

**Monday
7 March 2022**

**Volume 710
No. 129**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Monday 7 March 2022

HER MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. BORIS JOHNSON, MP, DECEMBER 2019)

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-EIGHTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 17 DECEMBER 2019]

SEVENTY-FIRST YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 710

SIXTEENTH VOLUME OF SESSION 2021-2022

House of Commons

Monday 7 March 2022

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

NEW MEMBER

The following Member took and subscribed the Oath required by law:

Paulette Adassa Hamilton, for Birmingham, Erdington.

Oral Answers to Questions

LEVELLING UP, HOUSING AND COMMUNITIES

The Secretary of State was asked—

Support for First-time Buyers

1. **Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): What steps he is taking to help support first-time buyers on to the housing ladder. [905895]

The Minister for Housing (Stuart Andrew): Since 2010, more than 758,000 households have been helped to purchase a home through Government-backed schemes, including Help to Buy and Right to Buy. In the levelling-up White Paper, we included this mission:

“By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas”.

Mr Dhesi: Conservative choices have created a housing crisis by allowing developers to maximise profit, building housing for investment rather than good-quality, safe, secure, affordable homes. However, building more homes will not in itself solve the housing crisis if those homes

are bought off plan by foreign investors before local people such as my constituents can even get a look in. In order to ensure that first-time buyers are not squeezed out by foreign investors and second home owners, will the Government support Labour's proposal to allow them first dibs on new homes?

Stuart Andrew: Let me first make it clear that it is my keen ambition in this role to do everything I can to help more people on to the housing ladder. We have produced a great many schemes that help to achieve that purpose. We already have the First Homes scheme, which provides a 30% discount for local people, for whom those homes remain in perpetuity.

Mr Richard Holden (North West Durham) (Con): Will my right hon. Friend join me in welcoming the fact that last year saw the highest number of first-time buyers in two decades, under this Government, and will he pledge to do everything he can to increase that number in future years?

Stuart Andrew: My hon. Friend is right to highlight the increase in the number of first-time buyers. We are keen to ensure that it continues, and the levelling-up White Paper will be key to delivering that for as many people as possible throughout the country.

Mr Speaker: I call the shadow Minister, Matthew Pennycook.

Matthew Pennycook (Greenwich and Woolwich) (Lab): The Opposition have repeatedly criticised the Government's First Homes scheme on the grounds that, by top-slicing section 106 funding, it drastically reduces the number of social and affordable rented homes that are being built, but we also have concerns that the scheme is failing in practice to help large numbers of first-time buyers across the country. Given that the new build premium is continuing to rise, and given that UK house price index data suggest that average house prices in England have increased by 18% since the scheme was first consulted on, can the Minister tell us in how many local authority areas the discount on those homes has not already been entirely eroded?

Stuart Andrew: I accept that there are a number of things that we need to do in relation to the First Homes scheme. Homes England's early delivery programme will provide a further 1,500 homes, but of course we will monitor these developments and do everything we can to help people get on to the property ladder. After all, achieving that has always been a huge principle of the Conservative party.

Andrew Bridgen (North West Leicestershire) (Con): Despite the covid pandemic, more than 800 new homes were built in my constituency last year, many of them affordable for first-time buyers. More than 800 houses were built during the previous year, and more than 800 will be built this year. Does the Minister agree that the best thing we can do for first-time buyers is ensure that all constituencies build an ample number of high-quality, affordable homes?

Stuart Andrew: My hon. Friend is absolutely right. Having local authorities with well-developed local plans to ensure that they are ready and prepared to build the houses that their local area needs is incredibly important. The affordable homes programme that the Government have announced, with £11.5 billion-worth of investment, will help to secure that, so that we can try to deliver the 180,000 homes that that is expected to deliver.

