

Horizon Scanner

Financial Crime – UK & EU
wide developments

January 2023



Immediate impact



Short term impact

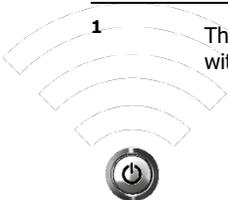


On the horizon



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This Horizon Scanner considers legal updates in the United Kingdom and those which have been announced by the European Union which relate to Financial Crime. It does not consider legal updates within individual EU Member States.



Legal issue/risk	When?	What's next?	Supporting information
<p>Ongoing sanctions against Russia and Belarus</p> <p>Following the invasion of Ukraine by Russia, the UK, EU and US have all responded by announcing significant sanctions in respect of Russia and Belarus.</p> <p>The sanctions landscape has been changing at a fast pace since February 2022 and continues to develop as the invasion escalates. The most notable recent updates include the following:</p> <ul style="list-style-type: none"> • as of 5 December 2022 there has been a set price cap on Russian crude oil trade between Russia and third countries, which is currently agreed at \$60 per barrel; and • in December 2022, the European Commission published the 9th package of its Russia sanctions. Details are in the latest ES briefing. <p>We expect the sanctions landscape to continue to change and develop and this should be a priority area for companies which have any Russian/Belarusian nexus to their business.</p> <p>Please see our detailed briefings with respect to sanctions against Russia for further detail.</p>	<p>Immediately</p>	<p>On 5 February 2023 a price cap with respect to oil products will come into effect.</p> <p>In addition, as we approach the one year anniversary of the Russian invasion of Ukraine further sanctions are expected from both the UK and EU.</p>	<p>ES briefings: Keeping you up to speed: Russian and Belarusian sanctions updates</p>
<p>CJEU ruled that AML beneficial owner registers should not be publicly available</p> <p>On 22 November 2022 the Court of Justice of the EU determined that requirements of the EU's 5th AML Directive that provide for public access in all cases to any member of the public to information on company ownership is invalid. The court determined that allowing the general public access to beneficial ownership information constitutes a "<i>serious interference with the fundamental rights to respect for private life and to the protection of personal data</i>".</p>	<p>Immediately</p>	<p>The ruling has potentially serious corporate transparency implications at a time when beneficial ownership of companies is coming under greater scrutiny. We have already seen some EU jurisdictions removing public access to beneficial ownership whilst the ramifications of this ruling are considered.</p> <p>All regulated institutions should be aware of this ruling and the potential impact it will have on the ability to ascertain beneficial ownership information.</p>	<p>CJEU Judgment</p> <p>CJEU Press Release</p>



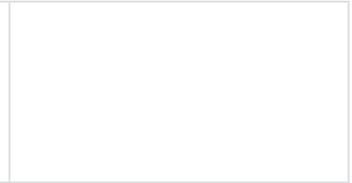
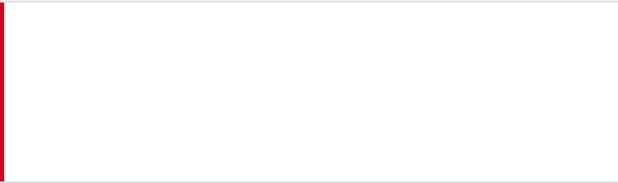
<p>New Beneficial Ownership Register of Overseas Entities</p> <p>The Government has put in place a new register to tackle corrupt elites using UK property for money laundering. Non-UK incorporated entities who already own, want to buy, sell or transfer property or land in the UK, or bid for UK public contracts must register with Companies House and disclose information regarding their beneficial owners or managing officers by 31 January 2023.</p> <p>This requirement also applies retrospectively to property or land bought on or after 1 January 1999 in England and Wales.</p> <p>Failure to comply may constitute a criminal offence, which could entail fines of up to £2,500 per day, or a five year prison sentence.</p>	<p>31 January 2023</p>	<p>Non-UK incorporated entities involved with UK property must ensure to comply with the register requirements as soon as possible and at the latest by 31 January 2023 in order to avoid severe penalties.</p>	<p>ES Flash Update: Introduction of a Register of Overseas Entities</p>
<p>Amendments to JMLSG guidance – Part 2</p> <p>On 8 November 2022, JMLSG published proposed amendments to Part 2 of its Guidance.</p> <p>Comments on the proposed revisions were required by 13 January 2023.</p>	<p>Early 2023</p>	<p>We recommend monitoring the position and amending AML practices (where relevant) in light of the proposed amendments which we expect to be implemented within JMLSG guidance in the coming months.</p>	<p>JMLSG Guidance Part II – Consultation</p>
<p>The Fraud Act 2006 and Digital Fraud Committee</p> <p>An inquiry into the above is being undertaken. A formal meeting was held to discuss the evidence on 31 October 2022 and a report called 'Fighting Fraud: Breaking the Chain' was published on 12 November 2022. The report identified the following:</p> <ul style="list-style-type: none"> - fraud is the most commonly experienced crime today in England and Wales; - law enforcement is under-resourced for the fight against fraud; - the plethora of responsible bodies for the investigation and prosecution of fraud is ineffective; and 	<p>Early 2023</p>	<p>The Government response can be expected at any time and we recommend monitoring the position for an update.</p>	<p>Fraud Act 2006 and Digital Fraud Committee Summary</p> <p>Fighting Fraud: Breaking the Chain</p>



