



ANTI-MONEY LAUNDERING COALITION SYNTHESIS REPORT

Tom Aston, Florencia Guerzovich,
Alina Rocha Menocal & Alix Wadeson

Graphic Design: ccm.design

Theory of Change Design: Kat Haugh, The Convive Collective

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AML COALITION CASE STUDY

SUMMARY

INTRODUCTION

- The UK AML Campaign's independent Monitoring, Evaluation and Learning (MEL) team has accompanied the Campaign as it unfolds to facilitate internal learning and adaptation in real time. This was an innovative approach to MEL for partners.
- As part of this work, the MEL team has developed a case study assessing the Coalition's contributions to the Economic Crime and Corporate Transparency Act (ECCTA) passed on 26 October 2023.
- The deep dive case study was focused on two key outcomes related to the ECCTA. So, it does not cover all potential outcomes linked to the legislation. This slide deck provides a synthesis of the case study.
- The evaluation team collected data in real time over two years. This was a theory-based evaluation which employed process tracing as its key methodology, alongside the use of rubrics and typologies to help explain strategies and tactics.
- It outlines what progress has been achieved in relation to the ECCTA, explores the enabling factors that facilitated such progress, and analyses how the Coalition itself made a difference.
- The synthesis also highlights relevant lessons for anti-corruption reformers and donors..



WHAT WAS ACHIEVED

- The Economic Crime and Corporate Transparency Act (ECCTA) passed on 26 October 2023 has been described as 'historic' and 'game-changing'.
- Among other things, reforms include:
 - The 'biggest changes [to Companies House] since 1844', enhancing its abilities to verify the identities of company directors, remove fraudulent organisations from the company register, and share information with criminal investigation agencies, and increasing incorporation fees.
 - The creation of a criminal offence, 'failure to prevent fraud'.
 - Strengthening of corporate criminal liability through the identification doctrine.
- Together, these have been described as the most significant legislative changes to fight economic crime in over a century.
- In a challenging economic context, financial resources for enforcement have been relatively stagnant until recently, remaining substantially below the £1.7 billion recommended by the Coalition to tackle economic crime effectively. The budget of the three leading agencies (NCA, SFO, FCA) only reached £1.5 billion in FY23/24, and most of this is not specifically for AML work.
- So there is still considerable work that needs to be done on the implementation side, but this legislation is an extraordinarily important step in that direction. The next challenge ahead for the Coalition will be to ensure that the reforms have substance and meaning in actual practice.



HOW?

COALITION'S WAYS OF WORKING

- There is widespread agreement across parliamentarians, government, and civil society organisations that, capitalising on important contextual factors more conducive to reform, including in particular Russia's invasion of Ukraine in February 2022, **coalition partners made significant contributions to ECCTA's passage and content** through more strategic and collaborative ways of working.
- **The support, including in terms of both funding and systems convening** (see synthesis report focused on OSF), **was decisive in making this possible.**
- Such support **strengthened the coalition around the Illicit Finance Working Group (IFWG).** According to partners, this has been achieved in no small part through an OSF-funded Secretariat that has enabled them to:
 - Work together more effectively through **purposeful and strategic collaboration** as a result of reduced competition for funding
 - Agree on and prioritise an opportunistic and relatively narrow agenda
 - Build considerable collective capacity (e.g., around comms).
- With the greater institutionalisation of the Secretariat, the IFWG has increased its visibility and professionalisation, mostly in the Coalition's engagement with parliamentary and select media actors.



HOW?

COALITION'S WAYS OF WORKING

- The coalition took an **insider approach to bring about change under a Conservative government.**
- **The approach entailed working closely with the All-Party Parliamentary Group (APPG) and engaging directly with decision-makers in a collaborative manner**, rather than seeking to push for reform through mobilisation from the outside (see synthesis report focused on OSF).
- The approach encouraged deeper collaboration between parliamentary and civil society insiders, making their combined efforts more impactful.
- Coalition partners learned to work together like a well-oiled machine, in ways that added up to more than their individual parts.
- The Coalition took advantage of each organisation's strengths and areas of expertise to influence the legislative process, its timing and content, given the rules of the game.
- In the words of a key informant, confirmed by other conversations, the Coalition 'made a **total difference**' in the way that the APPG works with MPs and members of the House of Lords.
- Outsider strategies, implemented by other groups, worked largely through a parallel track, without necessarily being complementary or synergistic.

