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UK Government Announces National Economic Crime Centre

The UK Home Secretary, Amber Rudd, announced earlier this week that the UK Government plans to set up a new National Economic Crime Centre (NECC) to be hosted within the UK's National Crime Agency (NCA). The focus of the NECC will be cracking down on economic crimes, such as money laundering and fraud, the latter being the most common offence in the UK.

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The NECC will coordinate with various government departments and agencies and will seek to have the “closest possible partnership with the private sector,” according to the Home Secretary. The specific details of how that will operate are yet to be published. For example, no details about personnel or funding have been produced at this stage, making it unclear how the NECC will function on a day-to-day basis. The Government's announcement very much focuses on the high-level objectives of the newly formed group, and the ideals and objectives that underpin it.

Given the lack of detail provided to date, the exact relationship between the NECC and the Serious Fraud Office (SFO) remains unclear. In its 2017 manifesto, the Conservative Party pledged to move the SFO under the control of the NCA, a controversial promise given that the current Director of the SFO, David Green, has led a change in approach to the prosecution of cases that resulted in key successes for the once much criticized agency. Although set to remain an independent organization, under the new regime, the NCA will now have the power to directly task the SFO, which could result in the SFO ceding some of its independence to the NCA. The implementation of this initiative and the further development of inter-agency cooperation will undoubtedly be key priorities for Green's successor when he/she takes up the post next year.

The setting up of the NECC is one of a string of recent moves by the Government to enhance and tighten up legislation and enforcement of corruption, sanctions, money laundering, and related economic crimes. Recent developments include (1) the creation of the Beneficial Ownership Register and resulting responsibilities; (2) the implementation of the Criminal Finances Act 2017; (3) the creation of the Ministerial Economic Crime Strategic Board; (4) reform to the SARs regime; (5) a review of the Proceeds of Crime Act 2002; and (6) granting the SFO greater powers for forfeiture of criminal money.

All of these steps are part of a program by the UK Government over the last decade to make it clear that the UK takes a hard line not only on corruption and economic crime by its own citizens, but also on foreign entities using the UK for illicit purposes.

Ropes & Gray will continue to monitor developments in this area and provide updates on the NECC as they are announced by the UK Government. For more detailed analysis of the issues, please contact your usual Ropes & Gray partner or one of the attorneys listed above.