

Spotlight on Corruption’s response to the Home Office’s call for evidence: Economic Crime Information Sharing

May 2026

Private-public questions

Question 7: Suspicious Activity Reporting

7.2. What further changes, if any, could be made to the Suspicious Activity Reporting regime to make it more effective in delivering its objective to provide high value intelligence to law enforcement?

In our view, two key changes to the Suspicious Activity Reporting (SAR) regime would make it more effective.

- 1. First, the FIU should work to improve the feedback loop on the SARs regime to help the private sector provide reports that are as useful as possible to law enforcement.** While some efforts have been made to provide feedback to financial sector actors such as through the JMLIT and there has been improved engagement with non-financial sectors on SARs, there remains a lack of sufficiently detailed and regular feedback about emerging trends and typologies that specifically caters to non-financial sector bodies within the regulated sector. The continued under-reporting of SARs by these kinds of firms, with around 1% of SARs originating from estate agent, accountancy and legal sectors in 2024/25 despite their well-documented role in moving illicit funds, points to the need to work with the sectors as well as their professional supervisory bodies to get more valuable intelligence into the hands of law enforcement.¹ This will require more targeted attention by the UKFIU and law enforcement agencies in tailoring feedback to these non-financial sectors.

If the UK does not address the lack of feedback it risks falling behind the higher standards being set through the European Union’s 6th Anti-Money Laundering Directive (EU AMLD).² While both the MLRs 2017 and Article 28 of the EU AMLD requires the UK FIU and FIUs in the EU respectively to provide feedback on suspicious transaction reporting “*at least once a year*”, the MLRs 2017 gives no details as to what this feedback should entail. By contrast the EU AMLD specifies that the feedback should cover “*at least the quality of the information provided, the timeliness of reporting, the description of the suspicion and the documentation provided at submission stage*”.

In addition, the MLRs 2017 do not specify who the FIU’s feedback should be directed towards, whereas the EU AMLD notes that it can be provided to individual obliged entities or to groups or categories of obliged entities. We recommend that the UK takes into account the recommendations – that will be issued by the EU’s AML Authority (AMLA) by 10

¹ <https://www.nationalcrimeagency.gov.uk/who-we-are/publications/786-sars-annual-report-2025/file>

² https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401640

July 2028 to FIUs – on best practices and approaches on the provision of feedback, including on the type and frequency of feedback, and seeks to at least keep up with and preferably exceed the standards set by the EU.

- 2. Second, we note the serious, ongoing questions over whether the UK FIU is adequately resourced to fully exploit the intelligence it receives through the SARs regime.** Despite welcome efforts through the SARs Reform Programme and Economic Crime Plan 3 to increase resources and improve the FIU’s analytical capability, the headcount still falls short of what FATF recommended in the UK’s third round Mutual Evaluation Report back in 2007, when it welcomed the then governments’ plan to increase directly employed UK FIU staff to 200 during 2006/2007.³

The 2018 MER once again highlighted the UK’s “*lack of resources (human and IT) and analytical capability*” as a “*serious concern considering the level of ML/TF risk the UK faces*”, and was forced to call out the UK again in its 2022 follow up report on the 2018 MER because at that point the FIU still only had 141 staff.⁴ The latest publicly available staffing data for the 2023/24 financial year shows that the UK continued to fall short of FATF expectations from nearly 20 years ago with 178 staff, though this may have increased in the last two years.⁵

The 2018 FATF MER also questioned the UK’s decision to limit the role of the UKFIU in performing operational and strategic analysis, noting that the UKFIU “*misses the opportunity to search for criminal activity that might otherwise be missed by LEAs which mine the SARs database for issues linked to their own geographical or operational remits*”.⁶ While this may have been partially addressed through the SARs reform programme, the upcoming FATF evaluation will scrutinise the ability of the FIU to make the most of the SARs it receives and is likely to strongly criticise the UK if it finds that the FIU continues to be chronically under-resourced. Ensuring that the FIU is adequately resourced and equipped to analyse and disseminate SARs is therefore critical to its effectiveness in delivering its objective to provide high value intelligence to law enforcement.