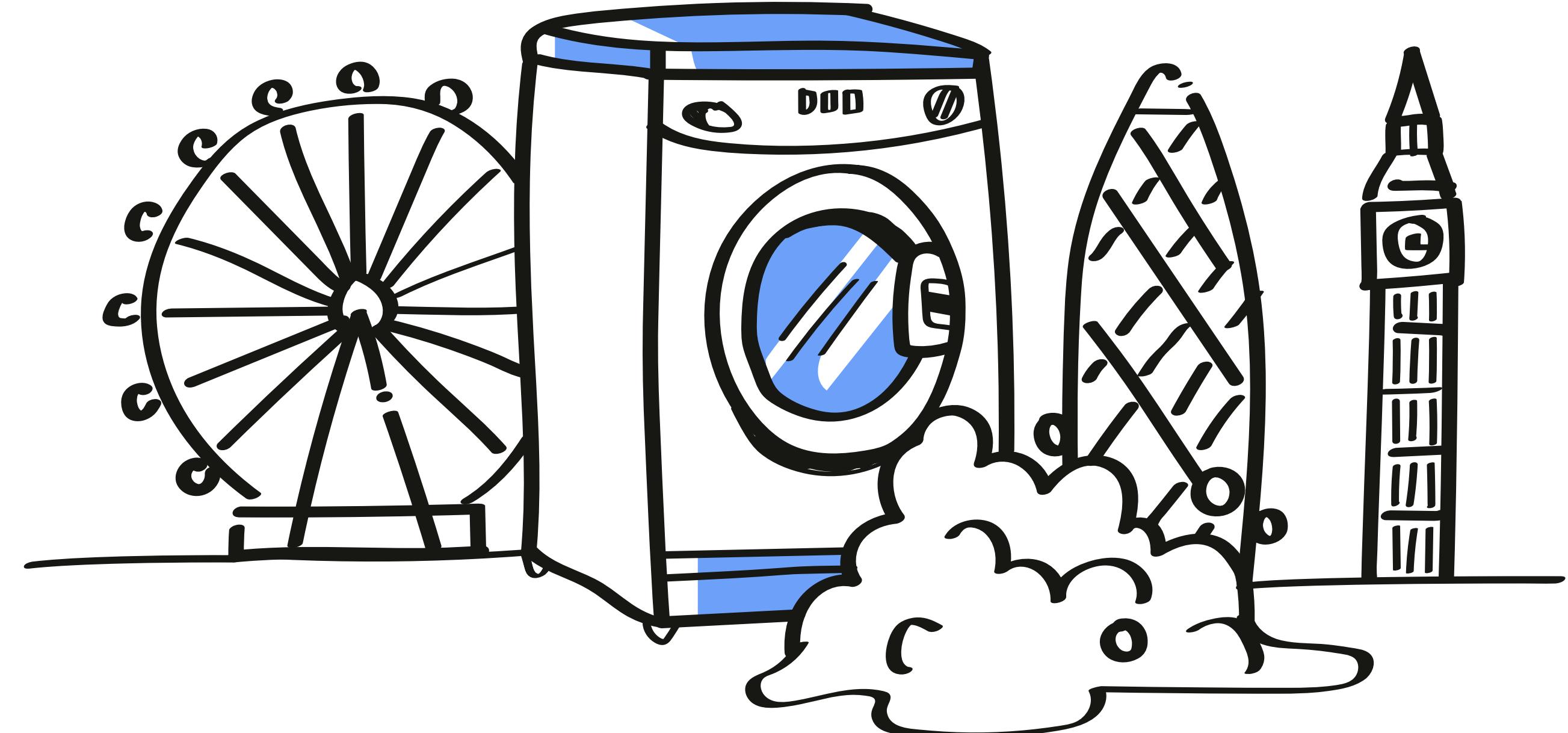


AML COALITION CASE STUDY

SYNTHESIS

THE LONDON LAUNDROMAT

- **The United Kingdom (UK) has a 'dirty money' problem** (De Iglesia, 2022). London is known as 'the **dirty money capital of the world**' (Financial Times, 2022). According to Andrew Mitchell, former Deputy Foreign Secretary, 'nearly 40% of dirty money in the world is going through the City of London and other crown dependencies' (The Standard, 2024). As Oliver Bullough (2022) has explained, this is **not by accident but by design** – powerful actors benefit from and help to sustain and recreate this business model or way of operating.
- **For a long time, there has been a very low bar for setting up companies in the UK.** As Transparency International **points out**, it was cheap (costing as little as £12), quick (some firms were set up in **six minutes**), and no one had to verify whether the owners of companies were who they said they were.
- **The UK Government engaged in a variety of AML reform efforts**, most notably under the David Cameron administration. Among other things, Cameron hosted a global anti-corruption summit in 2016 and pushed through reforms **including a public register of company owners**. In May 2016, Cameron **announced** a consultation 'on extending the criminal offence of "failure to prevent" to other economic crimes such as fraud and money laundering.'
- However, some of this **momentum was lost** under subsequent prime ministers, including Theresa May and Boris Johnson.



A PROPOSAL TO TURBOCHARGE ANTI-MONEY LAUNDERING

- In November 2021, OSF convened stakeholders to discuss a potential campaign to turbocharge efforts in Anti-Money Laundering (AML) in the UK.
- Between 2022 and 2024, OSF invested 4.95 million dollars first with an additional 2 million dollars, later, to contribute towards actionable, measurable and meaningful policy wins over the short term. They hoped that a focused, short-term intervention might disrupt the trajectory and speed of change. They dismissed alternative approaches – whether longer-term investments, thematically (e.g. working also on taxes) or geographically broader ones (e.g., tapping into growing work on transatlantic anti-kleptocracy).

1

The Campaign aimed to:

- Secure significant AML reform by the end of 2023, as well as commitments from all major UK parties to support further, bolder reforms in the next election cycle
- Lay the groundwork to secure deeper and more sustainable long-term change via a broad reform coalition, strengthened field infrastructure, improved strategic planning and coordination, and an expanded donor base.

2

OSF supports the work of five core partners (The Athena Foundation, Joffe Charitable Trust, Royal United Services Institute (RUSI), Transparency International UK (TI-UK), and Spotlight on Corruption (SpoC). They coordinate action via the Illicit Finance Working Group (IFWG), formalised in February 2022, eight sub-grantees, as well as other organisations funded by specific OSF Programs to support key functions.

PREVIOUS EFFORTS TO COMBAT THE LAUNDROMAT

- Civil society organisations have worked to combat money laundering for years.
- The [UK Anti-Corruption Coalition](#) (UKACC) was formed in 2020. This is a common platform for the UK's leading anti-corruption organisations to influence the policy process, which includes within it an Illicit Finance Working Group (IFWG). Various civil society efforts were consolidated when the UKACC published a flagship report on [Fighting Corruption: An Agenda for 2021](#), which included proposed reforms to Companies House and introduction of a Failure to Prevent offense.
- When the Campaign started in early 2022, coalition members had little hope to make significant progress. The triple-P papers ([Panama](#) in 2016; [Paradise](#) in 2017 and [Pandora in 2021](#)) were an important touchstone, but they **had run out of steam**. Their ability to influence policy proved limited, with each subsequent exposé producing diminishing returns.
- Anti-corruption Tsar, John Penrose, argued that economic crime had been [crowded out by other issues such as Brexit and the COVID-19 pandemic](#) (Tetlow and Burtum, 2022).



Credit: Rocco Fazzari / ICIJ

A SHIFTING CONTEXT INCREASINGLY CONDUCIVE TO AML REFORM

- Russia's invasion of Ukraine at the end of February 2022 **transformed the political landscape and catalysed action on money laundering.**
- The UK AML coalition was able to **capitalise on this window** of opportunity because, by early 2022, it had built a solid foundation of evidence and other advocacy work and had done a lot to push the government to recommit to a new Economic Crime Bill.
- **Funding for the Campaign** arrived at around that time, enabling core members to **significantly scale up their efforts** while also providing infrastructure and resources that made it possible for partners to
 - **work together more explicitly and proactively** without competing for funding; and
 - agree on and **prioritise an opportunistic and relatively narrow reform agenda** based on their respective strengths.
- In addition, some **powerful interests**, especially in the banking sector, **had themselves been calling for** what they saw as needed **reforms**, especially in relation to Companies House, for some time, as they had become increasingly frustrated with the costs associated with a system that was not deemed fit for purpose.
- In this shifting environment, the context became more propitious for reform, and the AML Campaign was well positioned to push against what had become much more of an open door.



