

Syed Rahman speaks to economia about a new report which claims that corruption is being overlooked in the UK

29 Jul 2019 Syedur Rahman.

A new report alleges that the authorities are overlooking bribery and corruption in the UK, however, while some criticism is justified the real picture is not so clear cut

A new report has made the claim that corruption in the UK is being overlooked. According to the Fraud Advisory Panel (FAP), plenty of attention is being given to corruption and bribery that is being carried out abroad but the issue of tackling domestic bribery is not being given the time and resources it deserves.

In its report, FAP says that it would be an understatement to say that domestic picture is "neglected and poorly understood". It refers to a lack of data on the subject and voices concerns about what it calls "the growing strength of organised crime and the prominent influence of dirty money in UK society in markets". If that was not enough, FAP also refers to what it calls long-running and systemic overseas corruption that major UK corporations have been involved in and the onset of a culture in the UK where corruption is seen as "the new normal".

The report, however, was positive about the government's anti-corruption strategy, which has been in place since 2017 and is due to run until 2020. Despite this, FAP maintains that more still needs to be done. It also joins the voices that have been heard in favour of the creation of an offence of failure to prevent an economic crime, which in itself would place many obligations on the UK corporations that FAP has pointed a finger at.

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But is FAP justified in its claims which, after all, are fairly strong? In fairness, the answer is yes – to a degree. If we look at figures for the numbers of UK Serious Fraud Office (SFO) prosecutions compared to the equivalent statistics for the United States' Department of Justice there is a big difference – the UK appears to be lagging behind.

It is clear that in the UK most corporate crime investigations remain just that – investigations. They go no further than the investigation stage for many years. It is common for the SFO and other enforcement agencies to not prosecute at the end of an investigation. Yet it may not be as clear cut as simply saying that the UK is not doing enough – or not doing things well enough - to fight bribery and corruption.

Fraud, bribery and other complex economic crime frequently crosses borders. This can mean that there is potential criminal liability in more than one jurisdiction. Furthermore, the geographical location of the conduct is not necessarily determinative of jurisdiction.

It is worth pointing out that in recent years the UK has legislated to create a number of corporate offences with extraterritorial effect, including failing to prevent bribery under Section 7 of the Bribery Act 2010, and failing to prevent the facilitation of tax evasion under Sections 45 and 46 of the Criminal Finances Act 2017. These offences have broad jurisdictional reach and may be prosecuted by UK authorities even if the offending took place entirely overseas, so long as the defendant company is incorporated in the UK or carries out business here.

It may be harsh, therefore, to make a blanket condemnation of UK enforcement agencies' approach to tackling economic crime. Two and a half years ago, the UK government issued a call for evidence on the issue of whether to extend the failure to prevent model offences to other economic crimes. The results have not yet been published, but may be imminent following the comments of the House of Lords Select Committee on the Bribery Act in their paper dated 14 March 2019, which expressed the hope that the government would "delay no more" in delivering its conclusions.

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So while the issue of corruption has certainly not been eradicated in the UK – and shows no signs of going away of its own accord – it may well be that more may be done in the future to tackle it. But if that does not happen, it would certainly give greater credence to FAP's claims.

This piece was originally featured on [economia](#).



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Syedur Rahman is a Legal Director at Rahman Ravelli with a great depth of experience in top-level global investigations and corporate crime. Legal guides have highlighted his achievements in the fields of worldwide asset tracing and recovery, high-stakes commercial and financial disputes and cross-border investigations.

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