Response to Anti-Money Laundering and Asset Recovery (AMLAR) strategy initial questionnaire, November 2025

What interaction do you currently have with the UK's AML/asset recovery regime (for example, do you attend public private governance, public-private working level groups (such as JMLIT), engagements with supervisors or industry led AML meetings?)

We are a civil society organisation that closely monitors the effectiveness of the UK's AML and asset recovery regimes including through our unique court monitoring programme, our analysis of data on asset recovery as reflected in our recently launched online tracker, and in-depth policy reports and briefings. In particular, we focus on whether the UK's AML and asset recovery regimes are being actively enforced to ensure there is no impunity for corruption and the laundering of its proceeds, whether the agencies responsible for this enforcement are adequately resourced, and the extent to which the UK is fulfilling its international obligations to tackle corruption and illicit finance and recover the proceeds of these crimes.

We have fed into government policy in these areas through publications, roundtables, and inputs into consultations, particularly in relation to the supervision of the legal sector, and enforcement performance and resourcing including in relation to asset recovery. We engage regularly with regulators, law enforcement agencies and practitioners, and are involved in the Civil Society Steering Group for the Economic Crime Plan 2. We have also engaged closely with multistakeholder processes such as the Latimer Network.

What are the key achievements of the UK's AML and asset recovery regime since the launch of Economic Crime Plan 2 in 2023, and why?

The Economic Crime Plan 2 set welcome ambitions to seize more criminal assets and tackle kleptocracy against the backdrop of Russia's full-scale invasion of Ukraine. We would highlight the following progress and achievements whilst noting some areas that have not fulfilled their potential:

1. **Companies House reform and the establishment of the Register of Overseas Entities.** While reform to Companies House continues and will take time to bed in, the changes introduced as part of the ECP2 were urgently needed and will help address a critical vulnerability in the UK's AML defences.

2. **Enhanced law enforcement capacity around cryptoassets.** While the UK's approach to pursuing crypto assets is relatively nascent, the crypto wallet asset freezing and forfeiture order powers introduced by the ECCTA, as well as some investment in agencies' skills and resources such as through the ARIS top slice, have put the UK in a stronger position from which to further develop its capabilities for recovering illicit crypto assets.

3. **Reforms to the AML supervisory regime,** with supervisory responsibilities of lawyers and accountants by the professional body supervisors and of company formation agents by HMRC to move to the FCA, will be a major step forward. Prompt and careful implementation, along with increased resourcing for the FCA, is now needed for this reform to meet its potential and ensure this streamlined supervision improves the effectiveness of AML supervision and enforcement against professional enablers.

4. There are early signs of a welcome shift in priorities and **an increased focus on professional enablers.** In July 2024, the NCA published a Cross-System Professional Enablers Strategy aimed at delivering "*a step-change in reducing the threat posed by professional enablers*". More recently, the NCA's list of system priorities for tackling economic crime, published alongside the government's new National Risk Assessment in July 2025, identifies professional enablers as one of nine key areas of focus for the coming year.

5. **In terms of the section of the ECP2 which specifically covers recovering more criminal assets,** we note that there has been some good progress but we are unable to make a fully informed assessment due to a lack of publicly available information. Excellent progress has been made on action 16 on responding to the Law Commission's review of the confiscation regime, with changes currently being legislated on through the Crime and Policing Bill. While work has begun on replacing JARD (action 15), it appears that progress is slow with a minimal viable product not due until September 2026. Meanwhile, there is too little information to assess:
    a. The quality or effectiveness of any impact assessments or best practice produced by the new social research team (action 12). We welcome the fact that the Home Office has created an Asset Recovery Agency Performance Tool but it is not clear what public information will be put in the public domain about this.
    b. How far advanced the operational delivery of the National Asset Recovery Support Unit (actions 13 and 14) is.

6. **Regarding the part of the ECP2 on reducing the threat international illicit finance poses to the UK and UK interest**s, we were pleased to see the FATF public guidance on asset

recovery best practice in October 2025 - with UK input - following action 30 in the ECP2 to strengthen international asset recovery standards to improve cross-border asset recovery outcomes.

7. **In terms of law enforcement capacity,** the Economic Crime Plan 2 outcomes progress report noted that by the end of February 2025, 59% of the 475 FTE staff uplift has been completed which is on track with ECP2 commitments. There is too little information in the public domain to assess whether this uplift has been achieved with new staff or has resulted in the loss of staff to other parts of the law enforcement ecosystem; where these staff have been added to; what progress has been made on recruitment and retention challenges including innovative proposals to require fixed periods in the public sector in order to retain FI accreditation; and how well the Proceeds of Crime Centre is delivering on creating a pipeline of newly trained investigators.

8. **In terms of resourcing**, we remain convinced however that far more resources are needed to make a major difference to the UK's AMLAR capability. Actions 41 and 42 on funding have not met expectations, with no mechanism established to release suspected illicit funds in suspended accounts, and no increased reinvestment of ARIS receipts (as far as we are aware). Limited progress has been made on the milestone under Action 42 to "explore further ways to enable multi-year investment" through ARIS, with many ARIS recipients still forced to spend ARIS receipts in the year they receive them. We do note however the positive development that some ARIS top slice funded projects have received multi-year funding.

