

Cross-sector consultation on the UK's Illicit Finance Summit: input from the Latimer Network

The Latimer Network is a multi-sector initiative bringing together expertise from civil society, the private sector, academia, and government to accelerate progress in the UK's fight against illicit finance. Following the announcement of the UK's Countering Illicit Finance Summit, the Latimer Network convened a consultation event with 45 representatives from UK civil society, academia, and the private sector, and gathered Summit proposals from network members. This note summarises key themes and outlines key proposals forthcoming from this work to date.

These proposals are not exhaustive, nor do they represent any form of agreed position or prioritisation. It does, however, appear likely that external consensus could potentially be reached in coming months in a number of key areas.

What success looks like

Views gathered from across the Latimer Network suggest that, from an external stakeholder perspective, a successful Summit will require:

1. Clarity on the high-level vision, focus, and objective. This is essential to enable stakeholder alignment, targeted input, and momentum-building;
2. Cross-government engagement and support, particularly from HM Treasury and Home Office;
3. The right people in the room on the day. This means countries (the USA, the UAE, other international financial centres) and individuals (cross-government decision-makers); and
4. Specific and ambitious commitments, with timeframes, aligned and/or integrated from the outset into existing mechanisms for delivery and accountability.

There is also widespread consensus that it will be important for the Summit to focus on illicit (rather than only criminal) finance, and place victims centre-stage. If we are to convince governments and leaders to be far bolder in clamping down on illicit finance, then we must do far better in showing them how gravely illicit finance harms vast numbers of ordinary people.

Key proposals

1. Information sharing

There are numerous potential angles to this, with calls for:

- Multi-sector information sharing: a new public-private-third sector platform to enable better analysis for economic crime prevention;
- Multi-jurisdictional information sharing: facilitating more efficient and effective information and/or evidence exchange; and
- A new mechanism to enable coordination and/or facilitate public-private collaboration in economic crime investigation: making the most of the role the private sector is already actively filling in asset tracing and recovery, ransomware responses, cryptocurrency management and recovery, even criminal investigations and prosecutions, in many contexts.

Although information sharing has long been on the agenda and has hit numerous constraints, Latimer Network members have expressed views that numerous of the constraints could potentially be managed or overcome. More work on aspects of these is underway and/or planned.

2. Asset recovery and repatriation

The UK could create a new mechanism, through a limited statutory reform to standing rules based on principles already well-established in English law, giving international victims of corruption improved standing to seek collective redress in the civil courts when their own (source country) governments have unreasonably failed to take action on their behalf.

This would establish a model for asset recovery and redress which, as well as making the English courts better available to victims of overseas corruption in suitable cases, could be adopted in other courts around the world, particularly common law ones including newer international financial centres with courts modelled on English law and offshore jurisdictions tending to host proceeds of corruption.

3. Kleptocratic enterprise

The UK could legislate for a new offence of being part of a kleptocratic enterprise, similar to the anti-mafia laws in the US and Italy. This could, for example, provide new ways of targeting knowingly complicit professional enablers.

4. Transparency requirement

Companies from across the world could be invited to publish their basic corporate information on Companies House, with any companies that declined to do so barred from public sector procurement contracts, or potentially subject to a transparency levy on all payments received from the UK. Companies from countries with fully open corporate registers would be entirely exempt.

The UK could introduce this transparency requirement unilaterally, but wide international adoption could drive a new wave of corporate transparency.

Further priority themes

Latimer Network members identified three further themes as priorities for the Summit:

1. Trade-based money laundering: furthering shared international interests and leveraging the UK's strengths as a leader in digital trade.
2. Digital assets and cryptocurrency: developing a coordinated regulatory response.
3. Whistleblowing: showing leadership in progressing a coherent initiative.

Specific policy proposals in these further areas also could be put forward and analysed with cross-sector input.