Options for Legislative Reform of the UK's Asset Recovery Regime under the Proceeds of Crime Act 2002

Summary report from a workshop co-hosted by the Home Office and Spotlight on Corruption on 11 December 2025[1]

[1] With thanks to the International Lawyers Project and Herbert Smith Freehills Kramer for the generous provision of a venue and refreshments.

Background

On 11 December 2025, Spotlight on Corruption ('Spotlight') and the Home Office co-hosted a workshop to explore options for legislative reforms to the Proceeds of Crime Act 2002 (POCA). Held under Chatham House rules, the workshop brought together around 30 participants from the legal profession, law enforcement, regulators, civil service, and civil society.

The workshop consisted of a plenary discussion to take stock of the strengths and weaknesses of POCA, followed by breakout groups to gather feedback on five specific options for reform under consideration as the government develops a new Anti-Money Laundering and Asset Recovery (AMLAR) Strategy.

Introduction and context

While the POCA regime was originally created in the context of efforts to tackle drug trafficking, it has always taken an 'all crimes' approach and thinking about its application has evolved over the last two decades with growing awareness of a wider range of harms including grand corruption and kleptocracy. Yet despite legislative reforms to expand civil recovery powers and the lower threshold for non-conviction-based forfeiture, some assets remain well concealed or legally out of reach. This gap impairs public trust in the criminal justice system.

In setting out this challenge, it was noted that the overarching aim of POCA remains valid: to recover illicit assets and deprive criminals of unlawful conduct. However, the evolving threat landscape, including new laundering techniques, digital assets, and increasingly sophisticated organised crime, requires a reassessment of whether the regime remains effective.

Attention was drawn to the importance of this reassessment in light of the upcoming Financial Action Task Force (FATF) evaluation of the UK in 2027. Asset recovery will be a central theme of the review, and follows the publication of ambitious new FATF guidance on asset recovery.[2]

Strengths and weaknesses of POCA

Findings from Spotlight's *Targeting the Untouchables* report

To inform the plenary discussion about the strengths and weaknesses of POCA, the key findings were presented from Spotlight's report *Targeting the Untouchables: Taking stock of the UK's asset recovery efforts since the Criminal Finances Act 2017*.[3] Based on an analysis of high-profile cases and asset recovery data (visualised in Spotlight's asset recovery tracker) between 2018/19 and 2024/25, the report found that:

1. Overall asset recovery has plateaued while successful recoveries represent a fraction of the UK's dirty money problem. Since 2018, over £6.8 billion has been frozen but only 28% (£1.9 billion) has been recovered, representing just 0.3% of the £100 billion that the

[2] FATF, 'Asset Recovery Guidance and Best Practices', November 2025.
[3] Spotlight on Corruption, 'Targeting the Untouchables: Taking stock of the UK's asset recovery efforts since the Criminal Finances Act 2017', December 2025.

National Crime Agency (NCA) estimates may realistically be laundered through and within the UK or UK-registered corporate structures each year.

2. Unexplained Wealth Orders (UWOs) have failed to deliver the political ambition to increase investigations into suspect wealth. Only four of eight UWO cases resulted in successful recoveries, contributing just 2.3% (£4.3 million) to the £1.9 billion recovered since 2018.
3. The unsung hero of the new Criminal Finances Act toolkit is the Account Freezing Order (AFO) which is the workhorse of current asset recovery efforts. AFOs account for 60% (£1.1 billion) of the £1.8 billion frozen using civil seizure powers since 2018, although only 29% (£326.4 million) of these frozen funds has been forfeited.
4. While moves to protect law enforcement from costs in civil recovery cases are a big step in the right direction, stronger incentives are needed to raise ambition. Flaws in the current Asset Recovery Incentivisation Scheme (ARIS), including arcane Treasury rules about in-year spending, undermine incentives to mainstream asset recovery.
5. The challenges of proving illicit wealth have prompted a trend towards settlement, leaving many corrupt elites untouchable. Just nine major settlements brought in an extra 32% (£283 million) on top of the £883 million recovered through civil forfeiture and civil recovery orders since 2018, but in five of these settlements the suspects walked away with a third (£22 million) of the £65 million originally frozen.
6. White-collar enablers have escaped accountability. The professionals featured in high-end money laundering cases have faced little regulatory scrutiny, let alone a realistic prospect of prosecution, despite recent policy commitments to tackle enablers.

