**SUBMISSION TEMPLATE WITH SAMPLE TEXT FOR SANCTIONS RECOMMENDATIONS TO THE UK GOVERNMENT UNDER THE SANCTIONS AND ANTI-MONEY LAUNDERING ACT 2018 AND THE GLOBAL ANTI-CORRUPTION REGULATIONS 2021**

**Introductory Explanation**

1. This template is intended as a guide for civil society organisations seeking to develop and submit evidence-based sanctions recommendations to the UK Foreign, Commonwealth & Development Office (‘**FCDO**’) pursuant to the [Sanctions and Anti-Money Laundering Act 2018](https://www.legislation.gov.uk/ukpga/2018/13/contents) (‘**SAMLA**’) and the [Global Anti-Corruption Sanctions Regulations 2021](https://www.legislation.gov.uk/uksi/2021/488/contents/made) (the ‘**GACS Regulations**’). The UK Government has also published a [policy paper](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-factors-in-designating-people-involved-in-serious-corruption/global-anti-corruption-sanctions-consideration-of-designations) setting out relevant factors it considers in making a designation under the GACS Regulations and an [information note for NGOs](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-information-note-for-non-government-organisations/global-anti-corruption-sanctions-information-note-for-non-government-organisations) which you should take into consideration when preparing your submission. The UKACC has also prepared a [briefing note with FAQs for civil society](https://www.internationallawyersproject.org/post/uk-global-anti-corruption-sanctions-regime-briefing-note-and-faqs). For general questions regarding the SAMLA/GACS Regulations, please contact Natalie@redress.org.
2. The template is structured using a dossier framework that all NGOs are advised to follow. It includes advice regarding best practice (in *italics*) as well as sample language contained within the body of each section. The sample language is only intended as a guide for tone and structure and will not be applicable in all cases.

**Submitting Cases Through the Coalition**

1. UKACC provides this template as part of ongoing efforts to aid members of the anti-corruption and human rights community in effectively advocating the UK government to use sanctions against the world’s most corrupt actors.[[1]](#footnote-2)
2. To improve civil society products and outcomes, REDRESS and UKACC members also provide training, facilitate pro bono legal support, review casefiles, and aid in submitting recommendations to appropriate government offices once they are complete. For further information on the assistance which UKACC provides in respect of sanctions, please contact Natalie@redress.org.

**General Guidance For Preparing Sanctions Recommendations**

1. In order for the UK government to consider designating an entity or individual under the GACS Regulations, it will need evidence that there are “reasonable grounds to suspect” that an entity or individual is involved in corruption. We recommend that you read the [Information Note for Non-Government Organisations](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-information-note-for-non-government-organisations/global-anti-corruption-sanctions-information-note-for-non-government-organisations) published by the UK government which provides further guidance on the legal tests and designation criteria found in the regulations.
2. In addition to having reasonable grounds to suspect involvement in corruption, the UK government also needs to be satisfied that the designation is “appropriate” for the purpose of preventing and combating serious corruption and will likely have a significant impact on the perpetrator. A non-exhaustive list of factors which the UK government will take into account when determining if sanctions are appropriate is set out in its [Policy Paper on Consideration of Designations](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-factors-in-designating-people-involved-in-serious-corruption/global-anti-corruption-sanctions-consideration-of-designations).
3. If there is more than one entity or individual being proposed for sanction, we recommend using common sense to judge whether it would be more appropriate to produce a single consolidated submission or individual submissions for each entity or individual. It is advisable, however, to include entities and/or individuals that are involved in the same corrupt practices or are part of the same network in the same submission. The submission could be centred around the recommendation for designation of a few of the main perpetrators, and then set out everyone involved in the corrupt practice and/or network in the body of the submission for the Minister to also consider. However, the key is to ensure that the submission is clear and easy to follow. UKACC can provide advice on how best to structure such submissions.
4. Although this template is designed to be straightforward and capable of being completed without further legal advice, if possible it would be worth engaging legal counsel to review the submission for consistency and to provide further and specific guidance as appropriate (ideally on a pro bono basis) in particular on Section 6 relating to the application of the legal standards. UKACC and REDRESS are able to assist in developing these legal sections or obtaining pro bono support.

**RECOMMENDATION FOR SANCTIONS AGAINST:**

[*NAME INDIVIDUAL OR ENTITY IF THREE OR FEWER, DESCRIBE IF MORE*]

**Submitted to the Secretary of State for Foreign, Commonwealth & Development Affairs, pursuant to the Sanctions and Anti-Money Laundering Act 2018 and the Global Anti-Corruption Sanctions Regulations 2021**

**Designation Recommendation Submitted by:** *[NGO Name]*

**Point of Contact for Submission:**

*[Name of NGO PoC]*

*[Email of NGO PoC]*

*[Phone Number of NGO PoC]*

**Date of Submission:***[Date]*

**INFORMATION ABOUT SUBMITTING ORGANISATION**

***\**** *Provide a brief description of your organisation that includes an explanation of the relevant link between your organisation and the information in the casefile.*

***\**** *It is helpful to include reference to markers of credibility and significant interactions that your organisation has had with UK Government departments, e.g., relationships with the UK embassy in country, previous briefings for the UK FCDO, testimony given before UK Parliament, any funding received from the UK Government, etc. If your organisation has not had such interactions with the UK Government but has with key allies of the UK such as the United States, Canada and EU Member States, or with UN bodies, it is helpful to reference those.*

***\**** *Where applicable, include information regarding partner organisations that contributed to the casefile. However, careful consideration should be given to whether there are any risks associated with disclosing another organisation’s identity.*

\*\*\*SAMPLE TEXT\*\*\*

Anti-Corruption Alliance (ACA) is an international organisation established in 2000 and based in Metropolis and Cosmopolis. ACA investigates and exposes grand corruption and kleptocratic networks operating in Generica (see our reporting here [*hyperlink “here” with links to relevant reports*]. It has received funding from the UK government, as well as multiple awards for conducting anti-corruption investigations from the UN. ACA engages with the UK government on a frequent basis and its work is often cited by Members of the UK Parliament.

