence for the next generation of reforms.
27. **Multi-stakeholder dialogue can and should help identify opportunities for significant incremental improvements in the current system,** given the current fragmentation of responsibilities. Practical measures could be taken to reduce the time that prosecutions take, for instance by reforming the highly inefficient disclosure regime. Such reforms could be supported by encouraging better cooperation with defence teams (in appropriate circumstances).

#### **Delivering on Companies House reforms and Corporate Criminal Liability reform**

28. **Reforms to Companies House represent a huge opportunity to curtail the widespread misuse of UK corporate structures in economic crime. However, opinion remains divided on whether current drafts of legislation will realise this goal.** In particular, significant questions remain about how Companies House will rely on third party verification, as well as on preventing the use of nominee directors and ensuring transparency around trusts. There are different views on whether to aim for the goal that banks can rely on Companies House information to discharge their regulatory responsibilities. The challenge for those advocating for stronger reforms is to demonstrate that legislative amendments are effective and proportionate.
29. Wherever the primary legislation on Companies House lands, there is a clear need for and willingness to accept multi-stakeholder support in delivery. Stakeholders should proactively work with Companies House during this period.
30. Many, but not all, stakeholders welcome the commitments in ECP2 to adopt the strongest options presented by the Law Commission on corporate criminal liability reform, and a new Failure to Prevent Fraud offence. Since the conference government has brought forward significant reforms to rewrite the underlying rules known as the "directing mind" test for how companies can be prosecuted for economic crime. Even some of those who support the goal of creating greater accountability for economic crimes committed by corporations question whether

current proposals will achieve the desired outcome.

### **Enforcement**

31. There is widespread support for reform of economic crime policing and recognition of the need for much greater clarity over roles and responsibilities. There is also support for keeping economic crime as a broader crime issue relevant to a great deal of policing, rather than separating it off into its own category. Investment in regional centres is seen as important, with continuing roles for both national and local levels. There remain structural questions around the independence of the National Crime Agency and Regional Organised Crime Units.
32. Enforcement capability is closely related to progress on resourcing, as well as the people and skills strategy. The current level of resourcing for enforcement agencies is seen as insufficient compared to the scale of the harm. Ringfencing the existing budget could help make more use of what is allocated (as with Counter-Terrorism resources). Work is also needed to be able to show the return on investment of new assets in law enforcement, to help make the case for further support. There seems to be an increased focus on targeting large high value cases which must come with a recognition that these cases will take longer to reach completion. Identifying new outcomes for policing and enforcement beyond the number of prosecutions could help here.

### **Supporting the delivery of the Plan**

33. Current reforms have been developed at a time of increased focus on economic crime due to rising awareness of scams, kleptocracy and national security risks. Stakeholders should consider how they can maintain political support for the Plans and legislative work. This could include:
  - Improving the narrative used to talk about economic crime (see para 51 of this report)
  - Building leadership (see para 39 of this report)
  - Providing independent monitoring of the Plan, celebrating success, proposing additional solutions and highlighting areas where additional support is needed
  - Reviewing the existing governance and delivery mechanisms to ensure they benefit from the full range of available expertise and support

## **Section 2: Developing the next generation of reforms**

### **Work on the next generation of UK reforms needs to start now**

34. The current generation of reforms are the right focus for implementation now and have a good chance of significantly strengthening the UK's defences. However, even if the whole plan is fully delivered, there will remain much more to be done to achieve a proportionate and effective response to economic crime. Foundations for the much-needed next generation of reforms need to start being laid now, to be ready on the completion of the current plan.
35. There is a strong consensus that the current system at a minimum requires significant improvement and possibly a complete re-design in the longer term.
36. There is currently no owner for this longer-term strategic development and a new approach is needed to facilitate this work, without detracting from current delivery.

### **Need for a timely and inclusive process to create "Vision 2033"**

37. **There is strong multi-sector support for developing a shared vision for the UK's economic crime response in ten years' time, in 2033.** The process for developing this longer-term vision should include fundamental questions such as:



- What is the overall aim of the system: for instance, to keep dirty money out of the UK, to identify and manage it within the system, or to limit harms from predicate crimes?
  - Better understanding the role of Suspicious Activity Reports – what could transparency and payments data replace, what type of reporting would still be needed?
  - What should the UK's lines of defence look like – how are the roles of different sectors understood so that obligations are appropriate and potential conflicts are both managed and seen to be managed?
  - How are critical ethical choices made in relation to economic crime – who decides what is unacceptable when behaviour may be considered undesirable but is not proven to be illegal; should there be a duty to oppose economic crime to shift the balance?
38. In order to develop a clear vision there needs to be greater clarity on the roles, dependencies and capacities in the current system, and a more granular understanding of key economic crime journeys. **A practical mapping exercise should therefore happen early in this process** to help create a common basis for action and ensure that changes are not simply additive but also simplify systems.