Where do barriers or vulnerabilities remain in the UK's AML/AR regime? Where possible, please include evidence and explain the impact of these gaps/barriers, and if relevant how they align to risks identified in the National Risk Assessment of Money Laundering and Terrorist Financing 2025.

1. The gap between asset denial and asset recovery rates remains too high. But rather than a decisive upward trajectory since 2017, there have been only very gradual gains with a few bumper years resulting from one-off high-value seizures. Just 28% of assets frozen since 2017 were permanently seized. This comes nowhere close to touching the scale of the UK's dirty money problem – representing less than 1% of the over £100 billion that the National Crime Agency (NCA) estimates could realistically be laundered through and within the UK or UK-registered corporate structures every year.

2. Despite some recent uptick in their use, Unexplained Wealth Orders (UWOs) have not delivered the step change that was expected upon their introduction. Since early 2018, only four out of the eight known cases have resulted in success, yielding recoveries estimated to be £43.1 million in total. This represents just 2.3% of the roughly £1.9 billion in criminal assets recovered by law enforcement agencies between 2018/19 and

2024/25. It also falls far short of the predicted 20 investigations per year.

3. Despite the recent shift to using civil recovery as a tool of choice to recover assets, with its lower burden of proof than criminal proceedings, investigators and prosecutors have still struggled to make allegations stick. This is particularly the case where powerful elites from kleptocratic regimes are in the frame. This has resulted in a clear trend towards the use of settlements in high-stakes money laundering investigations. Just nine major settlements have brought in an extra 32% (£283 million) on top of the £883 million recovered through civil forfeiture and civil recovery orders between 2018/19 and 2024/25. While this shows the strategic value of strong civil recovery powers to bring wealthy respondents to the negotiating table, settlements are seldom clean wins and sometimes even raise serious concerns. In particular, corrupt elites often get to walk away with a sizable portion of suspected illicit wealth without making any admission of wrongdoing. They also avoid any evidence against them being ventilated in public court proceedings.

4. Most successful asset recovery cases point to a long list of professionals and firms who, wittingly or unwittingly, provided services that helped facilitate suspect transactions. Yet there has been little regulatory scrutiny against these white-collar enablers, let alone a realistic prospect of being prosecuted for enabling economic crime – either for substantive money laundering offences, or for failing to report suspicious activity under section 330 of the Proceeds of Crime Act. Legal and accountancy sector regulators have lacked criminal enforcement powers, while there is no dedicated unit in the NCA tasked with investigating professionals involved in high-end money laundering, leaving these white-collar enablers off the hook. Two years into the NCA's Cross-System Professional Enablers Strategy 2024-2026, it is not clear to what extent the criminal enforcement gap for white-collar enablers has been adequately addressed.

5. Wider systemic challenges are holding back ambition on asset recovery. Flaws in the current Asset Recovery Incentivisation Scheme (ARIS), including Treasury rules about spending funds in-year, undermine incentives to mainstream asset recovery. This was clearly demonstrated by the NCA's recovery of £54 million through Operation Agade, where the agency was able to keep just a third (£8.32 million) of the £23.33 million it was entitled to under ARIS due to Treasury rules – with the remaining £15.01 million going into Treasury coffers. The commitment in the ECP2 to enable more recovered assets to be reinvested through ARIS has unfortunately not been fulfilled in a way that will make a real and lasting difference to the UK's asset recovery capabilities, despite very welcome and much needed investments (transparently reported in the Asset Recovery Statistical Bulletin) made through the ARIS top slice.

6. Spotlight on Corruption's AML supervision tracker shows that the UK's patchwork of 25 different supervisors has resulted in serious inconsistencies and unevenness in the approach to supervising and enforcing compliance with the MLRs. Many supervisors continue to find persistently low levels of compliance in their reviews, and while this is

partly explained by some supervisors adopting a tougher approach to assessing compliance, it is also likely to stem from the fact that many supervisors are not doing enough to deter non-compliance. There is a clear preference for the majority of supervisors for informal over formal actions, even in cases of prevalent non-compliance among high risk firms.

Our Broken Record report published earlier this year found uneven and inconsistent supervision across the legal sector, with persisting high levels of non-compliance and a reluctance to use the full range of sanctions. In the legal sector for example, the Council for Licensed Conveyancers has issued 22 times more informal actions than formal actions over the last seven years despite an average of 69% of the firms it reviewed over this time not being fully compliant with the MLRs. This is alarming given the UK property sector poses a notoriously high risk of money laundering. In the accountancy sector, the Association of Taxation Technicians for instance issued a total of just 5 formal actions between 2017 and 2024, despite an average of 59% of its supervised firms not being fully compliant with the MLRs. And HMRC issued 764 informal actions versus 157 informal ones in 2023/24 despite 60% of reviewed firms not being fully compliant and around a third of its informal actions coming against firms it assessed as being at high risk of money laundering.