<p>- organisations that make up the fraud chain are not uniformly incentivised to tackle fraud;</p> <p>The report covers a number of recommendations to the Government, including six steps to break the fraud chain:</p> <ol style="list-style-type: none"> 1. the Payment Systems Regulator should consult to address the fact that the fast paced payment infrastructure within the UK makes it easy for fraud to occur; 2. fraud should be included within the Strategic Policing Requirement; 3. a cabinet sub-committee with a clear mandate to tackle fraud should be established, chaired by and accountable to the Security Minister; 4. a new corporate criminal offence of 'failure to prevent fraud' should be introduced across all sectors; 5. the Online Safety Bill should be brought forward urgently; and 6. a single, centrally funded consumer awareness campaign in partnership with industry should be introduced. <p>The Government response to the report was due by 12 January 2023 but has not yet been received.</p>			
<p>OPBAS (AML supervisor) issuing sourcebook about how AML supervision can be effective and improved</p> <p>Following a consultation, the Office for Professional Body Anti-Money Laundering Supervision ("OPBAS") has updated its sourcebook. The sourcebook is how OPBAS delivers guidance to professional body supervisors.</p> <p>The changes include:</p> <ul style="list-style-type: none"> • an amended chapter on OPBAS' approach to supervision; 	<p>Early 2023</p>	<p>The updated sourcebook took effect from 10 January 2023. OPBAS will begin assessing professional body supervisors against the revised OPBAS sourcebook from April 2023 at the earliest.</p> <p>We recommend thoroughly reviewing the sourcebook as it is important for all regulated firms (across sectors) to understand the guidance which is being provided to their supervising bodies.</p>	<p>OPBAS Sourcebook Update Summary</p> <p>Updated OPBAS Sourcebook</p>



- guidance and expectations for professional body supervisors;
- examples of the outcomes which can demonstrate effective supervision; and
- examples of effective and ineffective supervision.





Legal issue/risk	When?	What's next?	Supporting information
<p>European Commission proposal for a sanctions screening requirement on instant payments</p> <p>The European Commission has proposed a regulation regarding instant credit transfers in euros which will amend the existing SEPA regulation.</p> <p>Among other amendments, the EU proposal includes an obligation with regards to sanctions screening on customers when engaging in instant payments.</p>	Mid 2023	Those engaged in instant payments within the EU should be alive to the proposed amendments and monitor progress.	<p>European Commission Proposal</p> <p>European Commission Factsheet</p> <p>European Commission Q&A</p>
<p>EU anti-coercion instrument</p> <p>On 8 December 2021, the European Commission proposed an anti-coercion instrument in "response to the EU and Member States becoming the target of deliberate economic pressure in recent years". The aim of this instrument is to deter third party countries from restricting trade or investment with EU parties in an effort to bring about policy change within the EU.</p> <p>A draft report was published by the Committee on International Trade in April 2022.</p> <p>The proposed framework would apply where a third country interferes in the legitimate sovereign choices of the EU or a Member State and where such interference seeks to, or threatens to, apply measures affecting trade or investment. The framework is designed to protect the EU from coercive external measures, primarily through deterrence but also, as a last resort, through retaliation with countermeasures. The first stage would involve the Commission and third country exploring options that would lead to the terminative of coercive practices, through direct negotiations, mediation, good offices or international adjudication. If no solution can be found, countermeasures would be implemented, such as:</p> <ul style="list-style-type: none"> import or export restrictions; 	Mid 2023	<p>The Council has agreed its negotiating position on economic anti-coercion rules. The Regulation now has to be agreed between the Council and the European Parliament under the ordinary legislative procedure. Once the Regulation is officially adopted by both institutions, it will enter into force 20 days after its publication in the Official Journal of the EU.</p> <p>We recommend monitoring the position as the proposed measures, if introduced, would significantly expand the EU's "blocking" ability in respect of third country action, and would likely add an extra level of complexity for those operating within the EU.</p>	<p>European Parliament: Proposed anti-coercion instrument</p> <p>European Parliament Report: Proposed anti-coercion instrument</p> <p>Council of the EU Press Release: Negotiating position agreed</p>



