

REPORTING & FEEDBACK – UPDATE

The Reporting & Feedback Working Party has not met since the last meeting of MLAC in February. Relevant issues were taken forward as part of the Lander Review of the SAR regime which reported in March.

Key developments since the last meeting of the Working Party:

- **The Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 (Amendment) Order 2006 (SI 2006/308)** came into effect on 21 February 2006. The Order extends the defence to the offence of failing to disclose suspicions of money laundering, which previously had applied to professional legal advisers in certain circumstances, to include accountants, auditors and tax advisers who satisfy certain conditions.
- **The Proceeds of Crime Act 2002 (Money Laundering: Exceptions to Overseas Conduct Defence Order 2006 (SI 2006/1070)** came into effect 15 May 2006. Under the Order there is a new defence to the money laundering offences in POCA. The defence applies where a person knows or believes on reasonable grounds that the acts which produced the proceeds took place in a particular country overseas and the acts were lawful in that country. The defence applies only if the act generating the proceeds would not be punishable in the United Kingdom by a maximum sentence of more than 12 months' imprisonment. The Order also sets out a few exceptions to this rule. HO issued guidance to the regulated sector on the operation of the Order on 12 April.
- **Report by the Africa All Party Parliamentary Group on Corruption in Africa "The Other Side of the Coin"** was published in March 2006. The report looked at the responsibility of the UK to tackle corruption, including attempts by Politically Exposed Persons to launder the proceeds from embezzled state assets in the UK. The Government is considering its response.
- **Proceeds of Crime Issues**
 - Consent.** The Home Office and SOCA are working together to consider whether the consent provisions in POCA need further amendment to deal with the "fungibility" issue raised by the regulated sector during SOCA 's consultations on the SAR review.
 - Prescribed Form.** Work is ongoing between HO and SOCA on bringing into use a prescribed form for reporting suspected money laundering which allows for electronic reporting.

-Cash Seizure Threshold. The Government announced in January that it was consulting ACPO , HM Revenue and Customs and relevant Government Departments on a proposal to lower the threshold above which police and customs officers can seize cash which they suspect has come from crime, or is intended for use in crime. It is proposed to lower the threshold from £5,000 to £1,000. The proposed amendment to POCA on this issue has not yet been introduced.

Future Developments

As recommended in the Lander Review of the SAR regime, new governance arrangements and structures are to be put in place within the SOCA Board framework, and below, to include representatives of the reporting institutions. It is envisaged that the proposed vetted group of representatives of the reporting sectors, law enforcement and key policy departments should take over the role and work of the MLAC Reporting and Feedback Working Party.

**Home Office
Specialist Crime Directorate**

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