UK AML CAMPAIGN

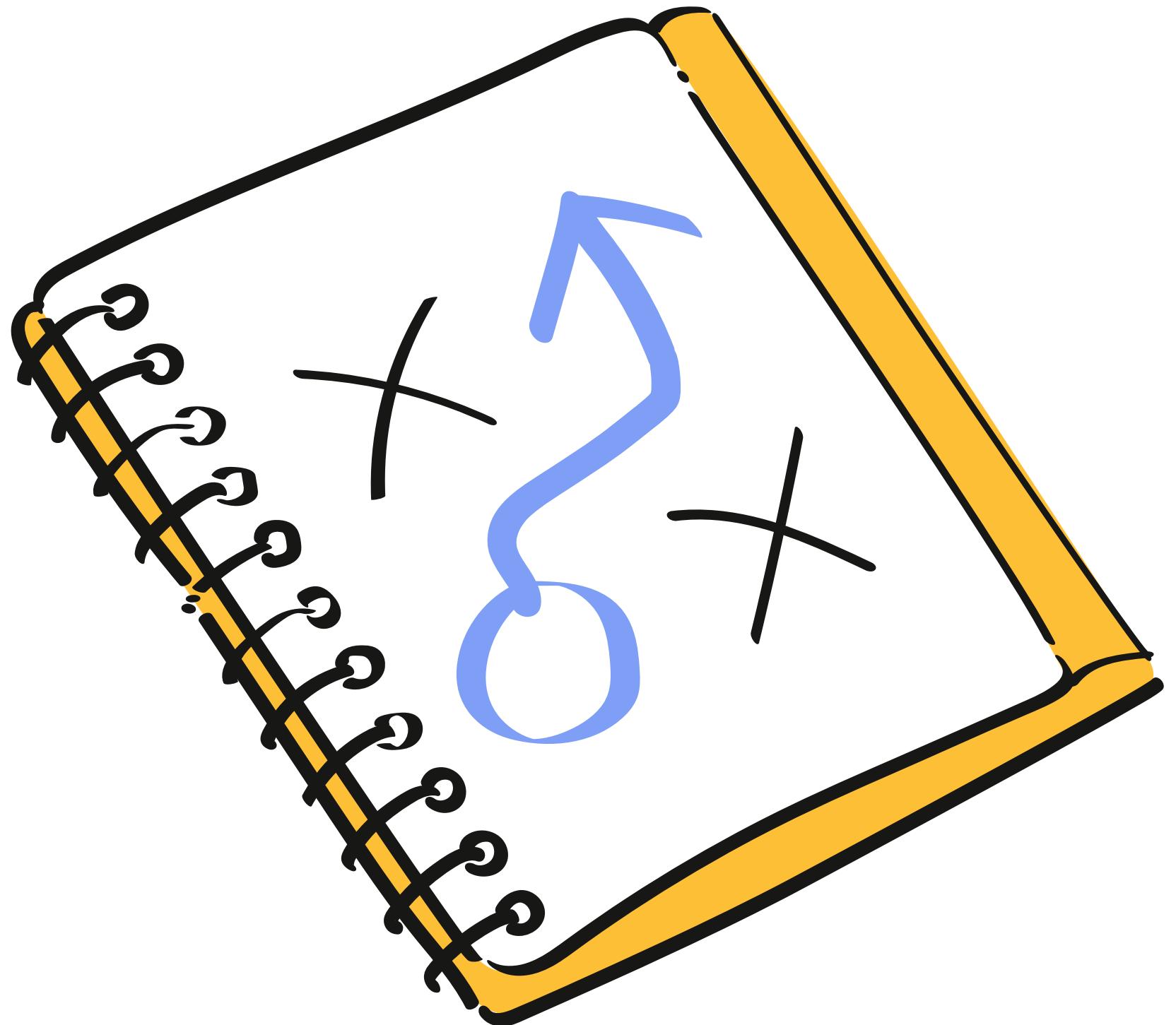
UPDATED THEORY OF CHANGE

Change Pathways:

Over two years, the Campaign was focused on securing:

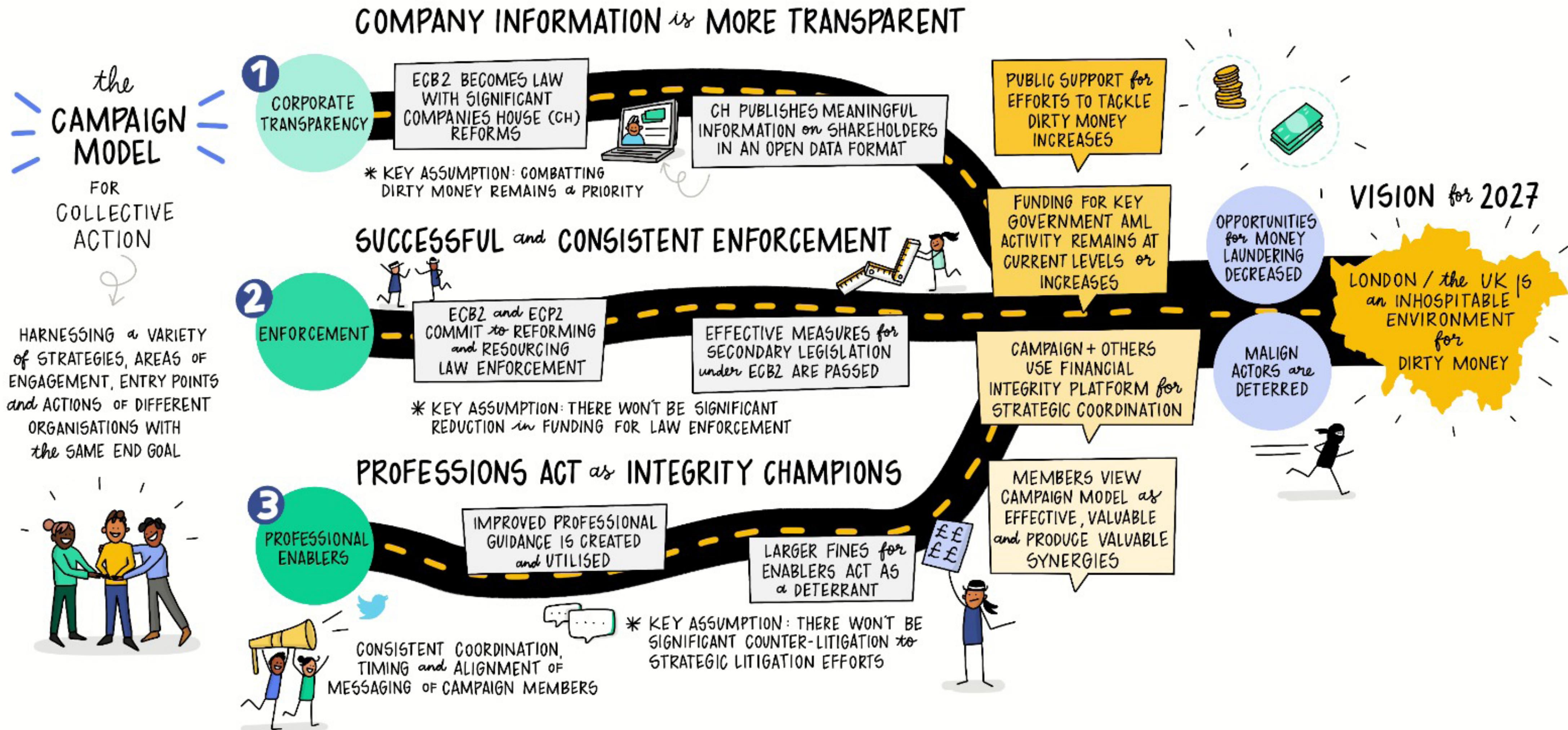
- **Improved corporate transparency** to ensure that it's easy to identify who really owns UK companies, trust, and assets;
- **More successful and consistent enforcement** actions brought by properly resourced and equipped agencies, and;
- **Regulated professions** acting as proactive gatekeepers and integrity champions underpinned by an effective regulatory framework.

The theory of change framework generally held (except with regard to resourcing), but adaptations were made to reflect hidden assumptions.