<ul style="list-style-type: none"> • measures affecting trade in services; • suspension of tariff concessions and imposition of duties and new charges on goods; and • constraints on intellectual property rights. 			
<p>European Commission introducing corruption sanctions</p> <p>The European Commission has published its 2023 work programme which, among other things, details the EU's plans to:</p> <ul style="list-style-type: none"> • update the sanctions toolbox to include corruption; and • create a sanctions framework targeting corruption in Q2 of 2023. 	Mid 2023	The work programme does not provide further detail on the changes, therefore we recommend monitoring the position	European Commission - Work Programme 2023
<p>UK Foreign Affairs Committee inquiry on illicit finance</p> <p>In February 2022, the House of Commons Foreign Affairs Committee announced an inquiry, 'Responding to illicit and emerging finance', which will build on its Moscow's Gold report and explore how effectively the UK is responding to the flow of 'dirty money'. The inquiry will also consider the impact that fintech innovations, such as cryptocurrency and central bank digital currencies, could have on the international rules and norms that govern the global financial system.</p> <p>A Third Special Report has been published - The cost of complacency: illicit finance and the war in Ukraine: Government Response to the Committee's Second Report. The next stages of the inquiry are to be announced. A debate on the Committee's report and Government response was held on 17 November 2022 but there have been no further updates.</p>	Mid 2023	We recommend monitoring the position for further updates.	UK Parliament inquiry Government Response to the Report
<p>Economic Crime and Corporate Transparency Bill (the "EC Bill")</p>	Mid 2023	The Bill will have its second reading in the House of Lords on 8 February 2023.	ES Briefing: Economic Crime and Corporate Transparency Bill



The EC Bill, which was introduced to Parliament on 22 September 2022, builds on the Economic Crime (Transparency and Enforcement) Act 2022 by expanding the powers given to Companies House and by improving transparency of UK companies to better protect the UK economy. The key parts of the Bill cover (but are not limited to):

- extensive changes relating to the Companies House register, providing it with investigation and enforcement powers in order to promote and maintain the integrity of the register and to help tackle abuse of corporate structures;
- the creation of a new offence relating to designated persons (pursuant to sanctions legislation) in the UK, directly or indirectly taking part in or being concerned in the promotion, formation or management of a company, without leave of the High Court;
- amendments in relation to Money Laundering and Terrorist Financing including specific exemptions to money laundering offences for businesses within the regulated sector;
- an enhancement of regulatory and investigatory powers for both the Solicitors Regulation Authority and the Serious Fraud Office; and
- the provision of additional powers to law enforcement to enable them to seize and recover suspected criminal cryptoassets by amending the confiscation powers and civil recovery powers under POCA so that they apply to cryptoassets.

The Bill has passed through the Report Stage and has had its 3rd reading in the House of Commons. It is reported that the Bill will also introduce a new criminal corporate offence for “relevant commercial organisations”, and individual liability for “senior managers or corporate officers of a corporate body” for a failure to prevent fraud, false accounting and money laundering.