Levelling-up Agenda: Opportunities for Northern Ireland

2. **Ian Paisley** (North Antrim) (DUP): What recent discussions he has had with the Northern Ireland Executive on the potential opportunities for Northern Ireland of the levelling-up agenda. [905896]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien): The Secretary of State met the then First Minister of Northern Ireland when the levelling-up White Paper was published to discuss the many opportunities for Northern Ireland as part of that agenda, and I met Conor Murphy, the Minister of Finance, last Thursday to discuss the delivery of the UK shared prosperity fund in Northern Ireland. I look forward to working closely with the Northern Ireland Executive on this in the coming months.

Ian Paisley: I thank the Minister for meeting me last week to discuss these important opportunities for regions such as Northern Ireland. The levelling-up White Paper identified hydrogen bus development as a key economic boost. So far, five strategic schemes have been put in place for zero-emission buses across the UK, and all five are very welcome but they are battery electric. Will the next five schemes be driven by hydrogen? Can the Minister ensure that there is joined-up thinking on this across the Departments?

Neil O'Brien: The hon. Gentleman is right to identify an important opportunity for Northern Ireland through the hydrogen agenda. As part of all the things we are doing on levelling up, including the third increase in research and development spending outside the greater south-east, the strengthening places agenda, or the many things we are doing with higher and further education in Northern Ireland, there are many opportunities to advance the important agenda that he has prioritised.

Alun Cairns (Vale of Glamorgan) (Con): Until recently, European aid was the main means of regenerating communities in some of the devolved nations, but that European aid was restricted to certain parts of the nations. Now, the levelling-up fund and the shared prosperity fund will give us the opportunity to regenerate other parts of the UK, particularly those areas that did not qualify for European aid. When the next window opens for the levelling-up fund, will the Minister pay particular attention to communities such as Barry, which now qualify for the levelling-up fund but did not previously qualify for European aid?

Neil O'Brien: My right hon. Friend is absolutely right; the next round of levelling-up funding will be opening shortly. He is also right to draw attention to the fact that outside the European Union we have a lot more flexibility about how we spend, and we can use that to pick up some of those exciting opportunities in other places.

Local Authority Budgets

3. **Barbara Keeley** (Worsley and Eccles South) (Lab): What steps he is taking to reduce financial pressures on local authority budgets. [905897]

6. **Liz Twist** (Blaydon) (Lab): What assessment he has made of the impact of reductions to local authority budgets on the Government's levelling-up agenda. [905900]

12. **Paula Barker** (Liverpool, Wavertree) (Lab): What assessment he has made of the impact of reductions to local authority budgets on the Government's levelling-up agenda. [905906]

The Minister for Levelling Up Communities (Kemi Badenoch): Next year's local government finance settlement makes available an additional £3.7 billion to councils, including funding for adult social care reform. This is an increase in funding of more than 4.5% in real terms and it will ensure that councils across the country have the resources they need to deliver key services.

Barbara Keeley: Salford City Council has had its core funding from central Government cut by 53% since 2010-11. The local government finance settlement that the Minister has just mentioned does not reverse that decade of cuts, and nor does it help enough to provide the £7.6 million needed to pay for increases in costs from national insurance, the national minimum wage, employer pensions and inflation. However, the most critical pressure is on adult social care, where the city council faces increased demand and increased costs. How on earth can councils be expected to deliver vital social care services adequately when this Government's solution is to make councils fund them from regressive taxes such as council tax and a social care levy of up to 14%?

Kemi Badenoch: We recognise that councils have financial pressures and we are doing everything we can to support them. Salford receives up to an additional £19.2 million in core spending power, which is a cash-terms increase of 7.8%. That excludes other funding that we have given to the hon. Lady's council to assist with the pressures she has raised.

Liz Twist: The levelling-up White Paper made no mention of funding for local councils, despite the fact that it is local authorities that deliver the kind of change to local communities that the White Paper claims to be aiming for. Does the Minister think that after 12 years of extraordinary cuts to local authority funding, councils across the country are in a good position to deliver levelling up without any new funding?

Kemi Badenoch: I disagree with the hon. Lady. The levelling-up White Paper did make reference to council funding, and the financial settlement that I referred to earlier mentioned the cash increase. She will know that Gateshead receives 8.1% and that the Northumberland part of her constituency receives 8%. The fact is that we have given additional funding for levelling up. This includes £2.1 million from the community renewal fund and a £358,000 allocation from the welcome back fund. There is money going into her constituency and we are here to support as much as we can.