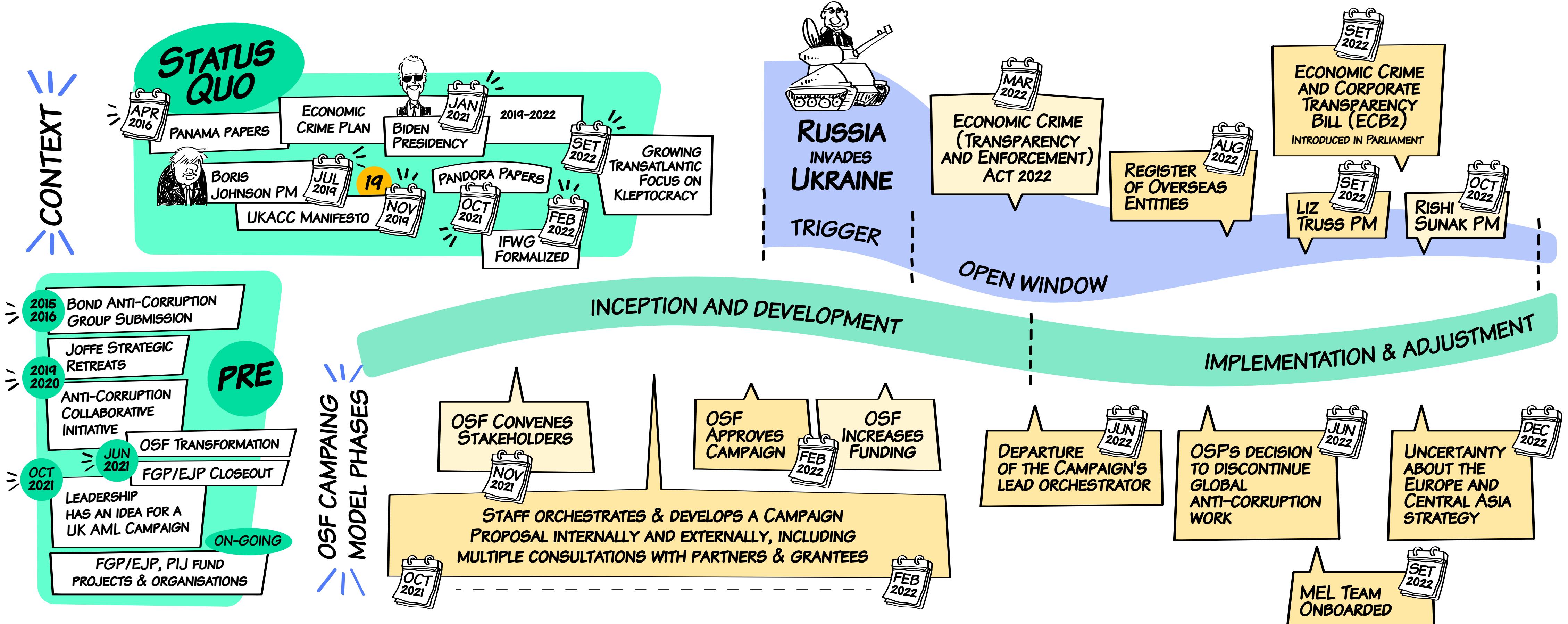


a THEORY OF CHANGE for OPEN SOCIETY FOUNDATIONS' ANTI-MONEY LAUNDERING CAMPAIGN

ILLUSTRATED BY
THE CONVIVE COLLECTIVE



WINDOW OF OPPORTUNITY

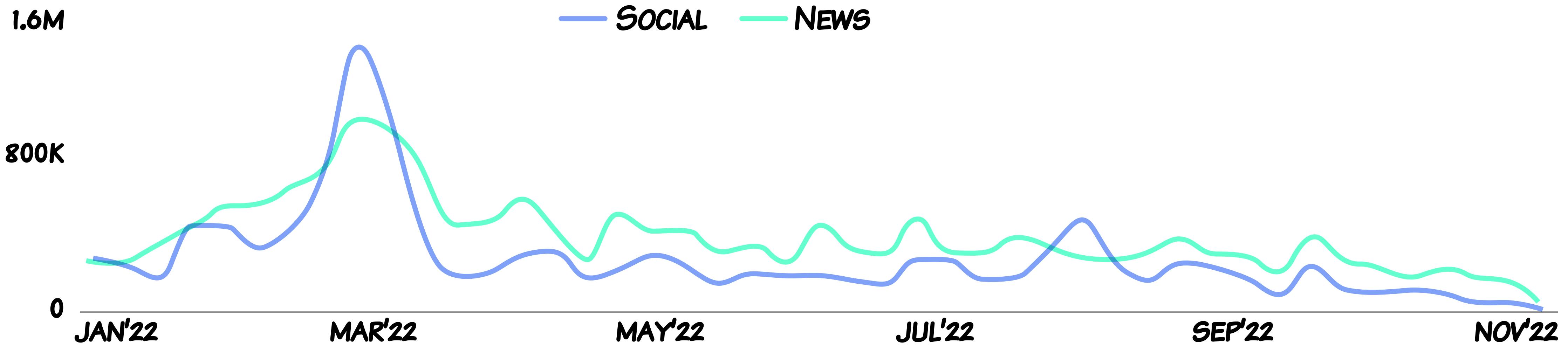


THE U-TURN ON THE ECONOMIC CRIME BILL

- The **lowest point** during the baseline period through February 2022 was when **Lord Agnew resigned** on 24 January 2022 over the government's write-off of £4.3 billion in fraudulent COVID-19 loans and Minister Jacob Rees-Mogg reportedly discarded plans for an Economic Crime Bill (ECB) in the Queen's Speech. Agnew wrote an op-ed in the Financial Times, **Fraud is Rampant — and no one in government is paying attention.**
- On 25 January 2022, **MPs and experts** (which included those in the coalition) **demanded immediate action following Agnew's resignation. Civil society put pressure on the government to beef up measures to tackle economic crime**, releasing a statement in The Guardian on 25 January 2022. Kevin Hollinrake **requested** that the government make a statement on the Government's plans to bring forward an Economic Crime Bill. Together, these efforts **prompted a U-Turn**.
- Prime Minister Boris Johnson **confirmed** at Prime Minister's Questions (PMQs) on 2 February 2022 **that 'we are bringing forward the Economic Crime Bill** and it will be voted on in the third session of this parliament.'



INCREASED POLITICAL SALIENCE OF CORRUPTION

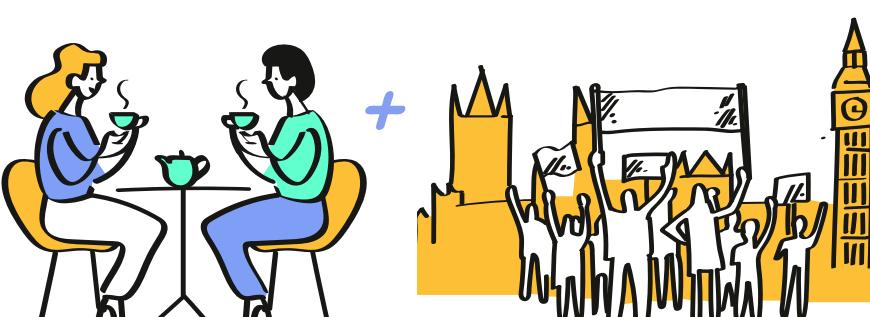


- **The approval of the UK AML Campaign was approved a few days before Russia invaded Ukraine on 24 February 2022.** This event triggered the opening of a **macro-window of opportunity** (Guerzovich et al. 2020). The Russian invasion of Ukraine raised awareness of the Laundromat problem that could no longer be ignored.
- **Media tracking data from di:ga illustrates a brief, but intense spike in the salience of corruption in public debate.**

INSIDER TRACK

- **Responsive actors' big bet** was that, **under a Conservative government**, an '**insider**' strategy **to work with and influence Parliament from the inside** would be more conducive to reform.
- **The hypothesis** was that empowering key partners to use this **collaborative and systemic approach**, rather than opt for either an 'outsider' or 'hybrid' approach (integrating 'insider' and outsider' strategies), would be more effective for the task at hand.
- **OSF funded the APPG's secretariat, which was game-changing: it opened up viable avenues for change via Parliament** as an alternative to either i) the Cabinet Office or other Ministerial Departments, where momentum seemed to have gotten lost; or ii) more confrontational mobilisation from the outside.
- **Responsive actors' bet paid off.**



<h3><i>INSIDER STRATEGY</i></h3> 	<p>Civil Society Organisations (CSOs) and multistakeholder initiatives took an insider approach of direct engagement with the Prime Minister's Office to advance fiscal transparency reforms during the Cameron years (2010 - 2016). This has proved difficult to sustain, especially since Brexit (Bullough, 2017).</p>	<p>There have been partnerships between civil society groups, think tanks and experts, with parliamentary staff investment in an APPG with strong Tory ties (i.e. informal cross-party groups that are run by and for Members of the Commons and Lords). There have also been other forms of Tory “whisperers” or advisors to leaders in the Conservative Party.</p>
<h3><i>OUTSIDER STRATEGY</i></h3> 	<p>The 3-Ps: Panama Papers of 2016 (Fitzgibbon and Hudson, 2021); the Paradise Papers of 2017 (Four Corners and ICIJ, 2017); and the Pandora Papers of 2021) had diminishing returns.</p>	<p>Organisations playing the “rabble rouser” role Exposé and investigative journalism roles Targeted communications to select players in professions Communications targeted to specific voters and retail politics Special section in the Financial Times</p>
<h3><i>HYBRID STRATEGY</i></h3> 	<p>Not Applicable</p>	<p>Creating incentives for “insider organisations” to pick up on the disruption created by rabble rousers and investigative journalists, so that the pressure has a longer shelf-life Creating incentives for outsider organisations or strategies to create more continuous and targeted external</p>

SUPPORT PRIOR TO 2022

OPTIONS FOR CONSIDERED IN 2022

HOW?

