

Seema Malhotra MP
Public Bill Committee
House of Commons
London
SW1A 0AA

By email:

8th November 2022

Dear Seema,

Economic Crime and Corporate Transparency Bill – Government Amendments
(3)

I am writing further to my letter of 24 October and from the Minister for Enterprise and Markets, Kevin Hollinrake MP on 31 October. These provided detail of the Government amendments to the Economic Crime and Corporate Transparency Bill (“the Bill”) tabled to date. I am writing to provide a further update on amendments tabled today.

i) Expansion of Information Sharing provisions

The Bill as introduced provided protection from civil liability for businesses in the regulated sector for breaches of confidentiality where they share customer information for the purposes of preventing, detecting, or investigating economic crime. The protection applied to limited indirect sharing via a third-party provider (as opposed to direct sharing which involves sharing between two known recipients) by the financial and cryptoasset sectors only.

This amendment extends the range of protections offered to the private sector when utilising the information sharing provisions to include all forms of civil liability, other than under the data protection legislation. This change is required to ensure the private sector are appropriately protected from vexatious and/or unmeritorious claims that would undermine their use of the provisions.

It also aims to extend the scope of the indirect information sharing clauses to include large accountancy and legal firms. This change will ensure criminals cannot exploit information gaps between professional services.

ii) Strengthen the Scottish Solicitors’ Discipline Tribunal’s enforcement powers to uphold the Economic Crime regime

This amendment aims to remove the independent Scottish Solicitors’ Discipline Tribunal’s (SSDT) financial penalty limit to enhance its enforcement powers and ensure compliance with the economic crime regime. The Scottish Government requested for this measure to be included in the Bill and have worked extensively with the Ministry of Justice to achieve this.

Currently the SSDT may impose a maximum financial penalty of £10,000, as set out in the Solicitors (Scotland) Act 1980. In comparison, the equivalent Solicitors’

Discipline Tribunal in England and Wales has unlimited financial powers. The measure will amend the financial penalty powers available to the SSdT to provide parity with England and Wales in respect of economic crime.

iii) **Consequential amendments to cryptoasset measures**

The proposed consequential amendments make changes to certain elements of the Proceeds of Crime Act 2002, and other existing legislation, to reflect the new forfeiture regimes introduced by the Bill.

Next steps

We look forward to continuing to engage with you and members of the Committee on this Bill as it progresses through the Commons Committee Stage. We will of course keep you informed of any further UK Government amendments.

A copy of this letter goes to Members on the Public Bill Committee and to the clerk of the Committee.

A handwritten signature in black ink, reading "Tom Tugendhat". The signature is written in a cursive style with a large initial 'T' and a long horizontal stroke at the end.

Tom Tugendhat MP
Security Minister