[ES Briefing: Economic Crime and Corporate Transparency Bill introduces expanded investigatory powers for the SFO](#)

[UK Government Fact sheet: Economic Crime and Corporate Transparency Bill](#)

[UK Government Fact sheet: the extension of the Serious Fraud Office’s pre-investigation powers](#)

[UK Parliament: Bill Stages](#)



<p>Lebanon: European Council extends framework for targeted sanctions</p> <p>The framework, adopted on 30 July 2021, which provides for the possibility of imposing sanctions against persons and entities responsible for undermining democracy or the rule of law in Lebanon has been extended for a further one year, until 31 July 2023.</p>	31 July 2023	Those engaging in dealings which relate to or raise sanctions concerns under the EU Lebanon restrictive measures should continue to monitor the position where relevant over the next year.	Council of the EU Press Release: EU extends framework for targeted sanctions
<p>SFO director Lisa Osofsky stepping down</p> <p>Lisa Osofsky will be stepping down at the end of her 5-year team on 28 August 2023.</p> <p>The process to recruit the next SFO director will begin shortly.</p>	28 August 2023	Osofsky's departure may mark a change in enforcement approach. It is currently unknown when the next director will be announced; we recommend following for an update.	
<p>The UK Government has introduced a draft National Security Bill</p> <p>In November 2017, Parliament's Intelligence and Security Committee (the "ISC") began an inquiry into allegations of Russian interference in British politics and subsequently completed its report in March 2019 (the "ISC Report"). Separately but on a closely related issue, the House of Commons Foreign Affairs Committee published its report entitled Moscow's Gold: Russian Corruption in the UK in May 2018.</p> <p>Eventually, after a lengthy and controversial delay, the Government published the heavily redacted ISC Report on 21 July 2020, along with the Government's response to its recommendations. Almost two years later, the Government introduced its draft National Security Bill (the "Bill") in May 2022.</p> <p>The Bill will replace existing UK legislation and will create:</p>	Late 2023	<p>The Bill is currently at the Report stage in the House of Lords. The exact timeframe for the Bill passing into legislation is not clear. As such, we recommend monitoring the position.</p> <p>Geopolitical tension will remain a feature of the business landscape for the foreseeable future. The Bill is of relevance to all international businesses with a UK nexus. It is particularly important for any firms in the professional services sector who could be described as engaged in a lobbying role.</p>	ES Briefing: New legislation against foreign lobbying and interference



<ul style="list-style-type: none"> • broader offences related to espionage (including 'protected information' and the far wider category of 'trade secrets'); and • offences for foreign interference which are aimed at deterring and disrupting activities of foreign states that seek to undermine UK institutions, political systems and democracy and which prejudice national security. <p>Further details can be found in our briefing – see corresponding link.</p>			
<p>Draft Bill based on the Law Commission's report on Confiscation under the Proceeds of Crime Act 2002</p> <p>In September 2021, the Law Commission launched a consultation paper on potential reform of the UK's confiscation regime. On 9 November 2022 the Law Commission published its final report and recommendations with respect to Part 2 of the Proceeds of Crime Act 2002 which covers the confiscation of the proceeds of crime post-conviction.</p> <p>The Law Commission is now working with the Office of Parliamentary Counsel to produce a draft bill to accompany the recommendations, which is aimed to be published in 2023.</p>	Late 2023	The Commission has not provided any specific timescales on when the Confiscation Bill will be produced, however we would expect an update over the coming months once the report has been published.	<p>Law Commission: Current Status</p> <p>Law Commission: Final Report</p> <p>Law Commission: Summary of Report</p>





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<p>Justice Committee inquiry into Fraud and the Justice System now past the report stage</p> <p>The Justice Committee published its Fourth Report of Session 2022-2023 on 18 October 2022. The report noted that only 2% of police funding is dedicated to combatting fraud despite fraud offences accounting for 40% of reported crime and that there is both a lack of investigations into fraud offences and a lack of prosecution. The report made 18 recommendations around several topics including the Government’s commitment to tackle fraud, supporting victims and prosecuting fraud.</p> <p>The Government response to the report was received on 16 December 2022. The response considers the evidence and 18 recommendations in turn. Specifically, the Government has confirmed that it is replacing Action Fraud (the UK’s national fraud reporting centre) in 2024 to provide better access to victims of fraud to an effective reporting service. In the meantime, in 2023, a new reporting tool and website will be launched, offering improved access to support and guidance.</p>	<p>Late 2023/ Early 2024</p>	<p>The Government response outlines what is currently being done to tackle fraud and what is in the pipeline. We recommend following this area closely as it is likely that we will see a number of reforms to the Government’s fraud prevention strategy.</p>	<p>ES Briefing: Justice Committee inquiry Government Response</p>
<p>New EU Anti-Money Laundering Authority (AMLA)</p> <p>The European Council has agreed its partial position on a proposal to create a new dedicated Anti-Money Laundering Authority (AMLA). The Authority is expected to harmonise anti-money laundering methods across the EU in order to ‘reduce divergences’.</p> <p>The Authority will have various powers including the power to:</p> <ul style="list-style-type: none"> • directly supervise specific credit and financial institutions, including crypto asset service providers if they are deemed to be high risk; 	<p>1 January 2024</p>	<p>The Council’s position is not fully implemented as it has yet to decide where the Authority will be located. The Authority is expected to become operational on 1 January 2024.</p>	<p>Council of the EU Press Release: New EU Authority for Anti-money laundering</p> <p>Council of the EU position</p>



