

Statement on corporate transparency and economic crime measures

With permission, Mr Speaker, I would like to make a statement on reforms the government will be bringing forward to improve transparency over the ownership of companies and property in the UK and to strengthen the enforcement of financial sanctions. These are key elements of our strategy to tackle dirty money from Russia and elsewhere.

Mr Speaker, the openness of our economy to investment from all parts of the world is one of our greatest strengths.

However, we are equally determined that we want to attract the right type of investment. As many in this House will know, oligarchs and kleptocrats from Russia and elsewhere have used the veneer of legitimacy provided by UK-registered companies and partnerships. They have also used high-end property to help launder proceeds of corruption.

At present, Companies House has very limited powers to prevent this abuse. In light of Russia's outrageous actions in recent days, it is necessary that we put these criminals on notice, and send a message that the UK will not tolerate their corruption here.

So to that end I am announcing 2 immediate steps.

Firstly, today my department is publishing a [white paper on corporate transparency and register reform](#). And this white paper sets out a comprehensive package of reforms to Companies House.

The agency will be transformed into a custodian of accurate and detailed information – ensuring that we can clamp down on those who seek to abuse UK corporate structures to launder money.

Anyone setting up, running, owning or controlling a company in the UK will need to verify their identity with Companies House, who will then be able to challenge dubious information and inform the security agencies.

Company agents from overseas will no longer be able to create companies in the UK on behalf of foreign criminals or secretive oligarchs.

These reforms will not only tackle illicit finance but will directly support the millions of legitimate enterprises which transact with Companies House every day.

Alongside this white paper we shall also be legislating for other measures, including reform of limited partnerships law, new powers to seize crypto assets and reforms to help businesses share information on suspected money laundering.

Secondly, Mr Speaker, we will be introducing legislation to Parliament

tomorrow, to accelerate other measures which will make an immediate dissuasive effect on dirty money from Russia and elsewhere.

The Bill we will introduce tomorrow will create a Register of Overseas Entities to crack down on foreign criminals using UK property to launder their money. The new register will require anonymous foreign owners to reveal their real identity to ensure that criminals can't hold property behind secretive chains of shell companies. By legislating now, we will send a clear warning to those who have, or who are thinking about using the UK property market to launder ill-gotten gains – particularly those linked to the Putin regime.

Tomorrow's Bill will also reform Unexplained Wealth Orders, it will remove key barriers to their use by law enforcement. And it will include amendments to financial sanctions legislation, helping to deter and prevent breaches of sanctions.

The new property register, and the reforms to Companies House, will once more see the UK take innovative and world-leading steps to tackle anonymous shell companies. We have been leading on this agenda since being the first major economy to put in place, Mr Speaker, a public register of beneficial ownership for all domestic companies in 2016.

We can not only pay tribute to the heroic efforts of the people of Ukraine to defend their democracy and their freedom. These measures in a small but significant way will put pressure on kleptocrats and oligarchs who have abused our hospitality for their own nefarious purposes.