*\*After completing your draft, do not forget to click on the Table of Contents and select “Update Table > Update page numbers only > OK” to refresh the page number shown below to accurately reflect changes to the document.*

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Section 1: Case Summary

\**The “Case Summary” is a narrative synopsis of your submission which, if possible, should fit on a single page. This section is an important advocacy tool that, with your permission, will be provided to officials in the UK government’s executive and legislative branches, as well as applicable foreign government and non-state stakeholders.*

*\*The purpose of the “Case Summary” is to provide decision makers with a concise presentation of the material facts contained in your submission, including information related to the context and facts of the alleged bribery and/or misappropriation of public funds and the nature of the alleged perpetrator(s) involvement. In one or two pages, it should articulate the alleged liability of the listed alleged perpetrator(s) for the identified crimes and provide a brief justification for why the imposition of the recommended sanction is in the UK national interest. This section should, ideally, be capable of being read as a standalone document to enable decision-makers to come to a quick view on the recommendation.*

*\*As shown below, the names of the alleged perpetrator(s) being recommended for sanctioning should be written in* ***bold****. Throughout the document, you should continue to* ***bold*** *the names of the alleged perpetrator(s) to make them easy to distinguish from other persons mentioned in the document.*

\*\*\*SAMPLE TEXT\*\*\*

***Country:*** People’s Republic of Generica

***Individual recommended for designation (1)***: **Tom Smith** (a.k.a. Thomas Smith, a.k.a Tommy Smith), Governor of Generica Central Bank (January 2011 – date);

***Summary of submission:***

This submission recommends that **Tom Smith**, a foreign public official from the People’s Republic of Generica, be designated for sanctions under the Global Anti-Corruption Sanctions Regulations 2021 (‘GACS Regulations’). This recommendation is made on the basis that there are reasonable grounds to suspect that **Tom Smith** is an ‘involved person’ in the misappropriation of property under Section 4 and meets the designation criteria under Section 6 of the GACS Regulations. Accordingly, the Secretary of State is requested to exercise her authority under Section 5 of GACS Regulations to sanction the above-named perpetrator as a designated person for the purposes of Sections 10 to 15 (Asset Freeze) and Section 17 (Immigration).

**Tom Smith** is the Governor of Generica’s Central Bank. Generica’s Central Bank is a state-owned financial institution responsible for, among other activities, overseeing the financing arrangements for development activities conducted by Generica’s government.

Over the last decade, **Tom Smith** has stolen an estimated £1.9bn from Generica by using his position at Generica’s Central Bank to authorise and issue loans made by the Central Bank to shell companies he controls. To the outside world these loans appeared to be providing funds for development projects in Generica, with the funds paid to not-for-profit companies. However, the funds were in fact paid to shell companies ultimately controlled by **Tom Smith**. These shell companies appear to have been created specifically for the purpose of facilitating the misappropriation of funds from Generica. These shell companies were often located in secrecy jurisdictions, and conducted little or no business, apart from acting as conduits to move funds through various secrecy jurisdictions for **Tom Smith**. The funds were ultimately used to purchase property and make investments on behalf of **Tom Smith** and his family in the UK, Canada, and the USA. The corrupt activities span over the course of a decade (2012-2022) and use sophisticated techniques to both misappropriate state funds and conceal them, spanning multiple jurisdictions. The systematic use of sophisticated techniques to misappropriate state funds meant for the development of the nation has meant that over the course of 10 years, **Tom Smith** has cost the people of Generica an estimated £1.9bn, which would otherwise have been dedicated to poverty reduction and education and healthcare development.

ACA bases its findings on an investigation which it conducted over a two-year period (2020-2022), which involved:

1. interviewing sources located in Generica (including senior employees at Generica’s Central Bank who worked closely with **Tom Smith**); and
2. an extensive review of:
	* documents recently leaked by investigativewebsite.xyz which indicate that the Central Bank loans were in fact paid to shell companies owned by **Tom Smith**;
	* Central Bank emails and memos relating to the loans (shown to ACA confidentially by its sources);
	* publicly available information regarding development projects funded by Generica’s Central Bank;
	* publicly available information found on public registries in the UK; and
	* news articles.