While there are some bright spots in AML supervision, it is clear that the plans to consolidate supervisory responsibilities of the PBSs (and some of HMRC's) are urgently needed. The AMLAR will be a key vehicle to drive forward these reforms and ensure they fulfill their potential.

Based on your assessment of the current state of play of the UK's AML and asset recovery regime, by 2029 what differences would you expect to see if the new strategy was a success? Consider this through the lens of maintaining current strengths and addressing identified gaps.

A key overarching difference we would like to see would be a genuinely multi-stakeholder approach to tackling AML and asset recovery. Rather than the new strategy being a PPP, we strongly urge the government to make sure it is a multi-stakeholder strategy with stakeholders beyond the private sector involved in the oversight and governance of the strategy from the beginning.

This would be in keeping with the new FATF asset recovery guidance and principles under the UN Convention Against Corruption about the active participation of civil society (article 13). FATF specifically recommends that the credibility of an asset recovery strategy rests on contribution from "all relevant stakeholders and experts", and highlights that best practice includes engaging with civil society, including those "who work in or around the field of asset

recovery to share learning and understand issues of concern and potential, out-of-the-box solutions".

In terms of concrete outcomes, we would expect to see the following differences by 2029:

Asset recovery:

- More effective legislative tools and greater resources for seizing illicit wealth, including from third parties such as associates, proxies or enablers, and from contexts of state capture and kleptocracy.
- Significantly more frozen assets resulting in permanent recovery.
- Swifter freezing of assets, and increased capacity to process and leverage DAMLs to refuse consent and swiftly freeze assets in suspicious transactions
- Greater reinvestment of asset recovery and other enforcement receipts (such as fines) in a pooled, national fund to give a major boost to resourcing.
- More assets recovered and promptly returned to states in overseas corruption cases, as well as an enhanced framework for victim compensation victims in foreign bribery cases

AML:

- Increased compliance rates in the regulated sector with the MLR
- More consistent and more effective supervision across regulated sectors
- Significantly increased regulatory and enforcement action where breaches are found particularly against senior individuals, under the Senior Managers regime, as well as regulated professionals who fail to file SARs under section 330 of POCA.
- More comprehensive inclusion of high risk activities within the scope of regulated activity under the MLRs,including litigation financing and property development, as well as the work of private investigators and PR firms where this intersects with regulated activity.
- Higher quality intelligence submitted to law enforcement through the suspicious activity reporting system.
- Increased focus in the professional services about ethical practice, and increased whistleblower incentivisation to report money laundering

What specific actions would you prioritise to realise that vision for 2029? Consider the balance between maintaining resources on existing workstreams, enhancing existing workstreams and reallocating resources into new/different activities.

First, we think the UK's toolkit for recovering illicit wealth would be enhanced by:

1. Reviewing the effectiveness of current tools for seizing illicit wealth, particularly the proceeds of kleptocracy and state capture
2. Strengthening and streamlining the procedure for UWOs as a step towards asset recovery
3. Introducing greater flexibility in the use of civil forfeiture powers by expanding the list of high-value moveable assets and extending the maximum duration of AFOs

Second, we think the government should use the strategy to strengthen the evidence base, incentives and specialist skills for asset recovery by:

1. Including in the AMLAR strategy an approach to improving the use of civil recovery tools, including guidance to strengthen the safeguards in settlements
2. Boosting resourcing and incentives for asset recovery through the creation of an economic crime fighting fund which would reinvest fines and more asset recovery receipts back into law enforcement
3. Using the new economic crime courts in the Justice Quarter to pilot the use of ticketed judges to hear high-end money laundering and complex asset recovery cases
4. Introducing innovative ways to combine criminal and civil cases to ensure speedier and more efficient asset recovery, such as a follow-on procedure in cases where the criminal prosecution fails but the civil standard of proof can be met.
5. Championing best practice on data transparency through the UK's Asset Recovery Statistical Bulletin, including the publication of annual data on cryptoasset seizures and High Court freezing orders

Third, we think that the government should use the strategy to enhance the consistency and effectiveness of AML supervision and tackle high-end money laundering by:

1. Rolling out whistleblower incentivisation for money laundering and economic crime - in line with recent developments on tax evasion
2. Addressing emerging areas of risk for money laundering more robustly, including laundering through letting and property development, laundering through client accounts in law firms, and laundering through sham litigation.
3. Putting meaningful resource behind tackling professional enablers, particularly through the deploying investigators with specialist expertise and a dedicated mandate to tackle professional enablers and high end money laundering including proactive criminal investigations into breaches of the MLR and relevant provisions of POCA.
4. Ensuring AML regulators are properly resourced and incentivised to take robust action against firms that do not report suspicious transactions, submit low quality SARs, abuse legal professional privilege, and who are consistently non-compliant with the MLR.