<ul style="list-style-type: none"> • monitor, analyse and exchange information relating to money laundering and terrorist financing risks which impact the internal market; • coordinate and oversee anti-money laundering/counter terrorist financing supervisors of the financial sector; and <p>coordinate and oversee anti money laundering and combatting the financing of terrorism supervisors of the non-financial sector.</p>			
<p>EU developing sanctions info-sharing tools</p> <p>On 9 September 2022, the Council of the EU made the decision to allocate €450,000 to support the development and implementation of sanctions information technology tools until 31 December 2024, with the aim of improving the dissemination of information on Union restrictive measures.</p>	12+ months	We can expect updates from the EU as and when new information technology tools come into place. There has been no indication from the Council of the EU of when these updates are likely to be provided, but there will likely be a delay between the announcement and implementation of any new systems.	Council of the EU Decision
<p>Foreign Interference Committee finalises recommendations</p> <p>The EU Parliament Special Committee on Foreign Interference in Democratic Processes was set up in 2020 to assess the level of threats of interference in numerous areas, including major elections across the EU, whether that be by the dissemination of misinformation, cyber-attacks and financing of political opposition groups.</p> <p>The Special Committee recommended, after an inquiry, that the EU establish a sanctions regime targeting foreign State actors that engage in interference and disinformation campaigns designed to destabilise the EU.</p>	12+ months	We await the imposition of an EU sanctions regime targeting disinformation.	European Parliament Press Release: EU should build a sanctions regime against disinformation European Parliament: Final Report European Parliament Press Release: Foreign interference committee finalises recommendations
<p>European Parliament recommendation concerning corruption and human rights</p> <p>In February 2022, the European Parliament published a recommendation on corruption and human rights to the European Council which puts forward several ideas and suggests that the EU work towards a global anti-corruption strategy by, for example, establishing a Council on anti-corruption and by improving the European Parliament's role in 'the scrutiny of anti-corruption efforts.'</p>	12+ months	The recommendation was sent to the Vice President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy in February 2022. We await a response.	European Parliament: Recommendation of 17 February 2022



<p>The recommendations also include:</p> <ul style="list-style-type: none"> • the EU acting to enrich and operationalise its toolbox by 'strengthen[ing] the mainstreaming of a human rights-based anti-corruption approach'; • supporting civil society, journalists and human rights defenders; • promoting transparency and accountability of public bodies such as the judiciary and in electoral processes and public procurement and lobbying; • fighting against corruption in multilateral forums, e.g. by pushing back against kleptocracies; • putting processes into place to ensure that businesses are taking corruption and human rights into accounts, for example, by ensuring that 'all large and listed companies report on their activities and the implementation of their anti-corruption and anti-bribery'; and • sanctioning corruption through the EU Magnitsky Act. 			
<p>Economic Crime Report</p> <p>In February 2022 the House of Commons Treasury Committee published its Economic Crime Report which takes into account the effectiveness of measures to address economic crime in the UK since 2019 and also considers the Government's Economic Crime Plan.</p> <p>The Report makes a number of recommendations, including:</p> <ul style="list-style-type: none"> • that the Government considers creating a single law enforcement agency with direct responsibility for economic crime; • a proposed £100 company formation fee which would act as a source of funding for Companies House and could potentially limit economic crime by reducing the ease with which companies can be set up; • looking at the de-risking of customers by banks by ensuring that the FCA report annually on the number of de-risking decisions and 'on progress to ensure that banks are not unfairly freezing bank accounts'; 	<p>12+ months</p>	<p>While the Report was harsh in its summary of the action taken by the Government so far, we note that some of the recommendations made by the Report have been included in new legislation. For example:</p> <ul style="list-style-type: none"> • the now-implemented Register of Overseas Entities Bill which established a public register of beneficial owners of overseas entities, was included in the Economic Crime Act 2022; and • the fee-raising power of the Registrar of Companies has been expanded to allow the cost of investigative, intelligence and enforcement work to be factored into incorporation and annual fees, was included in the Economic Crime and Corporate Transparency Bill. <p>The Report has cross-party agreement and with economic crime thrust into the spotlight</p>	<p>Economic Crime Report 2022</p>