### System leadership

39. There is strong support for much greater system leadership and broad consensus that **the UK requires a senior figure who is responsible and accountable for the UK's response to economic crime. The role would need sufficient seniority and resource to work across Whitehall and engage effectively outside of government.** The US for example has an Assistant Secretary for Terrorist Financing and Financial Crimes, who is responsible for leading and coordinating anti-money laundering policy, counter-terrorist financing and proliferation financing efforts, as well as anti-corruption initiatives. A number of different models could be explored, including:
- An Independent Economic Crime Commissioner
  - A Ministerial Cabinet level role specifically focused on economic crime (From 2015 – 2019 there was a Home Office Minister of State for Security and Economic Crime. The economic crime designation was subsequently dropped.)
  - A Senior Responsible Officer model
  - A review of past success in leadership e.g. impact of prioritisation by former Prime Ministers.
40. Greater consideration is required as to whether economic crime should be designated a National Security Threat. There are practical benefits in enabling the National Security Council to drive progress across departments as well as enhancing the narrative. However, this model has limitations. For instance, the threat finance model may drive a combat war approach which does not cover all of the economic crime agenda.
41. To hardwire economic (and other) crime prevention into government policy, the Crime and Disorder Act 1998 could be amended to require central government departments to consider crime when exercising their functions, as is the case for local government authorities. Police & Crime Commissioners could also be engaged further on economic crime.
42. Leadership outside of government is also vital. Influential figures in the private and public sectors can take a lead. They do not need to wait for an official government role to be established which can take time and be subject to change. Culture change

within professions will require further individual leadership within professions and business.

### **Sustainable and proportionate resourcing**

43. **Significant improvements have been made in recent years regarding the resourcing of economic crime related work in the public sector.** Few Home Office officials worked on economic crime four years ago but now there is a directorate numbering over 90. When the NCA was established a decade ago it hardly looked at economic crime; but that now constitutes approximately 10% of its work. The first Economic Crime Plan 2019-2022 had no funding behind it, but the ECP2 is backed by £400 million over three years, including the new anti-money laundering levy.
44. Despite these improvements **a major step change is required to resource economic crime enforcement bodies adequately and sustainably, so they can deliver on the aspirations behind ECP2.** Economic crime does not exist in a vacuum and efforts to increase enforcement are further undermined by pressure on major spending departments (including the police) and backlogs in criminal justice. **Given current budget constraints, stakeholders should start by looking at how to do more with resource that is already allocated to economic crime.**
45. While the Asset Recovery Incentivisation Scheme (ARIS) has been important in encouraging proactive use of powers under the Proceeds of Crime Act over the last two decades, it creates real risks of perverse incentives. **ARIS should be reviewed, and serious consideration should be given to scrapping it and establishing a new, more effective system for reinvesting a wider range of economic crime receipts.**
46. **Annual spending rules should also be reviewed** in order to avoid short-term thinking and enable multi-year funding using economic crime receipts.
47. Financial services firms alone spend £34bn pa on economic crime compliance equating to three quarters of the UK's defence budget. There is appetite to re-focus this spend which could unlock significant resource. Work would need to address: (i) SARs reform; (ii) re-prioritisation (given that this budget is from the banking sector and not a ringfenced national resource); (iii) whether resource in other sectors / agencies that could also be re-focused. ODA funding could appropriately be used to address upstream economic crime threats.
48. **Enforcement and asset recovery could to a greater extent involve non-state actors such as whistleblowers, NGOs and investigative journalists, combinations of which have uncovered almost all the recent major financial crime scandals.** However, law enforcement often has to reinvestigate these findings in order to validate them. Could relevant parties develop better means of cooperation, such as minimum standards for investigative reports to make subsequent law enforcement investigations more efficient?
49. In addition to exploring ways to do more with existing resource more **work is needed to make the economic case for investing in the UK's defences.** This will require: (i) improved narratives; (ii) greater clarity over what is needed and what impact it is expected to have; (iii) a better understanding of the costs of not fixing economic crime; and (iv) stronger leadership.

### **Major threat identification and response capability**

50. The UK needs a better horizon scanning and response capability to move on to the front foot. Technology driven changes such as cryptocurrency, blockchain / decentralised finance and generative AI are being rapidly exploited by malign actors, and all require a system-wide response. At the geopolitical level, great power competition, changing blocs of influence and major disruptive events, such as tensions with China, could cause unprecedented disruption to the global financial

system. The current National Threat Assessment does not deliver sufficient insight across these areas of risk. A more regular drumbeat of risk assessment at both national and international levels would enable more effective response.