Paula Barker: Local government finance has been ravaged over the last decade under the mantra of austerity. Councils in the north have lost up to 50% of their core funding, and some have lost even more. The Secretary of State has said, “If you leave the free-play market forces entirely to themselves, then what you see is inequality growing, in particular geographical inequality”. Those were fine words, spoken at the convention of the north in my home city. When will the Department drop the spin on local government finance and genuinely improve councils’ core spending powers by factoring in inflation and national insurance increases, for which our cash-strapped local authorities are picking up the tab?

Kemi Badenoch: Labour Members continue to talk about losses in funding, but they forget to remind everyone of how we arrived in this position. It is because of their disgraceful management of the public finances. We have spent the last 10 years repairing the public finances, which is why we have been able to give the real-terms increase that will support all Labour councils.

Siobhan Baillie (Stroud) (Con): Stroud District Council is on the record as saying how generous and supportive the Government were during the pandemic. We established holiday camps and a range of activities that were not there before, and we are bidding for £20 million from the levelling-up fund and we are working closely with our GFirst local enterprise partnership, which is keen to know the timeline for the shared prosperity fund. Is the Minister able to give us any more information? This is another round of funding that is available to our local authorities.

Kemi Badenoch: I recognise my hon. Friend’s concerns. All I can tell her is that we will be providing further details very shortly.

Mark Pritchard (The Wrekin) (Con): I thank the Secretary of State and all the Ministers and officials in the Department for moving at pace to tackle the growing humanitarian crisis in Ukraine. We have heard from the Government that those with family links and those with sponsorship will get support. Many local authorities are under huge financial pressure, so will the Minister say what further help could be given to local authorities

that want to house refugees not only from Ukraine but from Afghanistan? Finally, can she give more detail on the announcement, or non-announcement, of a third track for refugees?

Kemi Badenoch: I cannot answer all my right hon. Friend’s questions, but my right hon. Friend the Secretary of State is having discussions with councils on this very issue. As soon as we are able to provide further details, we will do so.

Damien Moore (Southport) (Con): Does my hon. Friend agree that the reorganisation of local authority areas can reduce the financial pressure on councils? Will she meet me to discuss how Southport would benefit from being in a new council area?

Kemi Badenoch: Yes, it is true that reorganisation can sometimes assist. I would be happy to meet my hon. Friend to discuss this issue.

Mr Speaker: I call the shadow Minister, Mike Amesbury.

Mike Amesbury (Weaver Vale) (Lab): Members on both sides of the Chamber have said that any levelling up will ultimately be delivered by local authorities improving lives in their communities, but councils have faced and continue to face, despite the spin, serious shortfalls thanks to draconian Government cuts, including a 2% real-terms cut this year. Can the Minister explain how taking away £88 million from Burnley Borough Council in Lancashire over the last 10 years, even after taking into account the levelling-up funding, is fair? How is that levelling up? How will a £102 million shortfall over the next three years for Essex County Council—the Minister’s own county council—level up adult social care? Is it not time for Ministers to cut the spin, cut the claptrap and provide some substance and genuine levelling up for our hard-pressed councils?

Kemi Badenoch: I completely reject the hon. Gentleman’s numbers. As I said, we have given a 4.5% increase in the local government finance settlement. We are here to provide support to all local authorities. We are not going to engage in agreeing with the false numbers provided by the Opposition.

Help for Rough Sleepers

4. **Steve Brine (Winchester) (Con):** What steps his Department is taking to help rough sleepers find accommodation. [905898]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): We have committed more than £800 million to tackle homelessness and rough sleeping in this year alone. That includes the investment of £202 million through the rough sleeping initiative fund, which provides 14,500 bed spaces and approximately 2,700 staff throughout the country. We are also helping people to find longer-term accommodation, including through the £433 million rough sleeping accommodation programme, which we expect to provide 6,000 new homes before the end of this Parliament. So far, we seem to be having some success, because the rough sleeping snapshot taken in November and announced a couple of weeks ago shows that numbers have fallen for eight years in a row.¹

1. [Official Report, 14 March 2022, Vol. 710, c. 8MC.]