<ul style="list-style-type: none"> legislation against fraudulent online adverts and reimbursements to those who fall prey to online scams and push payment fraud; and regulations for consumer protection across the entire crypto asset industry. 		<p>since the invasion of Ukraine by Russia, we recommend monitoring the position.</p>	
<p>OECD issues Anti-Bribery Recommendation</p> <p>On 26 November 2021, the Organization for Economic Cooperation and Development (the "OECD") issued its Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions.</p> <p>The recommendation calls for a global response to the challenges posed by bribery. The most significant part of the Recommendation is the focus on the "Demand Side" of bribery. The Recommendation states that member countries should "raise awareness of bribe solicitation risks", and it encourages member countries to create laws to scrutinise the solicitation of improper gifts, expenses and payments by public officials.</p>	<p>12+ months</p>	<p>The OECD's Working Group on Bribery will report on the implementation of the 2021 Anti-Bribery Recommendation every five years.</p>	<p>OECD: High-Level Statement on the 2021 Anti-Bribery Recommendation</p>
<p>EU Commission publishes results of Blocking Regulation Consultation</p> <p>The European Commission has published the results of its consultation on amending the EU Blocking Statute. From 86 responses (including 25 position papers), the Commission has summarised the most common responses as follows:</p> <ul style="list-style-type: none"> extra-territorial sanctions affect a range of sectors and industries within the EU, but that the financial sector (including banking, insurance and payment services) is the most negatively affected; the US's control over international financial flows and the importance of the US Dollar; there had been a significant increase in the negative effects of extra-territorial sanctions over the past 10 years; the Blocking Regulation has been unsuccessful in achieving its objective of protecting EU operators from complying with extra-territorial sanctions and a lack of enforcement undermines the prohibition; 	<p>12+ months</p>	<p>The European Commission will consider the responses and submit a proposal to the European Council.</p>	<p>European Commission: Published summary of the results of the Blocking Regulation consultation</p> <p>ES Briefing: EU Commission reports on reforming EU Blocking Regulation</p>



<ul style="list-style-type: none"> the current penalties for breaching the Blocking Regulation administered by some Member States are not sufficient, and a vast majority believed penalties should be harmonised across the EU; and the EU Commission should add measures to the Blocking Statute to counter (and deter) the extra-territorial application of third country sanctions. 			
<p>EU legislative package on AML/CTF</p> <p>On 20 July 2021, the EU proposed a comprehensive legislative package focused on combatting money laundering and terrorist financing. The package includes four legislative changes:</p> <ul style="list-style-type: none"> a new EU AML authority to supervise compliance of financial intelligence units and enhance cooperation; a new regulation on AML/CTF to include rules on customer due diligence, beneficial ownership, and limits on large cash payments; a sixth Directive on AML/CFT, replacing the existing Directive 2015/839/EU, containing provisions that will be transposed into national law such as rules on national supervisors and Financial Intelligence Units; and a revision of the 2015 Regulation on Transfers of Funds to help in tracing transfers of crypto-assets. <p>On 7 December 2022, in order to enlarge the scope of the existing regulatory framework and to close possible loopholes, the Council agreed on its position on an anti-money laundering (AML) regulation and a new directive (AMLD6). Together with the proposal for a recast of the transfer of funds regulation, on which an agreement has already been reached with the European Parliament, these will form the new EU AML rulebook.</p>	<p>12+ months</p>	<p>The AML authority is intended to become operational in 2024. We recommend monitoring the rollout of the legislative package.</p>	<p>European Commission Press Release: Beating financial crime</p> <p>Council of the EU Press Release: Position agreed</p> <p>Council of the EU: Proposal</p> <p>Council of the EU: Proposal Annexure</p>
<p>Law Commission publishes its review of corporate criminal liability and makes recommendations</p> <p>On 10 June 2022, the Law Commission published its options paper for the Government. The Law Commission has provided 10 reforms. They are:</p>	<p>12+ months</p>	<p>The UK Government will consider the Law Commission’s recommendations. While there is no timetable for next steps, the UK Government indicated in March 2022 that more legislation in the area of economic crime can be expected.</p>	<p>Law Commission: Current Status</p> <p>UK Government Press Release: Spotlight on corporate crime laws</p>



