

Financial Crime Watch - May 2023

Economic Crime Plan 2023-2026

24 May 2023

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Fraud Strategy: Stopping Scams and Protecting the Public

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The House of Lords Fraud Act 2006 and Digital Fraud Select Committee Report

On 30 March 2023, the Treasury and Home Office published the [Economic Crime Plan 2023-2026](#), setting out their proposals to address the continued rise in fraud, money laundering and sanctions evasion.

At a glance

- On 24 March 2023 the Treasury and Financial Conduct Authority (FCA) completed their [review of the Criminal Market Abuse Regime](#).
- The criminal market abuse regime sets out the sanctions for insider dealing and market manipulation. The government had committed to the review this in the Economic Crime Plan 2019-2022, as the regime has not been updated since its inception.
- The review has identified a number of areas where the government believes it would be appropriate to update the regime. These recommendations sit alongside the government's acceptance of the recommendations of the [Fair and Effective Markets Review](#) (FEMR).

Key provisions

The plan commits the government to:

- Reduce money laundering and recover more criminal assets. The key proposal is to limit the abuse of corporate structures by enhancing the role and powers of Companies House. These enhanced powers are outlined in the Economic Crime and Corporate Transparency Bill and include giving Companies House the power to identify those who own or manage companies through greater intelligence capabilities. The government will also direct additional resources to the CPS in order to increase their capacity to recover criminal assets.
- Combat kleptocracy and drive down sanctions evasion. Following the Russian invasion of Ukraine, the government has already increased the resources of the Office of Financial Sanctions (OFSI) and established a Combatting Kleptocracy Cell within the National Crime Agency (NCA). Going forward, the government has committed to providing all sectors with tailored guidance and support to assist them in fulfilling their obligations under the sanctions regime. They will also continue to cooperate with the EU, US and other countries to facilitate sanctions implementation.
- Cut fraud. The coming Fraud Strategy will flesh out the government's plans to reduce fraud against individuals and businesses. The government hopes this strategy will reduce fraud by pursuing fraudsters, preventing scams from reaching the public, and empowering people to recognise and report fraud.

The plan is funded through a £400 million investment, half of which will be raised through the [Economic Crime Levy](#). The Levy applies to all organisations which are supervised by the [Money Laundering Regulations](#) and whose UK revenue exceeds £10.2 million, it will be collected for the first time in the tax year 2023-2024.

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