Steve Brine: Trinity Winchester is not just a homeless shelter or day centre for rough sleepers but provides practical and emotional support to people experiencing the effects of homelessness and vulnerability. Its new Bradbury View accommodation provides homes for people who are rough sleeping repeatedly. The model is unique and I am glad that the Secretary of State has agreed to visit Winchester as soon as we can fix that up—

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove) *indicated assent.*

Steve Brine: He is giving me a thumbs up—excellent.

Does the Minister agree that we have to borrow what works—Winchester is happy to show what works in this regard—and then scale it up throughout the country? At the end of the day, it is wraparound care that is going to break the cycle.

Eddie Hughes: I guess that is the point: we need to legislate nationally and provide funding but trust local authorities, local areas and the excellent services of Trinity Winchester and others of that ilk to provide a bespoke service based on local demands. I am delighted that the Secretary of State is going to visit that scheme.

Mr Speaker: I call the shadow Minister, Sarah Owen.

Sarah Owen (Luton North) (Lab): The Government's rough sleeping snapshot recorded 2,440 people sleeping rough throughout the whole UK in the autumn. The Minister will know that the flawed method of data collection captures just a fraction of those without a home to sleep in. Those who are not represented in the figures include people who slept on public transport, who found a bed in a night shelter, who walked around at night and slept rough during the day, or who went under the local authority's radar completely for any number of reasons. The reality of rough sleeping is far worse than the figures imply, so will the Minister tell me whether his Department is on track to deliver on its promise to truly end rough sleeping by 2024? If it is not, will it consider seizing the mansions of Russian oligarchs and putting those empty bedrooms to good use, once and for all?

Eddie Hughes: To a degree, I understand part of the hon. Lady's point. It is clearly difficult to capture that information, which is why we trust local councils and charities to do it. We have the figures validated by Homeless Link. The hon. Lady may have missed the fact that we are publishing more data so that it will be available monthly and working with local councils to make sure that that data is used appropriately to reduce the number of rough sleepers. I look forward to working with her to that end.

Levelling-up White Paper: Impact on Regional Inequality

5. **Jason McCartney (Colne Valley) (Con):** What assessment he has made of the impact of the proposals in the levelling-up White Paper on regional inequality in the UK. [905899]

15. **Suzanne Webb (Stourbridge) (Con):** What assessment he has made of the impact of the proposals in the levelling-up White Paper on regional inequality in the UK. [905909]

18. **Simon Baynes (Clwyd South) (Con):** What assessment he has made of the impact of the proposals in the levelling-up White Paper on regional inequality in the UK. [905912]

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove): The proposals in the levelling-up White Paper are already reducing regional inequality. Whether it is through urban regeneration in Wolverhampton and Sheffield, new education investment areas across the country, or a commitment to addressing the health inequality that holds so many people back, this Government are making progress to make opportunity more equal for all.

Jason McCartney: I have been supporting the levelling-up fund bid by my hon. Friends the Members for Dewsbury (Mark Eastwood) and for Penistone and Stocksbridge (Miriam Cates) to upgrade the Huddersfield-Penistone-Sheffield railway line. I have also been working on my own bid to regenerate disused mills in my Colne Valley constituency. Will the Secretary of State please tell me when we will get more details on the next round of levelling-up fund bids, which are transforming our constituencies?

Michael Gove: Colne Valley, and indeed Kirklees more broadly, has no more effective advocate than my hon. Friend, and the bid he has put forward has much to commend it. I will discuss with the Secretary of State for Transport and the Chancellor of the Exchequer what we can do, but more detail will be shared when the Chancellor makes his spring statement.