**Tom Smith’s** extensivefamily and financial links to the UK mean that the imposition of sanctions will likely have a significant effect on the perpetrator. A designation is also appropriate on the basis that sanctions would increase the likelihood of preventing and combating further serious corruption by **Tom Smith** and will ultimately assist in the return of the misappropriated funds to Generica, where they can be used for their original purpose of facilitating the country’s development. Imposing sanctions in this case would also be consistent with many of the factors that the UK government has indicated it will consider when deciding whether to designate an entity or individual:

1. Designating **Tom Smith** will advance the UK’s priorities in combatting corrupt activity which has both:
	1. undermined development and poverty reduction: the misappropriated funds were specifically designated by the government of Generica to uplift poor communities and facilitate its social programmes, and
	2. weakened a vital public institution.
2. Designating **Tom Smith** is appropriate given the significant scale of **Tom Smith**’s corrupt activities. The amount **Tom Smith** stole over a decade is comparable to 20% of Generica’s GDP for 2020-2021.
3. There is potential for collective international action, particularly with the US and Canadian authorities. We understand from other anti-corruption NGOs based in the USA and Canada that both governments are currently considering designating **Tom Smith**.
4. By contrast, Generica’s law enforcement appear unwilling or unable to act against **Tom Smith**. As such there is an even greater need for action internationally to take steps to combat the serious corruption being committed by **Tom Smith**.

The evidence supporting this recommendation is set out in a series of annexes to this submission:

Annex A – **Tom Smith’s** Personal Information (containing a summary of the information held by ACA on **Tom Smith** from the sources set out above)

Annex B – Family/Network Information (containing a summary of the information held by ACA on **Tom Smith’s** family from the sources set out above)

Annex C – Shell Company Information (containing a summary of the information held by ACA on **Tom Smith’s** family from the sources set out above)

Annex D – Structure Charts (created by ACA to explain the relationships and flow of funds involved in the corruption scheme)

Annex E – Media files (containing all press articles relating to this matter including the full set of documents recently leaked by investigativewebsite.xyz)

Annex F – Investigation Methodology (information put together by ACA to explain the methodology used in its investigation)

Section 2: Biographical Information

*\*Submissions must include the name of any entity or individual being recommended for designation (including any aliases or other identifying information). We recommend including as much information about the entity or individual as possible in order to assist the UK government in accurately identifying them (e.g., date of birth, place of education, ID or passport number or the place of registration or registration number of an entity)*.

*\*Be consistent in names of entities and roles and use formal names to the extent possible. All known aliases should also be included.*

*\*When available, pro bono counsel should run the alleged perpetrators through World-Check or a similar screening database to obtain any additional available identifying information.*

*\*Where the submission alleges responsibility due to an individual’s status as a leader or official of an entity that perpetrated the alleged corrupt acts, the NGO should seek to include an organisational chart and as much other background information as is available to illustrate the manner in which officials within various entities or departments have authority over the ultimate perpetrators of the corruption.*

*\*Where known, as much information as possible should be included regarding the connections the entity or individual has to the UK. This is because UK sanctions apply only to: (i) UK institutions and individuals; and (ii) UK borders. Accordingly, only assets within the UK’s jurisdiction will be frozen and UK travel bans only impact individuals seeking to enter UK territory.*

\*\*\*SAMPLE TEXT\*\*\*

**Full Legal Name of Perpetrator:** Tom Smith (a.k.a. Thomas Smith, a.k.a. Tommy Smith)

**Country:** People’s Republic ofGenerica

**Current Title or Position:** Governor of Generica Central Bank

**Date of Birth:** 14 December 1971

**Other Known Personal Identifiers (place of birth, passport number, address, etc):**

* Located inMetropolis, Central Province, Generica;
* Passport No: 66666666;
* Generica identification number: 3333333

**UK connections:**

* Frequent travel to the UK – documented every year since 2015
* Son resides in the UK and attends a UK university
* Wife listed as the owner of 1234 London Street, London, UK, SW1 1AA in the UK Land Registry
* Listed on the shareholder register of ABC Ltd (Company No. 1234567), a private limited company incorporated in the UK



Section 3: Known Family, Network Members, and Assets of the Entity and/or Individual(s)

*\*This section should set out any known family members or members of the entity or individual’s network, in order to assist the UK government in gathering evidence. There need be no suggestion that these family or network members are involved in the corrupt activities – they may be entirely innocent – but it is nonetheless useful for the UK government to have this information to assist them in identifying the entities or individuals involved and uncovering the extent of the corruption.*

* *Family members can include extended family. Please also explain their relationship to the entity or individual in question.*
* *Details of any members of the entity or individual’s network that help or support (or have helped or supported) the entity or individual with their misconduct should also be included. For example, this could be an innocent bank unwittingly providing services to an entity involved in corruption or an individual’s friend who agrees to be a sham director of a company involved in corruption in order to assist in providing a “front” for unlawful activities.*

*\*Family members or close friends are often a central part of corrupt networks. As an organisation with specialised knowledge of the true local picture, you may be aware of deep-rooted connections which might be the missing piece of the puzzle the UK government needs to find that there are “reasonable grounds to suspect” that the entity or individual is involved in corruption. It is, therefore, vital that as much information and evidence about these networks is included as possible.*

 *\*It is also helpful to include other key pieces of information such as:*

***Location of asset:*** *As we have set out, the UK government has made clear in the guidance that in reaching its decision it will take into* [*consideration*](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-factors-in-designating-people-involved-in-serious-corruption/global-anti-corruption-sanctions-consideration-of-designations) *how great an impact UK-based sanctions will have on the entity or individual. For this reason, we recommend ensuring that you include details of any known assets physically located in the UK or within its jurisdiction.*