7.3. With the growth of public-private partnerships and real-time data sharing such as Data Fusion, please describe your perspective on the role, utility and value-add of the Suspicious Activity Reporting regime?

As noted in our response above, we are strongly of the view that the Suspicious Activity Reporting regime remains of critical importance to the UK’s defences against illicit finance. Despite the flaws in the SARs regime which can create perverse incentives to flood the FIU with defensive SARs that are of little use, and the value of new initiatives like Data Fusion, the SARs regime continues to provide critical intelligence to law enforcement that would otherwise be likely to fall through the cracks. It is also worth noting that the pilot Data Fusion project, while a welcome and successful initiative, was limited to the financial sector and only involved seven banks. While it could and should be scaled up, it will need to be complemented by a well-functioning SARs regime that delivers intelligence from a far wider range of firms and sectors.

³ <https://www.fatf-gafi.org/content/dam/fatf-gafi/mer/MER%20UK%20FULL.pdf.coredownload.pdf>

⁴ <https://www.fatf-gafi.org/content/dam/fatf-gafi/mer/MER-United-Kingdom-2018.pdf.coredownload.inline.pdf>, p.39

⁵ <https://questions-statements.parliament.uk/written-questions/detail/2024-05-08/25136>

⁶ <https://www.fatf-gafi.org/content/dam/fatf-gafi/mer/MER-United-Kingdom-2018.pdf.coredownload.inline.pdf>

The latest 2024/25 annual SARs report for example shows that 2,141 DAML cases were initially refused by the UKFIU where there was no previous or existing law enforcement investigation known and of these, 1,148 cases resulted in over £281 million being denied through restraint, AFO or forfeiture. The total value denied to suspected criminals as a result of refused and granted DAML requests meanwhile was over £382 million, an increase of 59% on the previous year. Data published in the Economic Crime Plan 2 outcomes progress report shows that SARs assisted in asset denials totalling £230.4 million in the financial year ending 2023, representing 36% of the total value of assets denied in that financial year.⁷

While rapid responses to SARs (especially DAML SARs) are vital to deny funds to criminals, it is also important to highlight that SARs may sometimes only become useful years later when law enforcement is trying to piece together a financial picture to inform an investigation. In addition, the benefits of the SARs reform program are likely to only be fully felt in a couple of years, as the improvements it has instilled are likely to take time to filter through. SARs should therefore not be seen just as a snapshot of fleeting and limited utility that law enforcement either use immediately or squander depending on their capacity to act quickly on intelligence. Instead, it should be recognised that SARs can be critical in building up an intelligence picture to inform threat assessments and system priorities, and foster a network-approach to investigations. Finally, as noted in our response to question 7.2, the FIU will only be able to make full use of the potential of SARs when it is adequately staffed and provided with the right technology and tools.

7.4. What benefits or risks, if any, would there be to changing the suspicion threshold to ‘reasonable grounds to suspect’ in the Suspicious Activity Reporting regime and would you support this change?

There are both risks and opportunities in the proposal to change the suspicion threshold to ‘reasonable grounds to suspect’ in the Suspicious Activity Reporting regime.

On the one hand, changing the threshold should in theory disincentivise defensive and poor quality SAR reporting when regulated firms file SARs on the basis of vague or unsubstantiated suspicions (for instance when they do not fully understand a transaction or it has an unusual feature), rather than basing their decision to file a SAR on objective factors that a reasonable person would conclude supports that suspicion (i.e. reasonable grounds to suspect).

In addition, changing the threshold for filing a SAR to “reasonable grounds to suspect” would align SAR reporting with the evidentiary threshold for Account Freezing Orders (when law enforcement has reasonable grounds for suspecting that money held in a bank account is recoverable and/or intended for use in unlawful conduct). This would potentially result in fewer but more impactful SARs that lead to proportionately more frozen funds relative to SARs.