ENABLING CONTEXTUAL FACTORS

- As we noted in our Inception Report, despite high hopes to the contrary, **big investigative journalism exposés did not turn into critical junctures** ushering needed AML reform. They did not make a major difference to the timing of legislation or its content – or to key partners ways of working. Though it may have made a difference to other campaigners for their agendas. The material from media splashes was **useful** because it provided a **foundation explaining why dirty money is a serious problem** in the UK that the **Coalition and relevant allies could readily build from**. However, some stakeholders/decision-makers found these to be distracting and even potentially counterproductive.



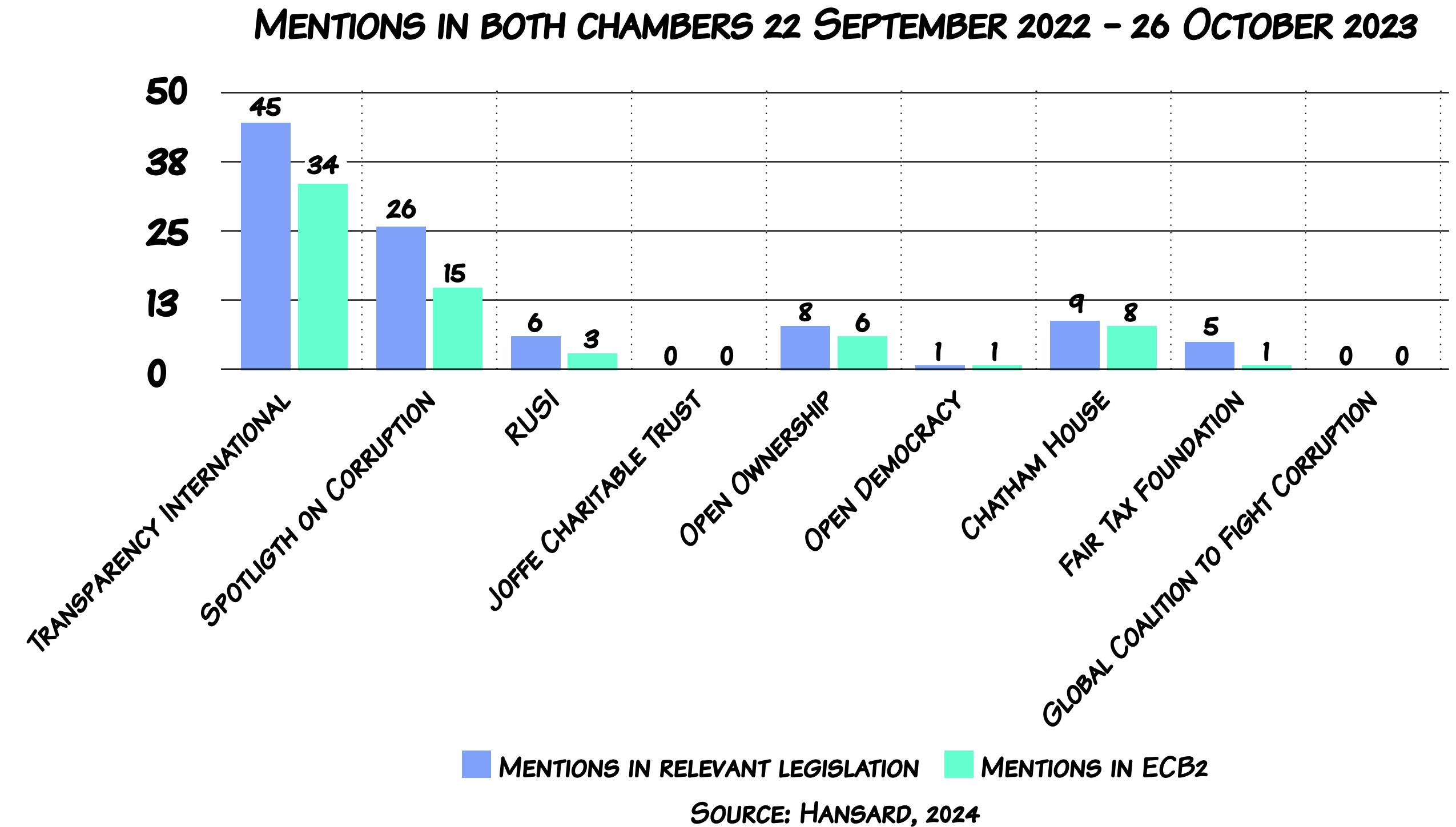
A MANIFESTO TO FIGHT ECONOMIC CRIME

- On the 28 February 2022, The Independent reported that Prime Minister Boris Johnson would introduce legislation to expose 'dirty money' in UK property. As Johnson put it, ' those backing Putin have been put on notice: there will be nowhere to hide your ill - gotten gains'. This materialised into an Economic Crime Bill that was rushed through. On 15 March 2022, ECB1 received Royal Assent.
- The All - Party Parliamentary Group (APPG) on Anti - Corruption & Responsible Tax made an Economic Crime Manifesto on how to drive out dirty money on 25 May 2022. This recommended new powers for Companies House, increasing fees, and introducing new 'failure to prevent' offences for economic crimes, including money laundering.
- On 10 May 2022, the long - awaited Queen's Speech took place. This formally declared that 'a[n Economic Crime and Corporate Transparency] bill will be brought forward to further strengthen powers to tackle illicit finance, reduce economic crime and help businesses grow.'



EVIDENCE TO PARLIAMENT

- Most core coalition members submitted oral and/or written evidence on the Economic Crime Bill 2 between October and November 2022. 4/31 (13%) written evidence submissions were made by members of the UK Anti-Corruption Coalition (UK Anti-Corruption Coalition, Spotlight, RUSI, TI-UK and Open Ownership).
- These contributions reinforced the core elements of the APPG's Manifesto and included recommendations to tighten up verification by Companies House, increase Companies House fees, introduce a failure to prevent offence, and identification doctrine.
- There was some limited resistance offered in evidence submissions. Peters and Peters Solicitors LLP argued against the failure to prevent offence and Professor Jason Sharman of the University of Cambridge also questioned its appropriateness in his oral evidence.