The recommendations advanced by Spotlight cover two broad areas – enhancing the UK's toolkit for recovering illicit wealth, and strengthening the strategy, evidence base, incentives and specialist skills for asset recovery. It was noted that the focus of this workshop is on legislative reforms – that is, the toolkit for asset recovery under POCA.

Success metrics and recoverability

Questions were raised about what success in asset recovery looks like with reference to the NCA's assessment that there is a realistic possibility that over £100 billion is laundered through and within the UK or UK-registered corporate structures every year.[4] It was observed that this £100 billion figure is an estimate rather than a benchmark for measuring success. A large amount of money that passes through UK corporate structures may not be recoverable in practice or may involve UK law enforcement contributing to a recovery in another country.

It was also noted that the value and volume of assets recovered are not the only metrics for success – deterrence and disruption are also important but there is no clear method for measuring these impacts. Operation Destabilise, for example, had a significant disruptive impact on the capacity of criminal networks to launder funds despite the seizure of relatively modest sums (around £25 million).

It was observed that the challenge is not simply making a dent in the £100 billion figure – we are struggling to successfully recover what the courts have ordered should be paid. The low

[4] National Crime Agency, National Strategic Assessment 2025

recovery rates for confiscation orders are a function of the benefit figure being calculated as a value-based figure without reference to the recoverability of assets that actually exist.

The barriers to asset recovery – legislation, resourcing, culture?

In offering their perspectives on the adequacy of POCA, participants debated where the barriers to asset recovery lie.

Some participants pointed to areas where legislative drafting could be tightened (particularly the provisions on UWOs and money laundering investigations), but maintained that POCA is fundamentally sound. This is because existing tools allow for asset recovery even where evidence of underlying criminality cannot be obtained from overseas. There is strong case law establishing that civil recovery will be successful where there is an absence of evidence to rebut the inference that property has been obtained through unlawful conduct.[5]

Taking a different view, some participants argued that while POCA may work well in the contexts of organised crime and drug trafficking, it is not effective for recovering the proceeds of kleptocracy and grand corruption. This is because respondents in these cases often have the influence and resources to obtain evidence from overseas authorities which appears to rebut the case advanced by UK law enforcement. The challenges posed by the international, cross-border dimension of high-end money laundering means that investigations into oligarchs are long, costly and cumbersome.

Other participants reflected that while POCA has strong tools, these are not always embedded or properly used in practice. It was suggested, for example, that UWOs are often portrayed as an asset recovery tool to be used as a last resort, when they should be used more frequently as an early intelligence-gathering tool. This requires a shift in practice so that the tool sits more heavily with investigators, rather than lawyers, to explore lines of enquiry at an early stage of investigation. It was also observed that policing culture is focused on guns and drugs, not on asset recovery.

It was also recognised that asset recovery is held back by the constrained capacity in law enforcement. Several participants suggested that UK law enforcement agencies are not being properly resourced to tackle economic crime.

Victims and asset recovery

Several participants drew attention to gaps and tensions with how victims are situated within POCA. On the one hand, it was noted that the Serious Fraud Office (SFO) is incentivised to prioritise cases where funds can be recovered for victims. On the other hand, it was noted that asset recovery is often viewed by the state as a means of generating revenue, with the needs of victims sometimes not able to be prioritised in this process.