***Known benefit:*** *In certain circumstances you will be able to point to a benefit that a family or network member has received, such as a luxury car or a significant pay-off. If this is the case, include this information in the “known benefit” column.*

\*\*\*SAMPLE TEXT\*\*\*

**List of Known Family Members**

| **Name** | **Bio identifiers** | **Relationship**  | **Known benefit** |
| --- | --- | --- | --- |
| Jane Smith | Nationality: GenericaDOB: 2 January 1980POB: Metropolis, Generica | Wife | Registered owner of four properties purchased by **Tom Smith**.[[2]](#footnote-3) |
| John Smith  | Nationality: GenericaDOB: 5 April 2002POB: Metropolis, Generica | Son | Attends university in UK and lives extravagant lifestyle.[[3]](#footnote-4) |

**List of Known Network Members, Associates and Facilitators**

| **Name** | **Bio identifiers** | **Relationship** | **Known benefit**  |
| --- | --- | --- | --- |
| Joe Bloggs | Nationality: Generica DOB: 19 September 1975POB: Village, Generica | Front man for three businesses beneficially owned by **Tom Smith**.[[4]](#footnote-5) | N/A |
| Jane Bloggs | Nationality: GenericaDOB: 20 August 1982POB: Metropolis, Generica | Assistant to the **Tom Smith** at the Generica Central Bank | Received pay-outs for her role in facilitating the misappropriation of funds to shell companies |

**List of Known Assets**

| **Description of Asset** | **Nexus to Tom Smith** | **Location of Asset** | **Value of Asset** |
| --- | --- | --- | --- |
| Bank account at Generica National Bank (GNB) | Owned by **Tom Smith**  | GNB is incorporated in Central Province, Generica | Unknown |
| Residential property in London, UK | Property owner listed as wife of **Tom Smith**[[5]](#footnote-6) | 1234 London StreetLondon, UK SW1 1AA | Appraised in 2016 at £35 million GBP.[[6]](#footnote-7) |
| Luxury yacht | Reportedly owned by **Tom Smith**[[7]](#footnote-8) | Unknown, previously docked in Barcelona, Spain | Reportedly purchased for $60 million USD.[[8]](#footnote-9) |
| ABC Ltd (Company No. 1234567) | **Tom Smith** listed on the Shareholder Register as holding 80% of the company’s shares[[9]](#footnote-10) | Registered address is 45 Bedford Row, Bedford, MK40 1AA | Estimated share value of £80 million GBP |

Section 4: Factual/Contextual Background

*\*This section should provide a brief description that provides necessary contextual information to understand the nature of the corruption and the alleged perpetrator’s involvement. You should bear in mind that the reader may be unfamiliar with the history of the region and/or how corruption is typically conducted there. Therefore, this section should include a brief history of the current political regime and general background information on long-standing patterns of abuse or corrupt activities.*

*\*This section should NOT go into deep detail regarding the corrupt acts themselves, as this will be explained in another section of the submission. Instead, use this section to set the scene through which the case will be further elaborated in the following sections.*

*\*When ending this section, consider including a brief conclusion that summarises the culpability of the listed perpetrators.*

\*\*\*SAMPLE TEXT\*\*\*

Generica is a low-income which gained independence in 1959 from its colonial rulers following a long independence campaign. Following a military coup, from 1962 to the early 2000s Dictator John Johnson ruled Generica with a centrally planned economy. In 2002, following his death, Dictator John Johnson was replaced by a democratic government. The new regime converted Generica into a free market economy, which resulted in rapid growth and economic liberalisation.

Generica’s Central Bank is charged with, among other tasks, overseeing the financing arrangements for the current ruling regime’s development activities. These activities are particularly important because the recent economic growth has not been evenly distributed throughout Generica. As a result, certain parts of Generica are underdeveloped in comparison to other areas of the country. A structure chart of the senior leadership of Generica’s Central Bank (including **Tom Smith**) along with their connections to Generica’s ruling political elite is available at Annex D.

Section 5: Summary of Evidence

*\*The FCDO has issued an* [*Information Note for Non-Government Organisations*](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-information-note-for-non-government-organisations/global-anti-corruption-sanctions-information-note-for-non-government-organisations) *to assist in the preparation of recommendations. We recommend you read this guidance and try to implement it in your recommendation insofar as is possible.*

*\*Before designating an individual or entity for sanctions, the FCDO will consider whether each of the designation criteria under* [*Section 6*](https://www.legislation.gov.uk/uksi/2021/488/regulation/6/made) *of the GACS Regulations are “sufficiently evidenced”. That is, evidence must be presented to show that there are “reasonable grounds to suspect” that the person or entity is an “involved person”, that the designation would be appropriate with regards to the GACS purposes and the designation would have likely significant effects on the individual or entity subject to sanction.*

*\*In satisfying these tests, evidence will need to be provided as to the type of corrupt activity with which the target individual or entity is involved. It is also necessary to provide evidence demonstrating the extent to which the target individual or entity has been involved. The GACS Regulations provide a relatively wide criteria for identifying an ‘involved person’. Therefore, evidence should be presented showing actual involvement in the corrupt activity, or alternatively, that the target is under the control of, or acting on behalf of, a person who is involved in the corrupt activity. In addition, this section should also include a brief summary of the policy arguments which support the appropriateness of the designation (i.e., by demonstrating that the designation would be in line with the purposes stated in GACS and the likely significant effects of the designation on that person).*