A third factor to consider is the impact this proposed change would have on prosecutions of ‘failure to disclose’ offences under Section 330 of the Proceeds of Crime Act 2002 when an individual working in the regulated sector knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in money laundering. Section 330 prosecutions are

⁷ <https://www.gov.uk/government/publications/economic-crime-plan-2-outcomes-progress-report/economic-crime-plan-2-outcomes-progress-report>

extremely rare, with only 13 prosecutions and 3 convictions since 2017/18 for the offence according to MoJ data, and we are not aware of prosecutions under the offence against a professional enabler in a case of high-end money laundering. Suspicion is a subjective test about a person's state of mind or genuine belief that is hard to prove, and in the few cases that have been successfully prosecuted the prosecution has tended to rely on the argument that defendants had 'reasonable grounds' for knowing or suspecting that their clients were engaged in money laundering, even if they did not actually know or suspect any money laundering.⁸ This suggests that changing the threshold would not have a major impact on section 330 prosecutions, though there is still an urgent need to address wider barriers which are preventing this offence being used against professional enablers who turn a blind eye to the risks of money laundering.

On the other hand, it is also worth drawing attention to two potential drawbacks of changing the suspicion threshold:

1. First, it could result in law enforcement receiving a less rich intelligence picture from suspicious activity reports that can be used to inform threat assessments and system priorities, and foster a network-approach to investigations. This risk could be mitigated by focusing on expanding data fusion projects which could help fill the intelligence gap left by the filing of fewer SARs.
2. Second, the UK government should carefully consider what the benefits could be from aligning reporting requirements in its SAR regime with other jurisdictions. According to members of the Wolfsberg Group, harmonisation of the process for filing suspicious activity reports across the EU could result in up to a 20% drop in costs associated with filing SARs.⁹ Changing the threshold would put the UK out of alignment with the EU, US and UAE, which require regulated firms to file SARs on broadly the same basis as the UK does currently. It would also put the UK out of line with FATF standards, which require a financial institution that "suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing" to report them to the relevant FIU.¹⁰ But Australia, New Zealand, Canada and Singapore all broadly only require 'reasonable grounds to suspect' as a basis for filing a SAR, similar to what is being proposed in this consultation.¹¹ The UK could use its current Presidency of the FATF to explore the risks and benefits of more alignment on SAR reporting thresholds across jurisdictions, and what the most effects this would have on the ability to uncover money laundering.

Question 9: General public-private sharing questions

9.2. Please consider how else Government could better support information-sharing between public and private bodies for economic crime purposes?

⁸ See examples cited by Dr Katie Benson in [Lawyers and the Proceeds of Crime The Facilitation of Money Laundering and its Control](#), 2020, including: [Solicitor jailed for failure to report money laundering](#), Law Society Gazette, 2002; [Solicitor jailed after home fraud](#), 2006, Law Society Gazette

⁹ <https://www.amlintelligence.com/2026/04/opinion-how-eu-navigates-current-challenges-in-implementing-financial-crime-regulation-is-critical-to-future-of-european-competitiveness/>

¹⁰ [Recommendation 20](#), FATF

¹¹ For details on the different reporting thresholds see the Annex at the end of this document.

One key area the government should address to better support information-sharing between public and private bodies is the way that material subject to legal professional privilege (LPP) can be shared between private firms and their AML supervisors.

As members of a public profession, lawyers are granted certain rights and benefits which are linked to their role and which rest on an assumption that they uphold standards of professional ethics that ultimately serve the public interest.¹² These benefits include lawyers being entrusted to keep their client's privilege. Where that trust is abused in ways that damage public confidence in the profession, it is essential that the legal regulators are equipped to address and sanction that misconduct. In short, the unique privileges that lawyers are given as members of a public profession mean that their regulator - acting in the public interest - must have unique powers to ensure those privileges are not abused.

