



The Rt Hon Kwasi Kwarteng MP  
Secretary of State for Business,  
Energy and Industrial Strategy

1 Victoria Street  
London  
SW1H 0ET

26 July 2021

Dear Secretary of State,

We are writing to you as chairs of the UK Anti-Corruption Coalition, which brings together the UK's leading anti-corruption organisations, to urge you to ensure that corporate transparency legislation is prioritised for inclusion in the Queen's speech in 2022. In particular, we urge you to ensure that legislation to embed urgently needed reforms to Companies House and to introduce the Register of Overseas Entities is brought forward at the earliest opportunity and as promptly after the Queen's speech as possible.

As you know, these reforms are a cornerstone of the Government's Economic Crime Plan 2019-2022. They were first promised by the government in September 2020 and consultations took place in the first months of 2021. The commitment to a Register of Overseas Entities bill was reiterated by the Government as it launched its legislative programme in 2019 but was neither enacted nor reintroduced in this year's Queen's speech.

There is widespread support for reforms to tackle abuse of corporate structures in the UK. UK Finance, which represents 300 firms across the UK's banking and finance industry, expressed its strong support for fundamental reform of Companies House in October 2020, while law enforcement agencies have repeatedly called for the resources and reforms needed to properly investigate and prosecute corrupt actors and disrupt illicit finance. Graeme Biggar, Director General of the National Economic Crime Centre, referred to the 'disturbing' amount of money laundered through UK corporate structures in evidence to the Treasury Select Committee this year.

Meanwhile, the fraud crisis arising out of the COVID-19 pandemic has exposed the real damage wrought within the UK by weaknesses in Companies House defences. The Office for Budget Responsibility has estimated that as much as £22 billion in Bounce Back Loan Scheme spending will be lost to fraud and defaults.

Concerns about weaknesses in the UK's defences through abuse of its corporate structures have also been expressed amongst the UK's closest allies. The FinCEN Files leak revealed that the US Department of the Treasury considered the UK a high-risk jurisdiction for money laundering, while the Financial Action Taskforce (FATF) recommended as a priority that the UK improved the quality of information on the Persons of Significant Control in light of its lack of reliability.

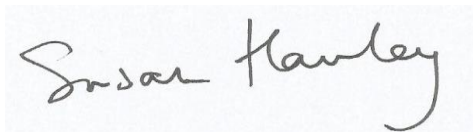
The Biden Administration's Summit for Democracies, planned for early 2022, presents a crucial opportunity for the UK to make concrete and ambitious commitments in the fight

against corruption and illicit finance, and show that it is stepping up to a role of global leader. To show that the UK's words at the Summit mean action, the government must be prepared to implement urgently needed domestic reforms to tackle the abuse of corporate structures. With consensus on the need for reform, and much of the work already done by your Department, all that is left is for you to personally back efforts to secure the necessary place in the Government's legislative programme.

As Secretary of State for Business, Energy and Industrial Strategy, we urge you to ensure that corporate transparency legislation is prioritised for inclusion in the next Queen's Speech and brought forward at the earliest opportunity. In our view the UK's reputation as a safe place to do business, its international credibility as a leader in anti-corruption, and its ability to fulfil its Integrated Review commitment to tackle economic crime and illicit finance are at stake.

Yours sincerely,

Susan Hawley

A handwritten signature in black ink that reads "Susan Hawley". The signature is written in a cursive style with a large, sweeping 'S' at the beginning.

Executive Director of Spotlight on Corruption  
Co-Chair of the UK Anti-Corruption Coalition

Eva van der Merwe

A handwritten signature in black ink that reads "Eva van der Merwe". The signature is written in a cursive style with a large, sweeping 'E' at the beginning.

Executive Director of International Lawyers Project  
Co-Chair of the UK Anti-Corruption Coalition

CC: The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer  
The Rt Hon Priti Patel MP, Secretary of State for the Home Department