<ul style="list-style-type: none"> • retention of the current general rule of criminal liability which is applied to companies – the ‘identification doctrine’; • making a corporation responsible for conduct if a member of its senior management engaged in, consented to, or connived in the offence; • the introduction of a new offence of failure to prevent fraud by an employee or agent for situations where, for instance, the corporation has inadequate measures in place to prevent its employees or agents from committing a fraud or offence which benefits the corporation; • the introduction of a new offence of failure to prevent human rights abuses; • the introduction of an offence of failure to prevent ill-treatment or neglect; • the introduction of a new offence of failure to prevent computer misuse; • in cases where a company is convicted of an offence, making publicity orders which oblige the offender to publish the details of its conviction available; • the introduction of administrative imposed monetary penalties; • the introduction of civil actions in the High Court which would include the power to impose monetary penalties; and • the introduction of a reporting requirement whereby large companies must report on anti-fraud procedures. 		<p>In addition, within Hansard, during the reading of the Economic Crime and Corporate Transparency Bill, Parliament noted that the Government is still considering the proposals of the Law Commission. The recent Justice Committee report on Fraud (see first entry in this section) also ensures focus remains in this area.</p>	<p>Law Commission: Discussion Paper</p> <p>Law Commission: Options Paper</p>
<p>New Digital Identity legislation and Office for Digital Identities and Attributes (“ODIA”)</p> <p>Following the Digital Identity call for evidence in 2019, the Government published a consultation on how the digital identity system should operate. The consultation sought views on the digital identity governance system, how to allow organisations to make digital checks against government-held data, and the legal validity of digital identities.</p>	<p>12+ months</p>	<p>Since the implementation of the certified new technology and the issuance of the related guidance the Government has not announced anything further regarding the legislation and ODIA. We anticipate updates on this matter over the coming months.</p>	<p>UK Government Press Release: Plans for governing body to make digital identities as trusted as passports</p> <p>Consultation outcome</p> <p>UK Government Press Release: New legislation set to make digital</p>



<p>The consultation closed on 13 September 2021.</p> <p>The Government has announced that it will introduce legislation to make digital identities more trustworthy and secure. A new Office for Digital Identities and Attributes will be set up in the Department for Digital, Culture, Media and Sport as an interim governing body for digital identities. The ODIA will have the power to issue an easily recognised Trustmark to certified digital identity organisations, to prove they meet the security and privacy standards needed to handle people's data in a safe and consistent way.</p> <p>In advance of the proposed legislation, since 6 April 2022 landlords, letting agents and employers have been able to use certified new technology to carry out right to work and right to rent checks online and prove their eligibility to work or rent more easily. The Government published guidance on this, which was updated on 6 June 2022.</p>			<p>Identities more trustworthy and secure</p> <p>Guidance for digital identity certification</p>
<p>European Council extends cyber sanction regime until May 2025</p> <p>In May 2019, the EU Council published a legal framework which established the basis on which the EU can impose targeted restrictive measures to respond to cyber-attacks which constitute an external threat to the EU or its member states, which have a significant impact and which originate or are carried out from outside the EU. See Council Regulation (EU) 2019/796.</p> <p>The regime was extended for another year and encompasses sanctions that currently apply to eight individuals and four entities, including an asset freeze and a travel ban. EU persons and entities are forbidden from making funds available to those listed.</p> <p>The Council has now decided to prolong the framework for restrictive measures against cyber-attacks threatening the EU and its member states for a further three years, until 18 May 2025.</p>	<p>May 2025</p>	<p>On 16 May 2022, the EU Council extended for three more years, until 18 May 2025, the restrictive measures framework against cyberattacks which threaten the EU or its member states.</p> <p>We recommend monitoring the position.</p>	<p>Council of the EU: Cyber-attacks: Council extends sanctions regime</p>





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Service Excellence

Driving service excellence through
well designed, tech-enabled legal
service delivery



**Excellence in
service delivery**



**Legal technology
solutions**



**Legal project
management**



**Client-facing
knowledge**

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