While LPP undoubtedly has a vital role to play as a fundamental right in securing access to justice, it can also be abused or misapplied. This abuse or misapplication of privilege is most likely to occur in relation to misconduct involving concealment - such as money laundering or economic crime - where privilege is used to shield scrutiny. It can also be misapplied or incorrectly claimed to resist disclosure - including through failing to file SARs to the UKFIU or handing over information to the regulator - where there are no proper grounds for claiming privilege in the circumstances. As leading academics have argued, judges should be more proactive in scrutinising and blocking abuses of privilege,¹³ but it is also vital that the regulator tasked with AML supervision of lawyers is empowered to compel disclosure of privileged material.

While regulation 72 of the MLRs suggests that privileged material can be withheld from a supervisor, the SRA has proceeded on the basis that it can compel disclosure of privileged material under section 44B of the Solicitors Act 1974 while maintaining a duty to then uphold privilege in how those materials are used. This position is currently being challenged in the High Court and if the court finds that the SRA is not entitled in law under a section 44B Notice to require production of privileged material, then this crucial power to view privileged material will need to be clarified in primary legislation. If the High Court upholds the SRA's right to view privileged material, legislative clarity will be needed to put the SRA's power to view privileged material beyond doubt and grant the FCA powers to view privileged material in specific circumstances for the purposes of fulfilling its responsibilities as an AML supervisor.¹⁴

Public-public questions

Question 10: General public-public information sharing questions

10.1. Should Regulation 52 of the MLRs be amended to include any other public bodies? If so, who?

We would like to reiterate a point made in our submission to HM Treasury's 2024 consultation on 'Improving the effectiveness of the Money Laundering Regulations', in which we invited the

¹² <https://www.ucl.ac.uk/news/2024/oct/lawyers-claiming-act-public-interest-should-be-more-transparent>

¹³ <https://postofficeproject.net/wp-content/uploads/WP9-Legal-Professional-Privilege.pdf>

¹⁴ <https://www.legalfutures.co.uk/latest-news/court-to-rule-on-sras-powers-to-see-privileged-material>

government to consider extending the information-sharing gateway under Regulation 52 of the MLRs to the Electoral Commission, subject to consultation with the Commission.

As the body which oversees elections and regulates political finance in the UK, the Electoral Commission has a vital role to play in protecting the integrity of our electoral system. Yet a host of independent expert bodies has warned that the UK's electoral finance system is vulnerable to illicit finance and highlighted serious problems with both the law and the enforcement regime.¹⁵ The NCA has recently confirmed that there have been 10 suspicious activity reports relating to political funding in the past three years.¹⁶

The Representation of the People Bill currently before Parliament introduces explicit statutory gateways for the Electoral Commission to share information with a broad range of regulators and law enforcement. While this is a welcome reform, the list of bodies with which the Electoral Commission may share information does not include Professional Body Supervisors.¹⁷ And crucially, the Commission will not be able to receive information from these bodies on the same statutory basis. That means the Electoral Commission will be reliant on negotiating non-binding information sharing MoUs, sometimes with bodies that are unable to share information without a statutory basis.

In his official review into countering foreign financial influence and interference in UK politics, Philip Rycroft recommended that the information-sharing powers of the Electoral Commission should be extended, so that it can not only share information with other agencies, “*but also require information of them*”.¹⁸ The government has indicated that it will consider providing “*greater information powers for the Electoral Commission to support identifying and investigating cases of wrongdoing*” through amendments to the Bill.¹⁹

The inclusion of the Commission as a relevant authority under regulation 52(5) would help prevent illicit finance from entering our politics by enabling the Commission to share and receive information connected to money laundering with AML supervisors and law enforcement.

10.2. What impact would a broad legal gateway for economic crime such as the Digital Economy Act 2017 have on public-public information-sharing for economic crime purposes?