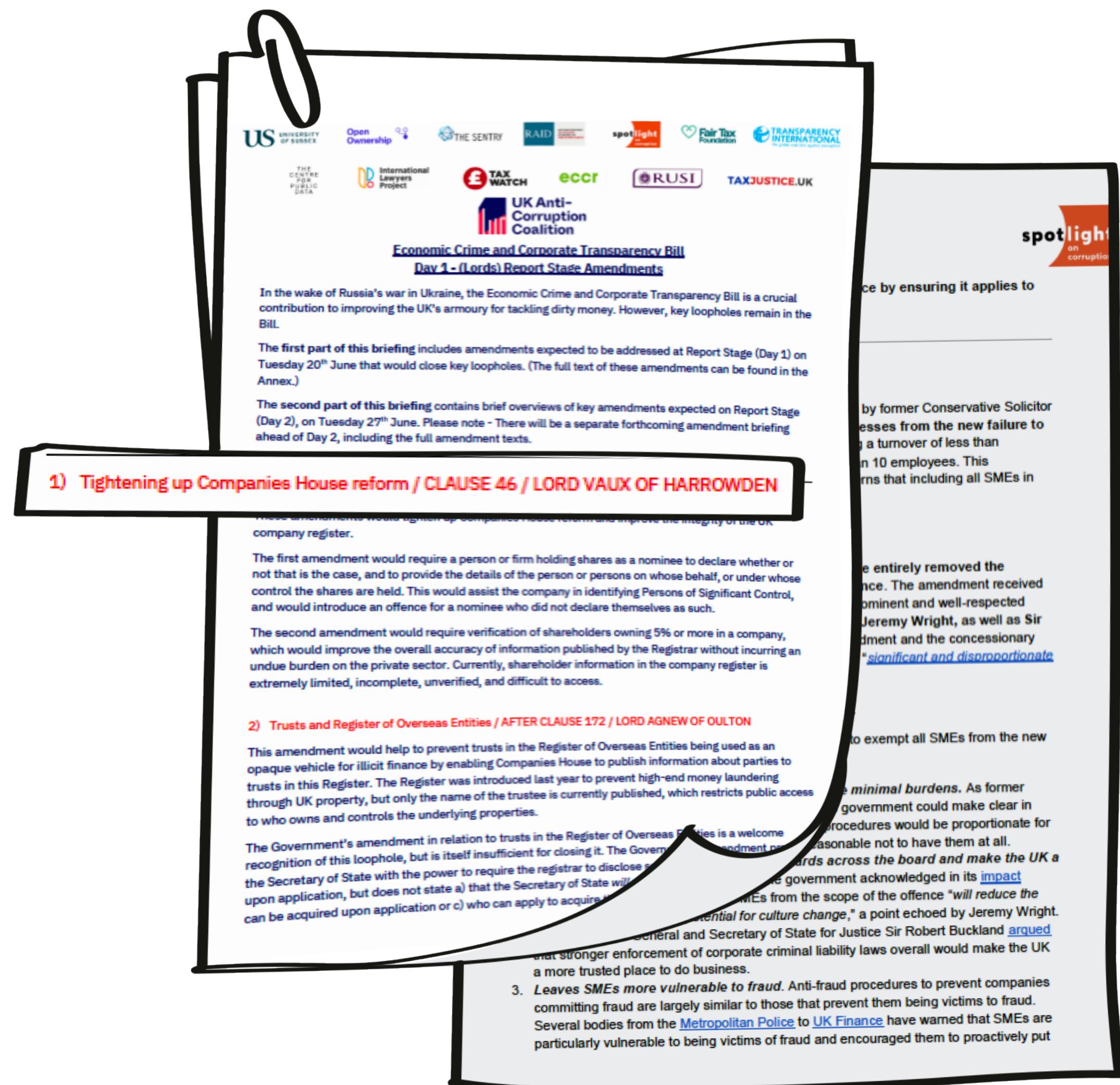
VALUE OF EVIDENCE

- During the House of Commons [debate](#) on 13 October 2022 Shadow Business Minister Seema Malhotra said: 'I also recognise and thank for their steadfast advocacy the civil society groups that work tirelessly for action on economic crime, including Transparency International, Spotlight on Corruption, the Royal United Services Institute, Open Ownership and the Fair Tax Foundation.'
- Similarly, on 25 October 2023, in [Consideration of Lords Message](#), Minister Kevin Hollinrake said: 'informed by information that has come from third parties—from Spotlight on Corruption, Transparency International and others.'

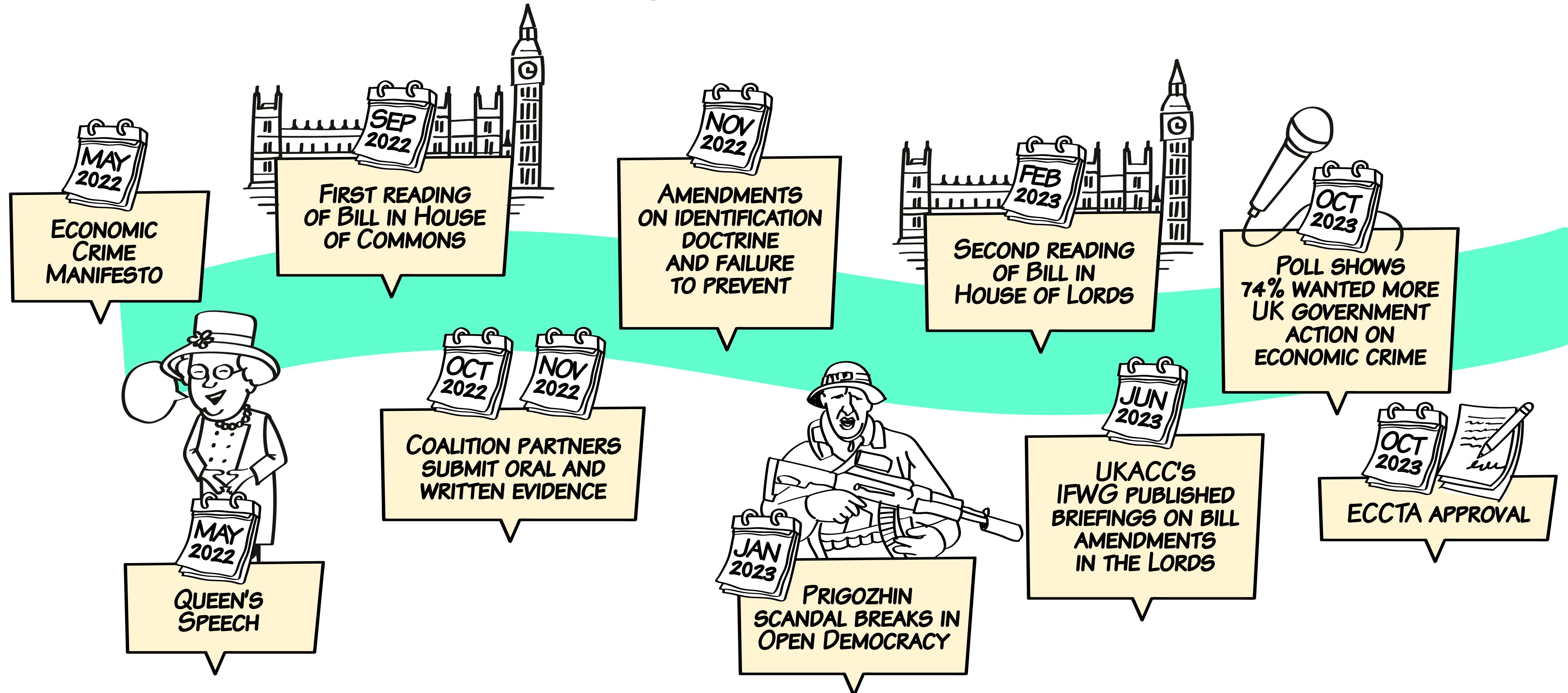


BILL AMENDMENTS IN COMMONS THE LORDS

- On 28 November 2022, Margaret Hodge MP put forward **amendments** to the Economic Crime and Corporate Transparency Bill, including introduction of failure to prevent fraud and the identification doctrine.
- On 12 January 2023, the APPG's parliament team liaised with the clerks to table the amendments, and hand delivered over 100 personalized letters to members.