*\*Note, this section is intended as a summary of the most compelling facts which would support the designation of the target individual or entity. A more detailed application of the legal tests to the facts and policy arguments is set out in Sections 6 and 7 below.*

1. ***How to present the evidence***

*\*Strong cases will include as many unique sources of credible, verifiable information corroborating your claim as possible. The UK government prefers when evidence can be obtained and corroborated from multiple sources (in other words, a single NGO’s internal information concerning allegations of corruption, combined with that NGO’s formal, publicly available report on the same incident(s), is likely to be viewed as a single source, and thus represent a weaker case than if the NGO’s reporting can be combined with, e.g., that of a UN or other investigative committee). Other credible sources include: reliable government reports, primary source investigations from credible news outlets, and first-hand documentary evidence. In particular, we recommend that:*

* *the summary contains hyperlinks to publicly available materials (with any non-public evidence included in a separate appendix clearly marked as non-public and confidential).*
* *any information obtained from material leaked to the international media (such as leaks to the OCCRP or the ICIJ) is independently corroborated.*
* *where information has been obtained as a result of investigations by your organisation, you include a summary of the methodology for your investigation and details of the categories of sources used.*
* *using diagrams or structure charts to illustrate complicated corporate structures or fund flows.*
1. ***What if there is more than one entity or individual engaged in corruption?***

*\*Where multiple perpetrators are submitted, it is helpful to detail the role(s) of each alleged perpetrator with some specificity. If the submission relies on the perpetrator’s role as an official of an entity which engaged in, or whose members engaged in, corrupt activities, if possible, include the perpetrator’s job description and an organisational chart to establish the line of authority.*

*\*When recommending designations of multiple entities and/or individuals, it is helpful to ensure that the submission contains a full account of each of their respective roles in relation to the corruption. We would advise taking care to ensure the submission remains easy to follow – if it gets too complicated then it may be more useful to split the submission into individual submissions for each entity or individual.*

\*\*\*SAMPLE TEXT\*\*\*

**Tom Smith** is a high net worth individual living in Generica. Evidence of this wealth can be seen through the properties and investments owned by **Tom Smith**, references made in news articles about his ownership of various properties and information identified from the corporate bank accounts for companies owned by **Tom Smith** published by investigativewebsite.xyz. In addition:

* **Tom Smith’s** wife is the registered owner of a property in London which is also rumoured to house an art collection worth over £6m; and
* **Tom Smith’s** son is believed to have an extravagant lifestyle, as recorded on social media.

Until recently, it was unclear how **Tom Smith** accumulated this wealth. **Tom Smith’s** wealth is inconsistent with his published salary information and his wife is described in press reports as a writer (although, other than a small volume of poetry, none of her writing has been published). However, a recent leak of financial documents available online at investigativewebsite.xyz (see Annex E), together with an extensive investigation by ACA (see Annex F) has revealed that **Tom Smith** obtained his wealth through the systematic misappropriation of funds from Generica’s Central Bank.

In implementing this corrupt scheme, **Tom Smith** used a series of shell companies to transfer funds allocated by Generica’s Central bank for development projects to various secrecy jurisdictions around the world (see Annexures C and D).

Taken in its simplest form, as supported by the information released by investigativewebsite.xyz the corrupt scheme implemented by **Tom Smith** worked as follows:

1. Pursuant to his position as Governor of Generica’s Central Bank, **Tom Smith** was entrusted with funds to allocate loans to development projects in Generica.
2. **Tom Smith** instructed Jane Bloggs to incorporate multiple shell companies in various tax havens and secrecy jurisdictions around the world. **Tom Smith’s** ultimate beneficial ownership of the shell companies was obscured by disclosure restrictions in the tax havens.
3. **Tom Smith** then authorised Generica’s Central Bank to loan funds to the shell companies, using Generica’s development schemes to provide cover for these payments.
4. **Tom Smith** then instructed Jane Bloggs to transfer the funds in the shell companies to accounts controlled by **Tom Smith** or his family in the UK, USA and Canada.
5. The shell companies then subsequently failed to pay back their loans to Generica’s Central Bank.

As set out in more detail in Section 6 below, this activity amounts to “serious corruption” as defined in the GACS Regulations, as it involves the misappropriation of property entrusted to **Tom Smith** in his capacity as a public official.

ACA has identified various shell companies used by **Tom Smith** to misappropriate funds from Generica’s Central Bank. These companies’ relevant incorporation documents are available in Annex C, along with extracts of each instance that the company was identified in the online data leak, leaked emails where **Tom Smith** instructs Jane Bloggs to incorporate these shell companies and a structure chart setting out the overall structure of the corruption scheme.

This evidence shows that each of the shell companies which received funding from Generica’s Central Bank are sham entities that existed solely to mask the misappropriation of state funds by **Tom Smith**. The evidence for this is identified as follows:

* each shell company has a residential address in Generica as its registered address (the use of a residential, rather than a business address, is suspect);
* multiple shell companies were incorporated within days of each other, and in each instance shortly before development funds were allocated by Generica’s Central Bank (suggesting that these entities were set up for the purpose of receiving funds from Generica’s Central Bank, rather than to engage in legitimate work on development projects);
* none of the shell companies has a website (which would be expected for development-focused entities reliant on raising funds for the work that they do); and
* all the shell companies’ registered owners had a direct connection to **Tom Smith**.