In our view, a broad public-public information sharing legal gateway for economic crime would have a very positive impact because it would allow supervisors to share relevant and useful information with relevant authorities that is not directly obtained through their supervisory functions. Many supervisory bodies routinely gather information that is broadly connected to money laundering and could help inform investigations, analysis and threat assessments, but if

¹⁵ <https://www.spotlightcorruption.org/wp-content/uploads/2026/03/EC-enforcement-political-finance-paper.pdf>

¹⁶ <https://committees.parliament.uk/oralevidence/17218/html/>

¹⁷ See Schedule 19D of the Representation of the People Bill, <https://publications.parliament.uk/pa/bills/cbill/59-01/0418/240418.pdf>

¹⁸ <https://www.gov.uk/government/publications/the-rycroft-review-report-of-the-independent-review-into-countering-foreign-financial-influence-and-interference-in-uk-politics/the-rycroft-review-report-of-the-independent-review-into-countering-foreign-financial-influence-and-interference-in-uk-politics>

¹⁹ <https://www.gov.uk/government/news/cap-on-donations-from-overseas-electors-and-ban-on-crypto-donations-to-protect-democracy#:~:text=The%20measures%2C%20outlined%20in%20detail,come%20into%20effect%20from%20today>

this information is gathered outside of their direct supervisory functions then it cannot be shared under Regulation 52 of the MLRs.

This creates an undesirable situation where supervisors may hold relevant information that cannot be easily shared with law enforcement, fellow supervisors, or other relevant authorities. As indicated in the 2025 consultation document on ‘Anti-Money Laundering/Counter-Terrorist Financing (AML/CTF) Supervision Reform: Duties, Powers, and Accountability’, broadening information sharing gateways will be key to enabling professional body supervisors to share information with the FCA and other relevant authorities when they no longer hold supervisory roles under the MLRs.²⁰

10.3. How else could Government improve or better support the sharing of information within the public sector for economic crime purposes?

As suggested in the responses above, in our view the government should consider expanding Regulation 52 of the MLRs or creating a new, broader information sharing gateway, to allow supervisors to share information with relevant authorities that has been obtained outside of their supervisory functions. In addition, the Electoral Commission should be added to the list of relevant authorities under Regulation 52(5) to enhance its ability to protect the electoral finance regime from illicit finance.

Cross-border sharing

Question 11: General cross-border information sharing question

11.2. How could Government improve or better support the sharing of information cross-border for economic crime purposes?

We would like to propose three initiatives that would improve the sharing of information cross-border for economic crime purposes.

1. **First, the UK should pay close attention to efforts in the EU to harmonise suspicious transaction reporting.** Currently, suspicious transaction reporting widely varies across different EU member states but the EU AMLD requires the AMLA to have specified the format to be used across the EU for the reporting of suspicious activity by July 2026.²¹ The EU AMLD also requires the AMLA to develop standards on the format to be used for the exchange of information between FIUs as well as on the procedures to be put in place when forwarding and receiving suspicious transaction reports that concern another Member State and the follow-up to be given.²² By aligning its approach to SAR reporting and cross-border information exchange with the EU, the UK can ensure that SARs filed in the UK play as useful and effective a role as possible in tackling transnational illicit finance.

²⁰ https://assets.publishing.service.gov.uk/media/690cb012d4c5f31272d3e6b3/AML-Supervision_Reform_Powers_Consultation.pdf, p.26

²¹ <https://www.amlintelligence.com/2026/04/opinion-how-eu-navigates-current-challenges-in-implementing-financial-crime-regulation-is-critical-to-future-of-european-competitiveness/>; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401640

²² https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401640, p.16

2. **Second, we think a mechanism - potentially drawing on blockchain technology - should be established to track and promote accountability for responding to Mutual Legal Assistance (MLA) requests.** This should include commitments to acknowledge receipt and respond to MLA requests within defined timeframes, drawing on the model established under the Crime (Overseas Production Orders) Act 2019.²³ To ensure public accountability, aggregated statistics on response times should be published on an annual basis.

This initiative could be driven by the taskforce on non-conviction based asset recovery powers which the government is considering announcing as a key deliverable at the upcoming Illicit Finance Summit. In order to further enhance the sharing of information through MLA requests, the taskforce could develop mechanisms to surge expertise to jurisdictions lacking experience handling complex MLA requests.