### **Sustaining public and political momentum through new narratives**

51. There is potential to establish a much more compelling narrative on economic crime. This would help sustain public and political attention. For instance, it could highlight the true impact of economic crime through human stories and the harm caused to the UK's reputation.
52. However, historically, major reforms to economic crime have been driven by external events. Narrative alone is unlikely to sustain momentum. Advocates for reform will therefore need to work creatively to create conditions for change for instance by investing in:
  - Connecting economic harm to other existing major priorities,
  - Building a wider, multi-stakeholder supporter base by engaging organisations that work on issues connected to harms caused by economic crime (such as the FACT Coalition's work in the USA),
  - Coordinated multi-sector messaging to amplify and de-risk the agenda (making it more immediately credible to more stakeholders),
  - Creating events (e.g. work by investigative journalists such as Pandora Papers).

### **Global reform – key issues and a 2032 reflection point**

53. Economic crime is a global problem requiring a global response. As one of the most significant international financial centres, the UK has a responsibility to play a leading role in ensuring defences work across borders. As in the UK, international standards are seen to drive a compliance rather than impact culture. **The end of the next round of FATF Mutual Evaluation Reports in 2032 represents a major opportunity to reset the global AML system.**
54. There remains serious ambition in the UK to reset the current norm of financial secrecy to an approach of 'transparency by default'. **More should be done to win the argument on transparency, such as demonstrating how data sharing can protect individuals from the harm of economic crime while respecting fundamental privacy rights.** More emphasis should also be placed on the secondary benefits of data transparency beyond tackling crime, such as improving services for consumers.
55. The Suspicious Transactions Report regime is central to the system and ripe for attention (STRs, called Suspicious Activity Reports (SARs) in the UK). They are handled within national legislative frameworks which do not align well enough for efficient international cooperation. For example, UK banks have to deconstruct international money laundering networks into individual STRs for national Financial Intelligence Units (FIUs), which may or may not cooperate to tackle the criminal harm.
56. The Netherlands for example has begun to try an alternative approach of analysing large datasets of transaction data that enable law enforcement to spot money laundering patterns and networks and so take more effective enforcement action.

## **Section 3: Multi-sector dialogue and collaboration**

### **Multi-stakeholder dialogue will improve economic crime policy making**

57. Economic crime response in the UK has long used public-private partnership to develop policy and deliver plans. This conference demonstrated the value of wider multi-stakeholder dialogue. Senior stakeholders from across all relevant sectors

found it worth the time to participate. It was regarded as a valuable dialogue, with a range of voices and insights, across the usual silos, which enabled a more comprehensive understanding of the issues and opportunities. They appreciated the shared desire for tangible improvement based on common analysis.

58. Looking ahead, policy development and delivery would continue to benefit from greater opportunities for multi-stakeholder working that includes public and private sectors, civil society, and key regulators. Whilst cross sector engagement does exist, there is a distinct opportunity to convene wider discussions in order to achieve greater understanding, coordination and impact.
59. There is strong appetite to do more together, noting the challenge of an already packed schedule of meetings. In addition to suggestions for new groups and activities such as a series of knowledge sharing events, participants also suggested integrating a multi-stakeholder approach into work which is already slated such as:
  - AML supervisory reform: significant common ground already exists, interested groups should meet early to identify opportunities to work together;
  - Enforcement resourcing: develop a consistent analysis, narrative and asks, where appropriate;
  - Developing the wider ecosystem: sectors should come together with common asks and narrative where possible; an early opportunity could be a shared approach to engaging with manifesto development for the next election;
  - Data: this is foundational and so a common approach would be useful; and
  - Starting to organise to develop Vision 2033.
60. A multi-sector approach will not always be appropriate. It is also vital to maintain the independence of different sectors, avoid capture and promote diversity of thought. Distinct partnerships will remain valuable for delivery and sector specific groupings will continue to be important.

**James Bolton-Jones and Lucy Malenczuk**

Wilton Park | June 2023

Wilton Park reports are brief summaries of the main points and conclusions of a conference. The reports reflect rapporteurs' personal interpretations of the proceedings. As such they do not constitute any institutional policy of Wilton Park nor do they necessarily represent the views of the rapporteur. Wilton Park reports and any recommendations contained therein are for participants and are not a statement of policy for Wilton Park, the Foreign, Commonwealth and Development Office (FCDO) or His Majesty's Government.

Should you wish to read other Wilton Park reports, or participate in upcoming Wilton Park events, please consult our website [www.wiltonpark.org.uk](http://www.wiltonpark.org.uk).

To receive our monthly bulletin and latest updates, please subscribe to <https://www.wiltonpark.org.uk/newsletter/>