ACA has interviewed multiple sources who previously worked at Generica’s Central Bank, including senior members of staff working with **Tom Smith**. These sources confirmed that **Tom Smith** bypassed the formal approvals process when authorising the loans, resulting in **Tom Smith** being the sole person to have provided authorisation.

ACA has also identified information about certain properties in the UK that were purchased using funds that passed through accounts owned in the name of shell companies beneficially owned and controlled by **Tom Smith**. Bank records released by [investigativewebsite.xyz](http://investigativewebsite.xyz) indicate that large payments from these accounts were made, and the payment references attached to these payments indicate that several properties were purchased with this money. Extracts obtained from the UK Land Registry by ACA confirm that these properties are registered in the name of other shell companies which, as demonstrated by the information released by [investigativewebsite.xyz](http://investigativewebsite.xyz), were ultimately beneficially owned and controlled by **Tom Smith**.

Finally, credible press outlets, including the *London Paper* and *American Press* have published articles about **Tom Smith’s** activities, stating that they have corroborated the authenticity of the leaked material using two independent, but anonymous, sources and multiple forensic experts. These articles are available in Annex E.

 Section 6: Application of the Legal Standards

\**While the implementation of sanctions against an individual or entity is, ultimately, a discretionary power of the Secretary of State, certain legal standards will need to satisfied before this discretion can be exercised. This section should set out how these legal tests are met, based on the evidence summarised in Section 5 above. If you are working with external pro bono counsel, their input on this section should be prioritised.*

*\*In order for the UK government to sanction an individual or entity under the GACS Regulations, it must it must be satisfied that:*

* *there are reasonable grounds to suspect that the entity or individual is an “****involved person****” in “serious* ***corruption****”; and*
* *the designation would be “****appropriate****”, having regard to:*
	+ *the UK government’s desire to prevent and combat serious corruption; and*
	+ *the likely significant effects of the designation on that person.*
1. ***Demonstrating that the target individual/entity is an “involved person” in serious corruption***

*\*Facts should be established which demonstrate that the perpetrator is an “involved person” as defined in* [*Section 6*](https://www.legislation.gov.uk/uksi/2021/488/regulation/6/made) *of the GACS Regulations. Note, “involvement” is widely defined under GACS. Accordingly, an involved person can include:*

* *persons who are directly involved in the corrupt activities,*
* *those who are owned or controlled indirectly by a person so involved,*
* *those who act on behalf or at the direction of a person who is or has been involved, or*
* *persons who are members or are associated with a person who is involved in corruption.*

*\*An entity or individual will also be considered to be an “involved person” in corruption if they are involved in, engaging in, facilitating, inciting, supporting, failing to investigate or prosecute, or profiting financially from, “serious corruption”.*

*\*The FCDO* [*Information Note for Non-Government Organisations*](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-information-note-for-non-government-organisations/global-anti-corruption-sanctions-information-note-for-non-government-organisations) *should be consulted for further information on this criterion.*

1. ***Definition of “serious corruption” under GACS Regulations***

*\*Serious corruption is defined under* [*Section 4*](https://www.legislation.gov.uk/uksi/2021/488/regulation/4/made) *of the GACS Regulations as either:*

* *bribery of a foreign public official; or*
* *misappropriation of property either entrusted to, or allocated by, a foreign public official*

*\*Evidence should, therefore, be presented that the corrupt activity has involved a foreign public official (as defined under the GACS Regulations). Note, the GACS Regulations do not require that the advantage of the corrupt activity be for the benefit of the foreign public official or another person.*

* 1. ***Legal definition of ‘bribery’ under GACS***

*The definition of bribery as set out by the regulations is as follows:*

*“(a) a person directly or indirectly offers, promises or gives a financial or other advantage to a foreign public official, and where—*

***(i)*** *the person* ***intends to induce*** *that official or another foreign public official to* ***perform improperly*** *a public function, or*

***(ii)*** *the person* ***intends to reward*** *that official or another foreign public official for* ***improperly performing a public function****, or*

***(iii)*** *the person* ***knows or believes*** *that the acceptance of the advantage by that official would constitute* ***improperly performing a public function****; or*

*(b) a foreign public official directly or indirectly requests, agrees to receive or accepts a financial or other advantage, and where—*

***(i)*** *that* ***official intends****, in consequence, that the official or another foreign public official should* ***improperly perform a public function****, or*

***(ii)*** *the advantage is a* ***reward for that official*** *or another foreign public official* ***improperly performing a public function****, or*

***(iii)*** *that* ***official knows or believes*** *that the request for, agreement to receive or acceptance of the advantage by the official would constitute* ***improperly performing a public function****; or*

*(c) in anticipation of or in consequence of requesting, agreeing to receive or accepting a financial or other advantage, a foreign public official, or another person at that official’s request or with their assent or acquiescence, improperly performs a public function.”*

* 1. ***Legal definition of ‘misappropriation of property’ under GACS***

*\*The definition of misappropriation of property, as set out by the regulations, is as follows:*

*“Misappropriation of property occurs where a foreign public official—*

*(a) has been entrusted with property, or has a role in the grant or allocation of property, by virtue of their position, and*

*(b) improperly diverts, grants or allocates that property for the benefit of the official or for the benefit of another person.”*