It was suggested that POCA does not adequately address the interests of victims. While the Crime and Policing Bill will introduce a new measure to redirect funds to victims when a confiscation order is uplifted, it was noted that there remain gaps around victim compensation

[5] This includes the recent case of *Director of Public Prosecutions v Alexander Surin* [2025] EWHC 10 (KB).

in Part 5 of POCA. It was emphasised that building a credible system of asset recovery has to accommodate the interests of victims to maintain public confidence.

Options for reform

Participants held smaller group discussions to consider five potential reforms outlined in an options paper developed by the Home Office. The following summary consolidates the insights and feedback across these breakout groups.

1. Harm to society model

Proposal

The introduction of a 'harm to society' model would allow for the targeting of assets identified as causing societal harm, without needing to evidence a clear link between the recoverable property and the unlawful conduct. There would be a presumption of recoverability where this threshold of societal harm is met. Variations of this model are found in Switzerland and Italy.

Defining and assessing 'harm to society'

The discussion across all breakout groups grappled with fundamental questions about how the concept of 'harm to society' would be defined. Some participants suggested that a concept like the 'public interest' may be more suitable and is already used in legal tests in this jurisdiction and is therefore more readily understandable, while others preferred the concept of 'harm'. There was consensus, however, that this definitional exercise raises political, rather than legal, questions for determination.

Related questions were raised about how, and from whose perspective, different kinds of harms would be assessed. It was observed that objective metrics may be misleading – for example, the seriousness of harms may not always correspond to the value of targeted assets. Meanwhile subjective assessments will yield different views and the public might not care about, or even be aware of, certain harms that are less visible in daily life. It was suggested that a national security lens may be more susceptible to politicisation, underscoring the need for a clear identification and definition of the problem to be characterised as a 'harm to society'.

Prioritisation and proportionality

These conceptual and definitional questions pose a challenge for system prioritisation because harms are often incommensurable. It was observed, for example, that roughly 40% of all crime in the UK is fraud, much of it generated by overseas scam centres. But the impact of fraud is difficult to compare with the harms of kleptocracy impacting the UK, which may range from threats to national security and foreign interference to corrosive capital that undermines economic resilience and the rule of law.

The 'harm to society' model would take asset recovery out of the narrow confines of criminality. It was suggested that this would better capture the proceeds of kleptocracy, where elites are

able to shape laws to serve their interests and can therefore often accumulate wealth without breaking domestic laws. The model may therefore help overcome the common difficulty of disentangling illicit and licit wealth in contexts of kleptocracy. Attention was also drawn to the convergence of state actors, oligarchs, and organised crime groups using the same enabling capability, pointing to the blurring of criminal and kleptocratic enterprises.

This shift away from criminality does, however, have implications for the proportionality assessment under the European Convention on Human Rights (ECHR) as forfeiture would become a punishment for harm to society rather than removing the benefits of crime (which is the current objective of POCA). An alternative was proposed to address the dual criminality challenge often encountered in relation to kleptocracy, whereby the definition of 'unlawful conduct' under POCA could be expanded to include conduct that might not be criminal in the origin country.

It was noted that a reverse burden in civil cases is acceptable under Article 6 of the ECHR, so long as a trial is fair.

Triggers and thresholds

Participants discussed how the proposed model would be operationalised and the trigger for being deemed a 'harm to society'. It was observed that the kind of harms targeted under this model are more generally dealt with through sanctions, where there is a lower evidential threshold for designation and this may rely on intelligence not always shareable.

The idea of a list for triggering the presumption that assets are recoverable as a 'harm to society' was debated, with reference made to sanctions lists, the FATF grey list, and proscribed terrorist organisations as examples of what this might entail. Some participants expressed concern about a low evidential threshold for triggering a presumption of recoverability, and the risks posed by expanding executive powers in this way. It was also observed that targets can easily create new structures and identities to circumvent lists.

Insights from the Swiss and Italian models

It was observed that the Italian model was designed with the specific and very real threat of the mafia in mind, which makes the 'harm to society' approach appropriate in that context. It was queried whether kleptocracy could be seen as a similar kind of threat in the UK. On one view, the Italian model is simply a different way of showing that assets are the proceeds of crime, and it was suggested that Italian prosecutors struggle with similar challenges as POCA. Other participants emphasised the strong focus on networks in the Italian model which extends even to associates who might engage in future criminality. It was observed that POCA lacks the ability to target networks and enablers of kleptocracy.

