

UNITED KINGDOM NATIONAL STATEMENT, INTERNATIONAL ANTI-CORRUPTION CONFERENCE, 22ND OCTOBER 2018

Anti-Corruption Strategy and Champion

Following on from the London Anti-Corruption Summit in May 2016, the UK published its first national Anti-Corruption Strategy in December 2017 which builds on the pledges we made at the Summit and sets out commitments to go further. The strategy runs up to 2022 and explains how we will address corruption in order to bolster national security, prosperity and public trust in our institutions. It defines six priorities: tackling the threat posed by corrupt insiders; improving the reputation of the UK as a global financial centre; improving public and private sector integrity; addressing corruption risks in procurement; leveling the global playing field for business; and working with other countries.

In December, the UK Prime Minister also announced the appointment of her Anti-Corruption Champion, John Penrose MP. The Champion's role is to oversee implementation of the Anti-Corruption Strategy, drive the development of new policy, raise ambition, and represent the UK politically at global and domestic anti-corruption events. The Champion regularly meets with government ministers, civil society and the private sector.

Strengthening UK defences to corruption

The UK has a strong framework for combatting corruption and over the past year we have worked to further strengthen this by:

- 'stress-testing' our systems through international reviews to UK compliance of the UN Convention Against Corruption, Financial Action Task Force and Council of Europe and whilst we expect strong conclusions, we are now making improvements as needed;
- increasing core funding of our Serious Fraud Office from £34 million to over £52 million per annum, retaining scope for blockbuster funding and appointing a new director;
- creating a new National Economic Crime Centre;
- reforming our Suspicious Activity Reporting System for money laundering;
- introducing powerful new tools such as Unexplained Wealth Orders;
- supporting relevant British Overseas Territories to establish company public beneficial ownership registers in line with the Sanctions and Anti-Money Laundering Act;
- establishing a network across UK embassies to counter serious and organised crime, bringing additional analytical capacity and coordination to enable a more coherent UK response to illicit finance, including corruption;
- developing a world first public beneficial ownership register for overseas entities which own or wish to buy property in the UK, to be implemented in 2021. In parallel we will require information about beneficial ownership as a condition of awarding central government contracts that meet certain conditions or thresholds; and
- developing a package of measures in four key sectors (prisons, police, borders and defence) to reduce the risks that personnel are corrupted.

Securing longer term prosperity

We are continuing to encourage integrity in business. We work with international partners and at global fora to raise standards and to promote collective action on key priorities. We

are developing an enhanced 'Integrity Offer' for UK businesses engaging in overseas markets. This was announced by the Prime Minister during her visit to Africa in August. We have also strengthened due diligence processes in development and export finance practices and are considering the inclusion of anti-corruption in new free trade agreements.

International leadership

Following on from the London Anti-Corruption Summit in May 2016, the UK has continued to promote international anti-corruption efforts, championing international standards and working directly with other countries. In addition, we:

- are among the first group of countries to pilot the inclusion of anti-corruption in the IMF's annual Article IV assessment. This will for the first time consider bribery and money laundering risks to macro-economic stability;
- co-hosted the Global Forum for Asset Recovery with the US in December 2017 which focussed on returning stolen assets to Nigeria, Sri Lanka, Tunisia and Ukraine, and saw publication of a set of GFAR principles to strengthen asset return processes;
- hosted the Western Balkans Summit in July 2018, which brought together leaders from that region and other European partners to strengthen security co-operation, increase economic stability and encourage political co-operation. Five of the six countries made public anti-corruption commitments;
- launched the International Anti-Corruption Coordination Centre in July 2017, hosted in the National Crime Agency in London, which brings together specialist law enforcement officers from agencies around the world to tackle allegations of grand corruption;
- hosted an international conference on the Illegal Wildlife Trade in October 2018 attended by over 1,000 people including heads of state and ministers from 62 countries. Tackling illicit finance and associated corruption was one of the core themes; and
- will host the fourth meeting of the International Partnership Against Corruption in Sport in December 2018 to drive higher standards in sports governance.

Development partnerships

We are strengthening the international anti-corruption architecture and directly supporting partner countries to improve their own approaches. In particular, our support to the global Open Ownership Register, Open Contracting Partnership, International Budget Partnership and Extractive Industries Transparency Initiative is helping to increase transparency in key areas and has had tangible results in many countries.

This year we introduced principles governing compensation to victims of bribery and corruption which commits UK law enforcement agencies to ensure that the question of compensation is considered in every case. In 2018, our Serious Fraud Office obtained a civil recovery order to the value of £4.4 million which represented the proceeds to corrupt deals in Chad. Subject to a potential appeal, we are looking at how the money can best be returned for the benefit of the people of Chad.

We have completed a pilot in Pakistan to introduce the Common Reporting Standard. This pilot successfully put in place the legal, treaty, security, IT and operational framework for the Federal Board of Revenue in Pakistan to automatically receive financial reporting accounts held by Pakistani residents from all the world's financial centres. The first successful exchange

of information between Pakistan and the other Common Reporting Standard jurisdictions occurred in September. Similar work is progressing in Ghana, with the legal and treaty frameworks having been established.

We have helped conceive and fund the newly created Financial Intelligence Unit Excellence and Leadership Centre under the Egmont Group, which opened in April. The Centre is working to strengthen the capacity of financial intelligence units, particularly in developing countries, to identify and address possible corruption and money laundering risks and to enhance prevention systems.

We are supporting Transparency International's Defence and Security programme to continue its production of the Government Defence Indices that have an important awareness raising effect. Additionally, through bilateral and regional partnerships, the UK's Defence Academy continued deploying a cadre of defence and security experts to provide NATO and EU certified training on managing corruption risks in defence institutions and in complex security environments.

Statement of anti-corruption commitments

In 2019 we will focus to ensure real world impact. We anticipate priorities will include:

Brexit - As we plan for the UK's departure from the European Union we will prioritise strengthening mechanisms for international cooperation, continue to work with partners to boost global efforts to tackle corruption and develop the opportunities our new status provides.

Prosperity - Continuing to raise international standards for business integrity and improving our service offer to UK businesses that wish to abide by our laws and conduct clean business in challenging markets. We will harness our newly launched Prosperity Fund Global Anti-Corruption programme to promote change.

Illicit finance and beneficial ownership transparency - Ensuring that the UK's financial sector, and those in the Overseas Territories and Crown Dependencies, are hostile to illicit finances. There will be a strong focus on delivery of commitments, working closely with private sector and international partners. We will work with partners to promote international action, especially on tackling illicit finance and raising the global norms on beneficial ownership transparency.

The anti-corruption evidence base - We will continue to strengthen our understanding of the corruption threat and of the effectiveness of interventions. In a context of constrained resources this will inform prioritisation and resourcing decisions.

Insider threat - We are committed to securing a more joined up and strategic approach to tackling corrupt insiders in critical domestic public sectors (prisons, borders, policing, defence and local government). This is another area where the analysis of the problem and the evidence base for how to tackle it need to be further developed.

Development partnerships - We remain firmly committed to strengthening the international architecture for tackling corruption and illicit finance. We will also support partner countries to improve transparency and better fight corruption and organised crime.