1. ***Establishing the ‘appropriateness’ of the designation***

*\* The GACS Regulations also state that in considering whether a designation will be appropriate the UK government should consider: (a) whether the designation will assist in achieving the purpose of preventing and combatting serious corruption; and (b) the likely significant effects of the sanctions on the individual or entity under relevant human rights legislation.*

*\*In practice, as well as setting out the points above, we recommend including a summary of the key relevant policy considerations (which will also be set out in more detail at Section 7 below).*

*\*If there have been prior similar designations that can be referenced as precedent decisions, we also recommend adding these to this section.*

*\*The “appropriateness” test also seeks to ensure that the impact on the designated person will be proportionate under the European Convention on Human Rights (ECHR). The statutory purpose of the GACS Regulation is to prevent and combat corruption, not to facilitate the recovery and repurposing of assets. The FCDO will very much be looking at applications through this lens for fear of being accused of using their sanctions powers for an improper purpose. If there is an argument for recovery/repurposing, we would advise an NGO to advocate for that outside of a sanctions submission.*

\*\*\*SAMPLE TEXT\*\*\*

ACA submits that there are reasonable grounds to suspect that **Tom Smith** is involved the misappropriation of property which amounts to serious corruption under Section 4(2)(b) GACS Regulations. The sanctioning of **Tom Smith** is also appropriate in the circumstances on the basis that: (i) his designation would advance the regulations’ stated purposes of preventing and combatting serious corruption; and (ii) the imposition of sanctions would likely have a significant effect on **Tom Smith** on account of his close personal and financial ties to the UK.

## There are reasonable grounds to suspect that Tom Smith is involved in the misappropriation of property

The GACS Regulations define “serious corruption” as either bribery, or the misappropriation of property. Section 4(3) of GACS Regulations states that “misappropriation of property occurs where a foreign public official has been entrusted with property, or has a role in the grant or allocation of property, by virtue of their position, and improperly diverts, grants or allocates that property for the benefit of the official or for the benefit of another person.”

As the Governor of Generica’s Central Bank, **Tom Smith** is a foreign public official entrusted with the Central Bank’s assets and the grant and allocation of said assets. Under Section 4(5) of GACS Regulations, ‘property’ includes “funds, economic resources, a pecuniary advantage or other thing of value”. Accordingly, the central bank assets which **Tom Smith** has misappropriated fall within the definition of ‘property’ under the GACS Regulations. By using his position to improperly allocate those central bank assets for his own benefit and facilitate the illicit transfer of funds to shell companies under his or his family’s control – **Tom Smith** has engaged in and/or been responsible for serious corruption under Sections 6(2) and 6(3)(a) of GACS. He has further profited from that corruption (under Section 6(3)(c) of GACS), and concealed that serious corruption (under Section 6(3)(d) of GACS).

 **The designation of Tom Smith is appropriate having regard to the purposes of the GACS Regulations and the likely significant effects of the designation**

Designation would also be appropriate with regard to the likely impact on **Tom Smith**. **Tom Smith’s** family and financial links to the UK will maximise the impact of any sanctions and will also add to the deterrent effect of the sanctions. A designation will also discourage other public officials in Generica from engaging in corrupt activity and make clear to all perpetrators that the UK will not serve as a haven for misappropriated state funds. It will highlight the issue to the international community and show potential future perpetrators that they will be held accountable for their illicit acts.

**Tom Smith’s** links to the UK are sufficiently limited and the listed properties represent just a portion of his overall wealth. As such, the impact on rights under the ECHR – especially in light of the scale and severity of his corruption – will be proportionate and will not go beyond what is necessary to achieve the objectives of GACS regime.

Section 7: Relevant Policy Considerations for Decision to Designate

*\*The UK government has set out a non-exhaustive list of factors it will take into account when considering a designation (see “*[*Policy paper on global anti-corruption sanctions: consideration of designations*](https://www.gov.uk/government/publications/global-anti-corruption-sanctions-factors-in-designating-people-involved-in-serious-corruption/global-anti-corruption-sanctions-consideration-of-designations)*”). When preparing your recommendation, you should try to factor these factors into your analysis as far as possible.*

*\*The identified priorities are:*

* *the UK government’s anti-corruption policy priorities (e.g. corruption that is directly linked to terrorism);*
* *the scale, nature and impact of the serious corruption (e.g. systemic corruption involving senior government officials with significant responsibilities);*
* *the status, connections and activities of the involved person (e.g. a senior individual within a corruption ring who regularly travels to the UK);*
* *collective international action (e.g. where international partners such as the US and Canada have already announced sanctions targeting a corrupt scheme);*
* *interaction with law enforcement activities (e.g. where local law enforcement are unwilling to combat the corruption in question, because they directly profit from it); and*
* *the risk of reprisals (e.g. where attention to the corruption may result in physical harm coming to the journalists who uncovered the scheme).*

*\*To the extent possible we recommend setting out clear arguments as to why the designation would be appropriate bearing in mind each of these factors (if appropriate). The guidance also sets out further examples relating to each of these factors and is worth reading closely before completing this section. That being said, if one or more of the factors are not relevant (for example, no international partners are likely to adopt sanctions), there is no need to include any information or arguments relating to that factor.*

*\*We encourage NGOs to add as much detail in here as possible and to highlight where corrupt practices have also undermined the democratic governance and the rule of law in the UK (e.g. by using the London property market to hide kleptocratic wealth).* *We also recommend you include any other factors that you believe will be relevant to the UK government’s decision.*

\*\*\*SAMPLE TEXT\*\*\*

**Tom Smith**’s activities are now known and publicised since the leaking of information online. It is in the UK’s national interest to prevent and combat serious corruption both in terms of the damage which corruption causes to other countries and the damage serious corruption causes to the UK’s own national security and business interests. The designation of **Tom Smith** would demonstrate the UK’s commitment to stamping out corruption by individuals charged with upholding the rule of law in their home state. The designation would also serve to encourage economic growth in developing areas of the world, by engendering trust in the institutions overseeing development activity.