It was suggested that the Swiss model is well suited to address the specific harms of kleptocracy, because it goes beyond criminality and recognises the challenges of securing evidence about politically exposed persons. Some participants queried what this model would capture in practice that is not currently possible under POCA, where a failure to rebut an

inference can result in civil recovery. It was suggested that the reverse burden is not what is currently holding back asset recovery, but rather resourcing and appetite to pursue these cases.

Participants also drew attention to legislative frameworks in other countries, including the US and France, which may offer valuable insights when developing legislative reforms to POCA.

2. Updating UWO legislation

Proposal

Direct forfeiture of assets would follow the failure to comply with a UWO, rather than requiring law enforcement to file a further application and gather sufficient evidence to establish, on a balance of probabilities, that the conditions for civil recovery are met. This proposal would require the introduction of a distinction between full and purported compliance with a UWO to ensure inadequate or partial compliance does not thwart direct forfeiture. This reform could be accompanied by the introduction of presumptions about the reliability of evidence from certain jurisdictions. A further, more radical, reform to the UWO regime could entail lowering the standard of proof to belief or reasonable suspicion.

Purported or partial compliance

There was broad recognition that the presumption of recoverability rarely bites in practice, and that this was often the result of purported or partial compliance by respondents. Reforms to increase the circumstances in which the presumption of recoverability arises, and to streamline proceedings to result in direct forfeiture, would help law enforcement progress cases.

It was observed that reforms making direct forfeiture a consequence – and thus a kind of penalty or punishment for non-compliance – may raise concerns under Article 1 Protocol 1 of the ECHR. A comparison was drawn with customs offences where a failure to declare cash at the border can result in seizure. Some participants suggested that these consequences were not too different from the results of weighing up the evidence as the inference of half-hearted or partial compliance would be similar to that of failing to rebut a presumption that property was obtained through unlawful conduct.

Presumptions about evidence

In discussion about past UWO cases, it was suggested that judges have too readily accepted evidence from overseas jurisdictions.[6] At the same time, it was observed that judges sometimes take quite a sympathetic view where law enforcement invites the court to draw inferences in the absence of evidence to rebut their case.

Some participants queried how workable it would be to create presumptions about the credibility of evidence by designating particular countries as kleptocracies, as well as pointing to the diplomatic difficulties of branding those countries as 'corrupt'. Attention was drawn to the importance of ensuring respondents with legitimate wealth from such countries would be able

[6] See in particular, *National Crime Agency v Baker* [2020] EWHC 822 (Admin).

to mount a defence, rather than being tarred with the same brush. It was suggested that greater reliance on expert evidence may help courts assess the credibility of evidence in such cases.

While a few participants cautioned against introducing presumptions about the reliability of evidence from certain countries, there was some support for a legislative steer to provide judges with a non-exhaustive list of factors to be considered when assessing the reliability of evidence or the complexity of corporate structures. This framework may be particularly useful for targeting money laundered through the UK relating to overseas criminality.

Changing the narrative and practice around UWOs

In addition to considering legislative reforms to the UWO regime, it was emphasised that there is also a need to change the practice and narrative around the use of UWOs.

Attention was drawn to the current Code of Practice under POCA which emphasises consideration of other tools of investigation before resorting to a UWO. It was suggested that the Code of Practice should be amended to embrace the more regular use of UWOs as an evidence-gathering tool, much like disclosure orders. This prompted debate about the relative usefulness of UWOs, given the results from disclosure orders might be much the same or even better. It was noted, however, that disclosure orders are not enforceable outside the UK.

It was also observed that UWOs tend to be seen exclusively as a tool for complex, high-value cases that have an international component. It was suggested that UWOs are underutilised in domestic cases, and more creative use might include using UWOs in combination with AFOs.