3. **Third, the UK should explore opportunities to establish an international network for cross-border information-sharing among regulators.** As is widely acknowledged, professional enablers operate as key nodes in the global networks that facilitate illicit finance. Some of these professionals operate upstream in countries where illicit wealth is acquired, but criminals also rely on professionals operating downstream in middle countries and destination countries in order to transfer and access this wealth overseas. While professional service providers may be subject to domestic regulatory frameworks including AML obligations, there are very limited mechanisms for AML regulators and enforcement bodies to obtain and share information internationally about professional enablers involved in cross-border illicit financial flows. This leaves AML regulators without vital intelligence to inform their approach to risk-based supervision or hold professional enablers to account.

We therefore propose that an international network of AML regulators should be established to facilitate, coordinate and promote the cross-border sharing of information on professional service providers suspected of enabling illicit financial flows. Modelled on [Inter-Agency Networks](#) such as the [Camden Asset Recovery Inter-agency Network](#) (CARIN), network members would provide national contact points for multi-agency cooperation aimed at promoting accountability for professional enabling of illicit finance. The network would be operationally focused on the informal exchange of intelligence and information on professional enablers in concrete cases, thereby aiming to scale up international cooperation on efforts to hold professional enablers to account. The new Enablers Coordinator announced in the government's Anti-Corruption Strategy 2025 would potentially be well placed to lead the development of this proposed initiative.

In launching the network, the initiative could begin with a pilot that prioritises professional enablers involved in high-end money laundering, given this type of money laundering typically features complex, cross-border transactions involving sophisticated professional enabling. The pilot could be launched with a small network of trusted partners, comprised of AML regulators from major international financial centres before looking to broaden the network to include other key AML authorities, including relevant law enforcement bodies and FIUs. To maximise the effectiveness of collective efforts, the network should work

²³ <https://www.legislation.gov.uk/ukpga/2019/5/contents>

closely with other international initiatives and bodies, such as the FATF, UNODC, StAR Initiative, Eurojust, Interpol, IACCC, ARINs, Wolfsberg Group and Egmont Group.

The network would align closely with requirements under Articles 47 and 51 of the EU AMLD. Article 47 requires that Member States ensure their AML supervisors cooperate with each other “to the greatest extent possible and assist each other in the performance of supervision”. Article 51 requires Member States to ensure their AML supervisors can “conclude cooperation agreements providing for cooperation and exchanges of confidential information with their counterparts in third countries”. AMLA is required to develop technical standards by July 2029 on cooperation with supervisors in third countries, so the network could act as a useful pilot to inform those standards and lay the groundwork for expanding the network in due course.²⁴

Annex: SAR reporting thresholds in different jurisdictions

Country	SARs/STRs reporting thresholds
New Zealand	‘Reasonable grounds’ (see section 39A of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009)
Australia	‘Reasonable grounds’ (see section 41 of the Aussie AML/CTF Act).
EU	Similar to the UK’s current regime: Obligated entities, and, where applicable, their directors and employees, shall cooperate fully with the FIU by promptly: (a) reporting to the FIU, on their own initiative, where the obliged entity knows, suspects or has reasonable grounds to suspect that funds or activities, regardless of the amount involved, are the proceeds of criminal activity or are related to terrorist financing or criminal activity and by responding to requests by the FIU for additional information in such cases (See REGULATION 2024/1624)
Canada	‘Reasonable grounds to suspect’ (section 9 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations)
US	Similar threshold to UK and EU (knows, suspects, or has reason to suspect), see § 208.62 Suspicious activity reports . The US is consulting on changes to its AML regime designed to ‘modernize’ it so this may lead to a change in the evidentiary threshold for filing a SAR.
Singapore	‘Know or have reasonable grounds to suspect’ (Section 45 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992)
UAE	Suspect or have reasonable grounds to suspect (DLA Piper Q&A on AML in the UAE)

²⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401640, p.94