ECB II TIMELINE

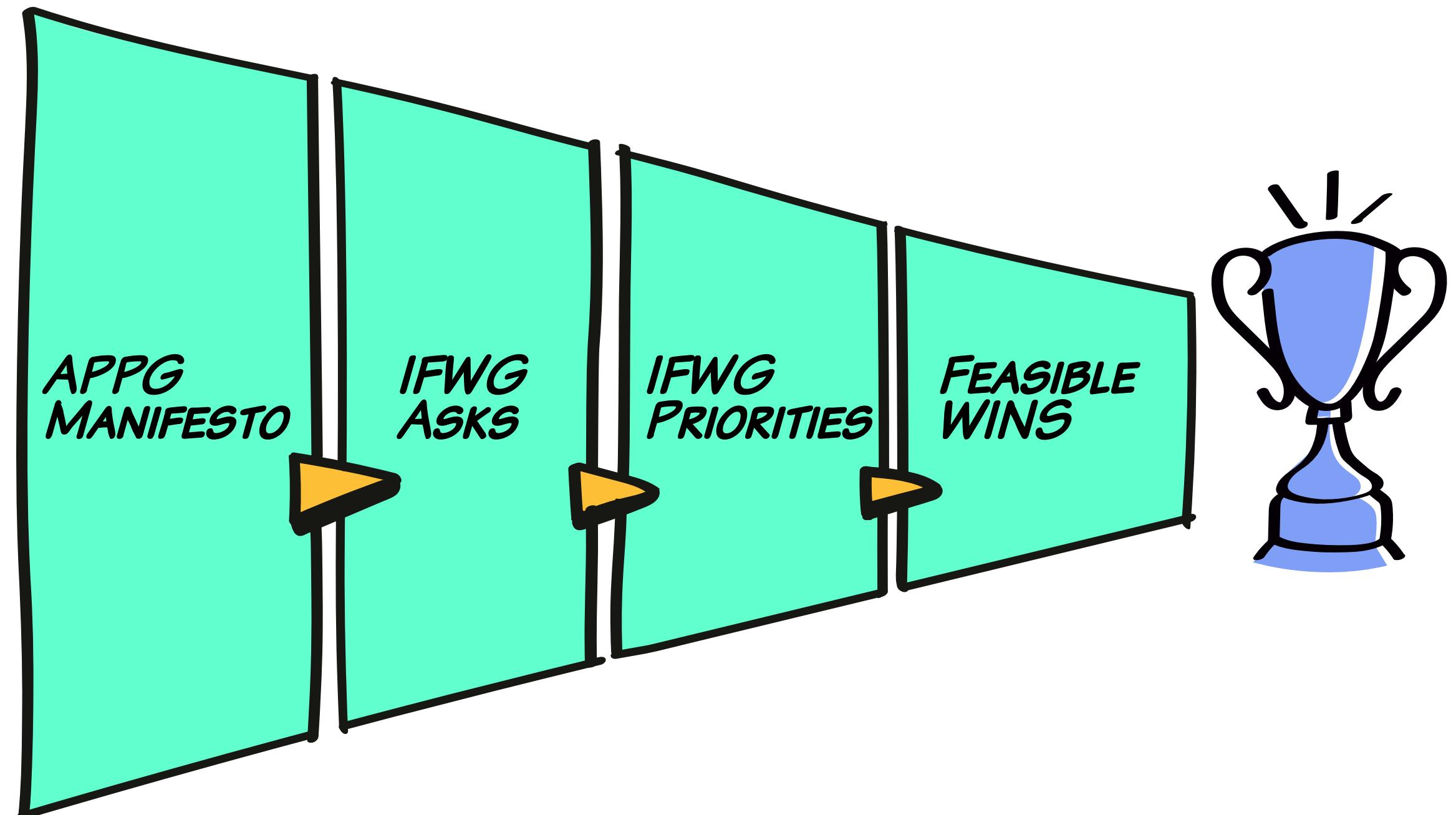


COMPROMISE AND PRIORITIZATION

- **Prioritization happened through a so called “funnel.”**

Partners had to let go (temporarily) of their individual preferences. The discussion was not easy. Most of the time they came to practical agreements and went for 'key comprehensible ideas that would land better... what will likely succeed [because] the [political] pieces were aligned' in the eyes of the APPG's chair (interview March 2024). Partners deferred on politics to the APPG (interview March 2024). That is, the process tested partners willingness to advance a bill where they would not get all they individually wanted but would be greater than what each one of them would have gotten on their own.

- By comparison, the anti-SLAPP coalition struggled to work in a cross-bench way and 'failed to see the big picture... This was the first ever anti-SLAPP measure in British legislation ... they were less reasonable than the IFWG.' **So, this alternative approach crowded out space for the legislation overall.**



COLLABORATION

- **Greater collaboration is widely argued to have made a big difference to the effective passing of ECCTA.**
- 'The majority of successes have been through collaboration which is, I think, a testament to the value of the work we are doing together.'
- 'Before it was quite ad hoc ... now we gained efficiency" "closeness, ... you can trust.'
- **Members of the coalition also called attention to their complementary skills, connections, and knowledge.** As one member of the coalition put it, 'it's always more powerful when it's not just you.'
- **Athena and RUSI were not part of UKACC, but responsive actors saw value in giving them more funding to work with UKACC members** since their collaboration had been inconsistent. 'There was a history that sometimes they'd coordinate and sometimes they wouldn't' (interview March 2023). And the IFWG members did not have to reach agreements with all members of the UKACC, who may not have shared their priorities and identities, among others.
- **The IFWG's Secretariat took on the job of convening the partners.** This was a deliberate choice. They performed a multitude of functions to support partners, such as reducing barriers to regular exchanges and triaging of information.

Tap into every opportunity for amendments, interventions and government concessions.

Keep the issue high on the parliamentary agenda, as the war on Ukraine is crowded out of the media space

Collaborate with IFWG partners



Build a cross-party and cross-house coalition of parliamentarians who are informed and involved

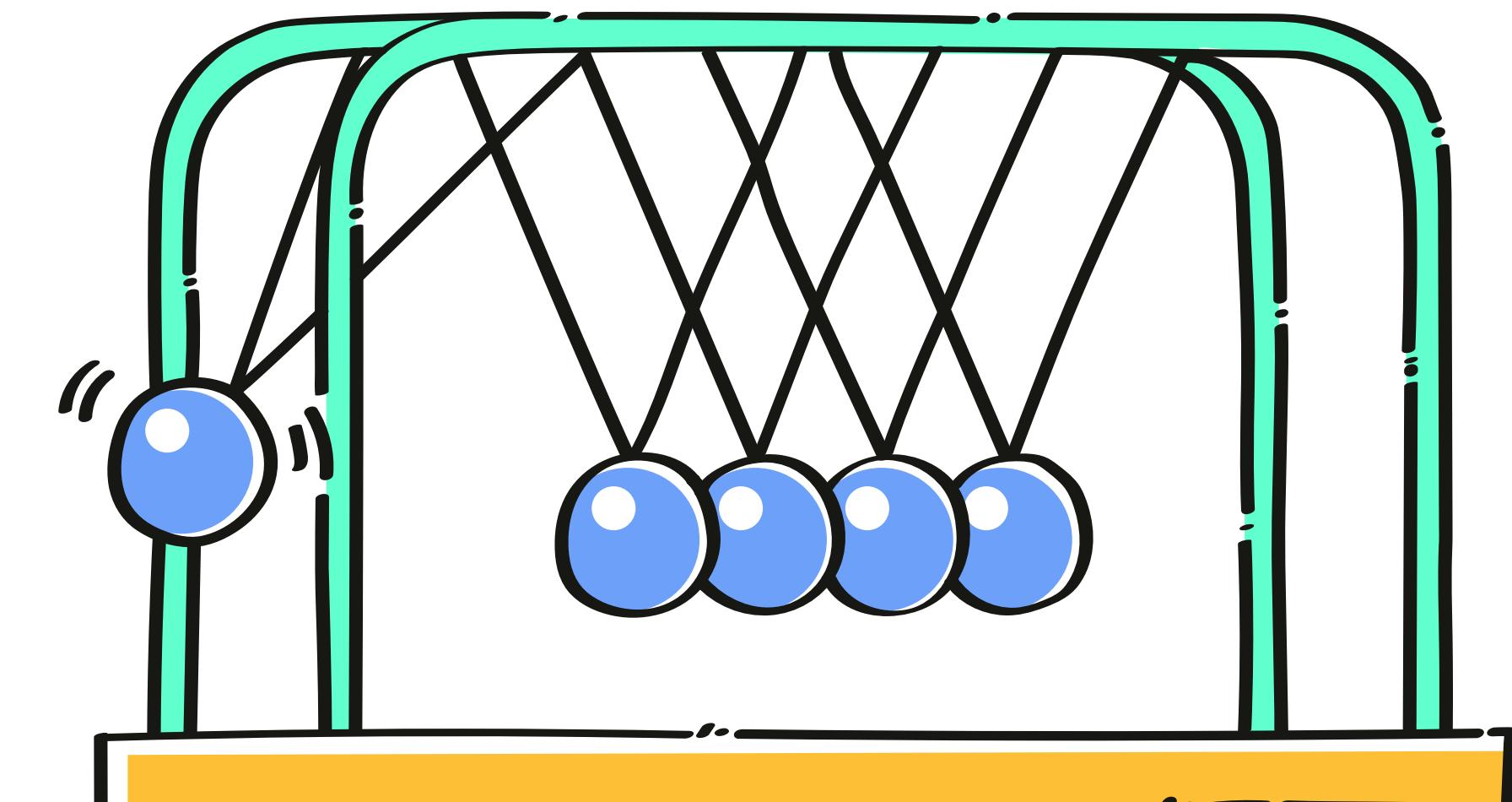
PROFESSIONALISM

- In the words of a key informant, the Coalition "made a **total difference**" in the way that the APPG works with MPs. **Several key informants argued that** "support enabled the APPG to become incredibly professional – it became the most professional group working across parties and set the new standard for how APPGs should operate".
- This characterisation of the Coalition's transformational work with the APPG was confirmed through other interviews.