3. Comprehensive review of the regime

Proposal

A comprehensive review of POCA would be undertaken to simplify and modernise the legislative framework. This could be achieved either by translating the key principles of POCA into a cleaner and simpler regime or by taking a fresh look at the problem and building a new asset recovery regime from the ground up.

Wholesale rewrite versus targeted simplification

There was little appetite for designing a new asset recovery regime from scratch. Whilst recognising the legislation could be simplified and strengthened, participants felt that the fundamentals of POCA are sound. It was observed that a complete overhaul of POCA in the current geopolitical context risks being perceived as the UK ripping up the rules on money laundering and asset recovery. At a practical level, attention was drawn to the time it has taken to build expertise and understanding about POCA among investigators, prosecutors and judges.

There was, however, broad recognition about the value of reviewing POCA in order to streamline the legislation. There is scope to condense and simplify parts of POCA that have become unwieldy following piecemeal amendments in recent years. This could include re-numbering provisions and clarifying definitions to make it more user-friendly. A suggestion was also made

to consider separate legislation on money laundering (Part 7) so that POCA is confined to confiscation and civil recovery.

Gaps around kleptocracy

The primary flashpoint for disagreement about whether a more fundamental overhaul of POCA is needed concerned the challenges of recovering the proceeds of kleptocracy. Some participants argued that Part 5 currently falls short in contexts where kleptocratic wealth is accumulated without breaking the law or where evidence of underlying criminality cannot be obtained or relied on. It was also observed that the absence of illicit enrichment and abuse of functions offences in the UK poses challenges for Mutual Legal Assistance. Other participants, however, cautioned against rewriting the whole of POCA to address specific gaps around kleptocracy. It was suggested that greater attention should be given in these cases, where there is no evidence of underlying criminality relating to the acquisition of wealth, to instead show that the funds were handled in a way that bears the hallmarks of money laundering.

Technology-enabled crime

A further area where a more targeted review could be helpful is around technology-enabled crime, to test whether POCA is fit for purpose. It was recognised that the legislation is quite flexible and the definition of recoverable property in particular can be used to cover a very broad range of assets. For example, it was noted that crypto-assets were already accommodated before specific provisions were introduced to deal with this asset class. It was noted, however, that a review could help future-proof POCA to ensure it can address evolving and emerging threats enabled by new technologies.

Victim compensation

There are also significant weaknesses in how POCA addresses the interests of victims which should be addressed as part of any review. Attention was drawn to gaps in Part 2 as well as possibility that a compensation order can in fact leave victims worse off because it closes down the option of pursuing compensation through civil proceedings. Meanwhile Part 5 makes provision for a declaration that third parties have a proprietary claim to recoverable property, but this falls short of providing a remedy to victims.[7]

4. Targeted review of confiscation order enforcement

Proposal

A targeted review of confiscation order enforcement would consider reforming the model for calculating confiscation and the mechanism for satisfying those debts. This would explore moving away from a value-based model for confiscation, which treats confiscation orders as a

[7] See for example, *National Crime Agency v Robb & Clarke and others* [2014] EWHC 4384 (Ch).

fine for enforcement purposes, to an asset-based or hybrid model that focuses on realising specific assets to satisfy the debt.

Challenges of enforcing confiscation orders

There was consensus that the value-based model has contributed to poor recovery rates, as confiscation orders may be unrealistically high while making it practically difficult to satisfy the debt by realising specific assets. There was broad recognition of the relative effectiveness of the asset-based models used elsewhere, including New Zealand and the US.

It was noted that the high value of outstanding confiscation debt is aggravated by the interest accrued on unpaid orders. It was observed, however, that the SFO has a very high recovery rate for orders made within the last five years, with the suggestion that this has been aided by making realistically recoverable orders, a clear enforcement strategy and the effective use of compliance orders. It was further observed that the steep increase in default sentences for orders over £10 million (14 years imprisonment with no half-way release) operates as a strong incentive to compel a defendant to agree an order under £10 million.