Suzanne Webb: Dudley Metropolitan Borough Council and I are currently working on a masterplan for an area called Lye, an historic market town in my constituency that is in much need of regeneration. The intention is to put in a bid for the levelling-up fund. Will my right hon. Friend support me in encouraging my constituents to put themselves forward and have their say in the consultation? There is of course an open door and my right hon. Friend is welcome to come to my constituency to see exactly what regeneration is needed.

Michael Gove: There are few more attractive parts of the Black Country and the west Midlands than my hon. Friend's constituency. I have not yet visited the community of Lye—I am sure that all sorts of puns could follow—but the proposition that she puts forwards, which is increased community involvement in town masterplanning, is at the heart of our approach towards redevelopment.

Simon Baynes (Clwyd South) (Con): I am delighted that the UK Government have recently signed a memorandum of understanding with Wrexham and Denbighshire councils in order to allow the first phase of the £13.3 million levelling-up projects in Clwyd South to progress. Will my right hon. Friend provide further detail on how he sees these levelling-up fund projects addressing regional inequality in my part of north Wales?

Michael Gove: My hon. Friend makes a very important point. North Wales has been neglected under previous Labour Governments. It is only this Conservative Administration who are making sure that communities

such as Wrexham and Llangollen get the investment they deserve. He and my hon. Friend the estimable Member for Wrexham (Sarah Atherton) have put forward exciting propositions and we want to make sure that the whole north Wales corridor, from Ynys Môn, over the border into Liverpool and Chester, becomes a supercharged corridor for growth, and that will only happen under this Government.

Mr Speaker: I call the Chair of the Levelling Up, Housing and Communities Committee.

Mr Clive Betts (Sheffield South East) (Lab): The Government's White Paper is rightly ambitious. I think there will be general support for that ambition across the House, and rightly so, because we have some of the most unequal economies and societies among any developed countries. Is the Secretary of State not slightly concerned, however, that the tools he has at his disposal to address this are actually a small number of separate spending pots, completely disjointed and unconnected, and distributed according to a completely inappropriate bidding process? Does the Secretary of State not really want to see a review of total Government spending, of where it is spent in the country, and then the allocation and more control over that to local councils and local mayors so that it can be spent in the interests of local communities?

Michael Gove: I do.

Cat Smith (Lancaster and Fleetwood) (Lab): My constituents in Fleetwood hear about levelling up an awful lot, but they are not really seeing the benefits of it. Applications by Wyre Borough Council for the future high streets fund and the levelling-up fund have been knocked back, so can the Minister tell my Fleetwood constituents when they can expect to get this levelling up?

Michael Gove: Absolutely. I am more than happy to talk to Lancashire County Council and, indeed, to the hon. Lady about how we can ensure that levelling-up funds and UK shared prosperity and other funds flow to her constituents.

Dan Jarvis (Barnsley Central) (Lab): There was much to welcome in the White Paper, but, as we have just heard, we now need to see the investment to match that ambition. I understand that the Secretary of State might be in my neck of the woods in the very near future. He will be warmly welcome, particularly if he brings the Treasury cheque book with him. May I ask him specifically for an update on the £900 million that I have requested for South Yorkshire to match the shared prosperity fund commitments that the Government have rightly made to Cornwall?

Michael Gove: I am grateful to the hon. Gentleman for the points that he makes. He is absolutely right: we need to make sure that the replacements for EU funding are distributed equitably and efficiently across the country. I completely understand the desire that he and others in South Yorkshire have to see that money out of the door as quickly as possible and in communities making a difference. We will be updating the House on our progress towards ensuring that that money is available along the timeline of the spring statement.

Mr Speaker: I call the shadow Minister.

Alex Norris (Nottingham North) (Lab/Co-op): The reality is that the rhetoric is just not matching up to what the Government say they want it to deliver, but those analysts at Oxford Economics are not fooled. They say the levelling-up White Paper contains little that is new or significant.

They say that there is nothing to cause them to revise their national and regional growth forecast, and they call its targets and missions either "pre-existing or "vague". That is a damning indictment. What we needed was a plan to bring good jobs back to all communities to breathe life into our high streets and to transfer power from Whitehall to local communities. This White Paper is not going to address regional inequalities, is it?