MAINTAINING MOMENTUM

- MPs cannot act on every single important issue and they **face competing priorities. The Coalition was considered to be instrumental in making the case for prioritising concrete aspects of the dirty money agenda** when MPs needed to make the case with information and arguments at their fingertips. These arguments were not only timely but also presented in ways that explicitly intended to fit the needs of different moments and phases of the legislative process – including many that may not be obvious to an external observer.
- **Media engagement, particularly in Conservative voices and in Conservative-facing outlets were designed to make the case to MPs.**
- Between May and November 2023, **the APPG and coalition partners organised policy roundtables** with civil servants, civil society, private sector and parliamentarians – on Companies House and Anti-Money Laundering reforms.
- **Between 17 – 19 May 2023, the Joffe Trust organised the Wilton Park event Driving dirty money out of the UK.** This offered an opportunity for a wider group of stakeholders to reflect on progress on AML reforms such as on Companies House reform and the issue of trusts.
- A **Survation poll** commissioned by the coalition released on 24 October 2023 showed that there was still **widespread public appetite (75%) for tougher AML regulation** just before ECCTA was granted royal assent.



THE FINISH LINE

- Passed significant Companies House reform.
On 1 May 2024, **incorporation fees** were increased from £12 to £50 and registration fees to £50.
- Strengthening of corporate criminal liability through the identification doctrine.
- **Created of a new criminal offence**, 'failure to prevent fraud.'



Liam Byrne MP ✅
@liambyrnemp

We could not have done our job as legislators on Economic Crime Bill without the incredible work of campaigners like @anticorruption @OCCRP @skcoughtrie @CatherineBelton @OliverBullough @tomburgis @taxinparliament & so many others. To everyone who's helped this happen: thank you

[Traduzir post](#)

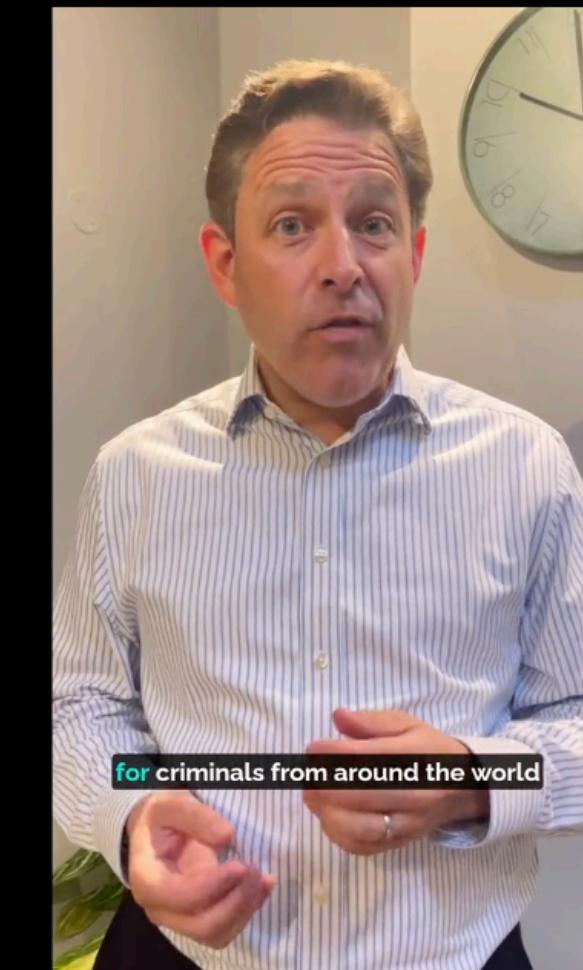


Transparency International UK @TransparencyUK · 26 de out de 2023

Today the Economic Crime Act became law.

This is landmark legislation that should significantly strengthen Britain's defences against fraud and money laundering, clamping down on those who abuse our economy for their own private gain....

[Mostrar mais](#)



HISTORIC LEGISLATION

- **There is little doubt that the Economic Crime and Corporate Transparency Act (ECCTA) is historic, on paper.** Even blockers such as the then Business Secretary, Jacob Rees-Mogg, [called](#) the bill 'historic.'
- As the Chairman of Companies' House board put it in Companies House's 2023-2024 [annual report](#), 'this marks a significant moment in the history of the UK companies register as the implementation of the new registrar's powers, from 4 March 2024, brings about **the biggest changes since 1844.**'
- **The key parts of the legislation the coalition pushed for are argued to be the most significant elements of the legislation.**
- Previous anti-corruption Tsar, John Penrose, [argued](#) that **Companies House reform was the 'most important piece of the puzzle.'**
- **Fraud 'is the most common offence in this country, amounting to 41% of all crime in the year ending September 2022,'** according to the [Fraud Strategy](#) and a UK government [Briefing Paper on Failure to Prevent](#). Then APPG co-chair, Kevin Hollinrake, [argued](#) that the '**most important element in the bill [is] establishing corporate criminal liability for 'failure to prevent' money laundering and fraud.**' Chief Crown Prosecutor for the Crown Prosecution Service, Andrew Penhale, [said](#) that "the introduction of a failure to prevent fraud offence and reform of the identification doctrine will better enable prosecutors to hold large companies to account for offences committed under their watch. It should result in greater care to prevent fraud before it happens."



MAIN CHALLENGES FACED

- **Other funding for coalition members dried up**, further squeezing the time of Coalition staff. Several core partners have been using flexible exit funding to cross-subsidise their efforts. There is a steep hill to climb.
- **ECB2 absorbed considerably more coalition energy than was anticipated**, taking time away from other lines of partners' work.
- **Public salience of anti-corruption, and money-laundering more specifically, was short-lived.**
- **HMG financial resources for AML were stagnant**. This was dropped as an aim until the new Labour government came to power in 2024.



AND NOW... IMPLEMENTATION?

- While the legislative breakthroughs are historic on paper, there remain considerable challenges to implementing them. Companies House acknowledged that 'it is almost certain that use of professional enablers facilitates abuse of Companies House processes... [and] highly likely that the low cost and ease of registration also contributes to the nation's desirability as a registration location (Companies House, 2024).'
- According to [complete global coverage figures compiled by the World Bank](#), the UK is the 15th cheapest country in the world to incorporate a limited company. So, fees increased but are still too low to dissuade.
- There is still a strong case to increase Companies House fees. Rachel Davies Teka argued that 'I would really encourage the decision makers in Government to increase the fee to what it needs to be. Even if they increase the fee for company incorporation to £100, that is still incredibly competitive.'

JURISDICTIONAL ISSUES INCLUDING GLOBAL DISPLACEMENT
Company incorporations in the UK exceed those around the world

NUMBERS OF ENTITIES INCORPORATED BETWEEN 2021 AND 2022
[Change to table and accessible view](#)

