

# Global Anti-Corruption Sanctions

## Regime: Foreign Secretary's statement to Parliament, April 2021

Madame Deputy Speaker, with your permission, I would like to make a statement on our new Global Anti-Corruption Sanctions Regulations.

Corruption has an immensely corrosive effect on the rule of law, on trust in institutions.

It slows development, it drains the wealth of poorer nations. It keeps their people trapped in poverty.

It poisons the well of democracy around the world.

Whistleblowers and those who seek to expose corruption are targeted.

Some have paid the ultimate price with their lives, including of course Sergei Magnitsky himself – the inspiration for our Human Rights Sanctions regime.

But his courage was not in vain.

The framework of sanctions that we are launching today, shared by some of our partners around the world, flows directly from his decision to take a brave stance against injustice.

And it won't be forgotten.

Madame Deputy Speaker, this country has an important role to play in the fight against corruption.

Our status as a global financial centre makes us an attractive location for investment – and we are proud of that. We welcome it.

But it also makes us a honeypot, a lightning rod for corrupt actors who seek to launder their dirty money through British banks or through businesses.

That's why we have already taken steps to become a global leader in tackling corruption and illicit finance.

Our law enforcement agencies are recognised as some of the most effective in the world.

The National Crime Agency's International Corruption Unit and its predecessors have restrained, confiscated or returned well over a billion of assets stolen from developing countries since 2006.

And my department continues to provide funding for this vital work.

The Bribery Act 2010 criminalises bribery, and the failure of businesses to prevent bribery from happening in the first place.

In April 2016 the UK was the first in the G20 to establish a public register of the beneficial owners of companies and similar legal entities.

And that was an important first step in tackling the use of anonymous shell companies to move corrupt money around the world.

I can tell the House that over four and a half million companies are now listed on that register.

Then in 2017, we adopted the ambitious five year Anti-Corruption Strategy, bringing in measures such as Unexplained Wealth Orders, Account Freezing Orders and the like.

That year we also established the International Anti-Corruption Coordination Centre in London, which has helped freeze over £300 million of suspected corrupt assets worldwide and led to dozens of arrests.

According to Transparency International's Corruption Perceptions Index, those actions and our commitment to tackling corruption have seen the UK rise from a global ranking of 20th in 2010 to 11th place in 2020, out of a total of 180 countries.

Against that backdrop Madam Deputy Speaker, the new sanctions regime I am announcing today will give us an additional, powerful tool to hold the corrupt to account.

It will prevent corrupt actors from using the UK as a haven for dirty money, while combating corruption around the world.

Madame Deputy Speaker, as Honourable Members across the House will recall, this follows the launch of our Global Human Rights sanctions regime which I introduced to the House in July 2020.

Since then, the UK has imposed human rights sanctions on 78 individuals and entities involved in serious human rights violations including in Russia, Saudi Arabia, Venezuela, Pakistan, Myanmar, North Korea, Belarus, The Gambia, Ukraine and most recently in relation to Xinjiang in China.

Now we will have an equally powerful weapon in the fight against corruption.

As with our Global Human Rights sanctions approach, the anti-corruption sanctions are not intended to target whole countries or whole peoples, but rather to target the individuals who are responsible, and should be held responsible, for graft and the cronies who support or benefit from their corrupt acts.

So these Regulations today will enable us to impose asset freezes and travel bans on individuals and organisations who are involved in serious corruption.

Our approach is grounded in, it is based on the UN Convention against

Corruption and related instruments, it has a clear focus on bribery and misappropriation of property, and that includes embezzlement.

'Bribery' is well understood. As defined in the Regulations it includes both giving a financial or other kind of advantage to a foreign public official, and a foreign public official receiving a financial or other advantage.

'Misappropriation of property' occurs where a foreign public official improperly diverts property entrusted to them in their official role. This may be intended to benefit them or a third party.

For example, it could include siphoning off state funds to private bank accounts, it could include the improper granting of licenses for the exploitation of natural resources.

But whatever the particular circumstances, at the heart of this Madam Deputy Speaker, lies the same debilitating cycle of behaviour – corrupt officials ripping off their own people.

These powers will also enable us to target those who facilitating or profiting from such corrupt acts, those who conceal or transfer the proceeds of serious corruption, and those who obstruct justice relating to serious corruption and that won't be limited to state officials.

For clarity in all of this, we have published a policy note today, which sets out how we will consider designations under these Regulations. I know across the House there is always interest in the legal criteria as well as the evidence base that we have to accumulate.

We will also ensure, and I think it is right to say ensure, due process and the rule of law so that the rights of others are respected.

So those designated will be able to request that a Minister reviews the decision, and they can also apply to challenge the decision in court which I think is an important check in the system.

As well as introducing the legal regime, today I can tell that House that we are making the first designations under the new Regulations, which include some of the most notorious cases of corruption in recent history.

Each designation is underpinned by evidence, and meets the tests set out in the Sanctions Act and the regulations.

So today I can tell the House we are imposing sanctions on individuals who have been involved in serious corruption from 6 particular countries.

First we are imposing sanctions on 14 individuals involved in the \$230 million tax fraud in Russia, perpetrated by an organised crime group, and uncovered by Sergei Magnitsky.

Next we are imposing sanctions on Ajay, Atul and Rajesh Gupta, and their associate Salim Essa, for their roles in serious corruption.

Those individuals were at the heart of a persistent pattern of corruption in South Africa which caused significant damage to its economy and directly harmed the South African people.

We are also designating three individuals involved in serious corruption in Honduras, Nicaragua and Guatemala – including facilitating bribes to support a drug trafficking cartel.

Finally, Madam Deputy Speaker, we are imposing sanctions on the Sudanese businessman Ashraf Seed Ahmed Hussein Ali, known also as Al Cardinal, for the misappropriation of significant amounts of state assets in one of the very poorest countries in the world.

This diversion of resources, in collusion with South Sudanese elites, caused serious damage to public finances in South Sudan and has also contributed to the ongoing instability and conflict there.

Lets be clear Madam Deputy Speaker, corruption is not a victimless crime. Far from it, by enriching themselves, these people have caused untold damage, untold hardship on the countries and communities which they exploited for their own predatory greed.

So today, we send a clear message.

Those sanctioned today are not welcome in the UK.

They will not be able to use British bank accounts or businesses to give their illicit actions some veneer of respectability, because their assets in the UK will be frozen.

More designations will follow in due course based on the policy note as well as they legal criteria that we have set out, and assessed against the evidence.

As with all targeted sanctions, they are most effective when they are backed up by coordinated, international action.

Of course that is particularly important when it comes to corruption given the fluid, complex and global nature of modern illegal corruption schemes.

We will continue to work with our friends and partners, including the US and Canada, who are equipped with legal frameworks to take similar actions.

So today, Madame Deputy Speaker, I hope the whole House will unite, and join with me in standing up for the values of democracy, good governance and the rule of law.

As Britain sends the clearest message to all those involved in serious corruption around the world..

You can't come here.

You can't hide your money here.

And I commend this statement to the House.