## Designation of Tom Smith aligns with the UK Government’s Anti-Corruption Priorities

The recommended sanctions designation would fit squarely within at least two of the anti-corruption priorities identified as the UK Government’s anti-corruption policy priorities. **Tom Smith**’s conduct has severely undermined development in Generica and impacted on the country’s ability to reduce poverty and develop further socially and economically. As the Governor of Generica’s Central Bank, **Tom Smith** has severely weakened a vital public institution, and damaged foreign investor confidence in that state.

The UK’s Anti-Corruption Strategy states that one of its six priorities is to “ensure that the UK as a financial centre, is hostile to illicit finance and has a world-leading reputation based on its integrity”.[[10]](#footnote-11) The use of the UK banking, real estate and corporate systems by **Tom Smith** to launder, transfer and hide misappropriated funds poses a direct threat to this priority and undermines the rule of law in Generica, the UK and other jurisdictions which have been used to hide this stolen wealth. **Tom Smith’s** numerous property purchases in the UK, as detailed in this submission, display many red flags for money laundering of the proceeds of corruption, and demonstrate the abuse of the UK’s property market as a tool for concealing this illicit wealth. This is a clear example of the direct impact of foreign kleptocracy on the UK’s economy, property market and democratic institutions.

## The scale, nature and impact of the serious corruption

The value of the funds **Tom Smith** is suspected of misappropriating are vast. £1.9bn constitutes 20% of Generica’s GDP for 2020-2021. A UN report has stated that this amount constitutes a factor causing the drop of macroeconomic indicators for Generica, in particular in respect of poverty reduction. The designation of **Tom Smith** would reinforce the UK’s vital role in upholding international law. Moreover, the imposition of sanctions would highlight the issue to the international community, aid Generica in combatting corruption domestically and align with the UK’s allies approach to combating serious corruption.

**The status, connections and activities of Tom Smith**

Designating **Tom Smith** would represent the most effective way to resolve and mitigate this corrupt scheme, as the entire endeavour relies on **Tom Smith’s** actions. In addition, the status of **Tom Smith**, as the senior leader of the Central Bank of Generica would send a powerful message that the UK is committed to preventing and combatting such corrupt practices which so severely undermine the rule of law regardless of the perpetrator’s status or connections.

**Collective international action**

We understand from other anti-corruption NGOs that the governments of the USA and Canada are considering designating **Tom Smith**. As some of the UK’s closest allies, this provides the government with an opportunity to engage in multilateral action and also increases the impact which any sanctions designation would have on **Tom Smith.** Such collective action would, in turn, help facilitatethe eventual return of the misappropriated property to the people of Generica.

**Interaction with law enforcement activities**

At present there has been no public announcement or press release indicating that Generica’s enforcement authorities are able or willing to in investigate or punish **Tom Smith**. Generica has a history of impunity and an inconsistent approach to prosecuting high-ranking officials engaged in corrupt activities. As a result the only way that **Tom Smith** can be held to account is through action by the international community.

**Risk of Reprisals**

The information contained in this submission has been gathered using open-source information which is already in the public domain. Therefore, any attention drawn to this corrupt scheme as a result of a sanctions designation is unlikely to lead to reprisals.

 **Other factors which should be taken into consideration**

In 2018, the UK (together with the IMF) invested £9.6 million in Generica in the form of development funds. These funds were administered through Generica’s Central Bank and have been misappropriated by **Tom Smith** as part of the corruption scheme. The UK’s investment into Generica was deemed to be an important foreign policy objective aimed at poverty reduction and increasing stability in the region.

Section 8: Discussion of Contrary Evidence/Arguments

*\*We recommend including any evidence or counter-arguments that could be seen to contradict or undermine the submission (alongside an explanation as to why the counter-argument does not apply and the designation remains appropriate).*

\*\*\*SAMPLE TEXT\*\*\*

ACA is unaware of any serious or credible evidence that undermines this submission.

1. A submission template with guidance notes for making submissions to the FCDO under the complimentary Global Human Rights Sanctions Regulations 2020 can be found [here](https://redress.org/news/magnitsky-sanctions-submission-template/). [↑](#footnote-ref-2)
2. See Annex A, pg. 1-2. [↑](#footnote-ref-3)
3. See Annex A, pg. 3-5. [↑](#footnote-ref-4)
4. See Annex B. [↑](#footnote-ref-5)
5. See News Report A. [↑](#footnote-ref-6)
6. Id. [↑](#footnote-ref-7)
7. See News Report B. [↑](#footnote-ref-8)
8. Id. [↑](#footnote-ref-9)
9. See Annex C. [↑](#footnote-ref-10)
10. *See*: <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf> (page 26) [↑](#footnote-ref-11)