Early restraint to prevent dissipation of assets

Several participants emphasised that improving the recovery rate for confiscation orders should start with early measures to prevent the dissipation of assets. There was broad consensus that restraint orders are under-utilised and should be considered at an earlier stage of criminal investigations, potentially even at the point of arrest. It was suggested that we need a change in mindset to make restraint the rule, rather than the exception, under Part 2 of POCA.

The advantages of restraint were highlighted, including the possibility of obtaining disclosure at the same time. However, attention was also drawn to the risks that currently disincentivise the use of restraint orders. This includes the risk of a significant costs order where a prosecution fails, often aggravated by a delay in progressing cases to trial which results in an uplift for inflation. To address this chilling effect, it was suggested that ARIS funds could be used to cover adverse costs where restraint orders were properly brought but prosecutions were ultimately unsuccessful.

Managing and realising restrained assets

Participants also discussed current challenges relating to the management of assets subject to restraint. It was observed that management receivers are rarely used because of the expense involved, with these costs either being paid out of any subsequent confiscation or by law enforcement where they are unsuccessful.[8]

It was proposed that law enforcement should be empowered to not only restrain assets but also require their realisation at an early stage. It was observed that this is already done in other contexts, such as depositing cash in a bank account after obtaining a cash seizure order. It was suggested that similar powers in the context of restraint (and indeed across also seizure types

[8] See for example, *Barnes v The Eastenders Group & another* [2014] UKSC 26.

under Part 5) might avoid protracted proceedings about the risks of dissipation while also saving the costs of maintaining assets or appointing a management receiver.

5. Independent reviewer of criminal finances legislation

Proposal

An independent reviewer would be appointed to assess the criminal finances legislative framework on an ongoing basis. This would bring an external perspective and expertise to identifying systemic barriers and opportunities for reform, providing a process for regular review and incremental reforms rather than relying on comprehensive reviews of the entire system that can take many years to complete.

Comparison with other independent reviewers

Participants drew attention to the rationale for independent reviewers in the context of terrorism and state threats legislation, where complete independence and a very high degree of security clearance is needed to access secret and sensitive national security information and personnel relating to the state's exercise of highly intrusive powers.

By contrast, POCA proceedings are generally held in open court and officials can conduct ongoing monitoring. It was observed, however, that a lot of the ongoing intelligence assessments on criminal finances legislation is held internally, so an independent reviewer could support greater transparency in this area.

Attention was also drawn to the different level of resourcing available for tackling counter-terrorism and the reviewer's ability to actively re-position, target and address newly identified problems, compared to the resource constraints on tackling economic crime.

The value of independence

Participants nevertheless recognised the value of an independent review process for POCA. It was observed that entrenched opinions and hierarchies within government can hold back fresh thinking, while an outside reviewer would not be constrained by the same dynamics. At the same time, the reviewer would still have to navigate a diversity of stakeholders and views. This highlights the importance of ensuring disagreements can be worked through, despite the absence of a formal consultation process like Law Commission reviews.

Not least because of their independence, however, it was suggested that there may be little political appetite for a reviewer, particularly if annual reports repeatedly highlight the persisting problems around the resourcing of the court system and law enforcement agencies. It was observed, however, that the act of publishing an annual report would increase pressure for additional resources to be dedicated to economic crime and also ensure a continuity in the midst of shifting political priorities.

The remit of the independent reviewer

A number of participants recognised that regular reviews could be a beneficial way to make minor reforms and procedural changes, without engaging in comprehensive reforms that require more thorough consultation. In a similar vein, it was suggested that the reviewer could hold a roaming brief to identify new and emerging problems across the system.

There was broad consensus that a remit confined to asset recovery under POCA may be less useful than a broader mandate looking at economic crime legislation. At the same time, however, it was suggested that the task of a reviewer can become very difficult if the terms of reference are not tightly defined.