Michael Gove: The hon. Gentleman said that the rhetoric is not matching up to the delivery, which suggests, actually, that we are underselling what we are doing. I think what he meant to say, if he had written out his question more clearly, is that the delivery is not matching up to the rhetoric. I have to disagree with him on that, because a plethora of organisations from Onward to the Institute for Public Policy Research have pointed out that everything in the levelling-up White Paper is what Labour should have been doing when it was in power.

Mr Speaker: I call the Scottish National party spokesperson, Patricia Gibson.

Patricia Gibson (North Ayrshire and Arran) (SNP): Scotland was promised £1.5 billion a year when the UK left the European Union, as part of a so-called Brexit bonanza. In reality, only £172 million has been announced so far. That means that, for every pound promised to Scotland, only 11p has been committed. Can the Secretary of State explain why Scotland is being short-changed by 89%, and will he tell us when that shortfall will be addressed?

Michael Gove: It is the case that we want to welcome more bids to the levelling up fund from Scotland; indeed, we are in discussion with Scottish local authorities and others about the distribution of the UK shared prosperity fund. However, I hope I can avoid provoking a blush on the hon. Lady's cheek if I say that her local authority of North Ayrshire, North Ayrshire's Member of the Scottish Parliament and the hon. Lady herself have been uniquely successful in securing funding from the levelling-up fund. I encourage other Members of the Scottish National party to be as energetic, co-ordinated and effective as she, the MSP for North Ayrshire and North Ayrshire Council have been.

Planning: Flood Risk

7. **Ruth Edwards** (Rushcliffe) (Con): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on the role of planning processes in reducing flood risks in new housing developments. [905901]

The Minister for Housing (Stuart Andrew): Ministers from our Department engage regularly with those from the Department for Environment, Food and Rural Affairs on flood risk. That includes the publication of our joint "Review of policy for development in areas at flood risk",

which looked at that very issue, and the updating of the flood risk policies in the national planning policy framework in 2021.

Ruth Edwards: Much of the flooding in villages across Rushcliffe has been linked to new developments built without increasing local sewerage and drainage capacity. How does my right hon. Friend think we can best address that problem through the planning system, to ensure not only that water companies are forced to take new development into account when assessing their infrastructure, but that developers are forced to pay their fair share? If we do not get this right, it will be all our constituents who continue to suffer.

Stuart Andrew: My hon. Friend is right, and she is a superb advocate for her constituents, having already raised a number of issues with me since I have been in this post. The national planning policy framework is clear that local plans and planning decisions should consider flood risk from all sources, including overwhelmed sewers and drainage systems. Water and sewage companies are statutory consultees for local plans that set out an area's development requirements, and can comment on planning applications. However, she is right that the right infrastructure must be put in place for the developments we see in our country.

Christine Jardine (Edinburgh West) (LD): Flooding is undoubtedly an important issue to be taken into account in the planning process, but there are other issues, one of which is the gender bias that exists in planning. I will be presenting a Bill tomorrow to attack that very thing. Are the Government considering as part of the planning in the levelling-up process how to ensure that gender neutrality is at the heart of major development designing?

Stuart Andrew: There will be a lot of announcements to come in the near future about our plans for planning, but the hon. Lady is right to talk about that whole aspect of it. My hon. Friend the Minister for Levelling Up Communities, the hon. Member for Saffron Walden (Kemi Badenoch) has just assured me that all equality issues are looked at in this area.

Sir Oliver Heald (North East Hertfordshire) (Con): We have the same problems in North East Hertfordshire, with towns such as Watton-at-Stone having flooding problems because of many new houses, inadequate storm drains and not enough balancing ponds. Will my right hon. Friend redouble his efforts in talking to DEFRA to ensure that we get better storm drainage for the future?

Stuart Andrew: My right hon. and learned Friend is right to raise that important issue. As we prepare all developments to ensure that they are tackling climate change, we should also look at the points he raises. I commit to him that I will speak on a regular basis with my colleagues in DEFRA.

Building Safety

8. **Vicky Foxcroft (Lewisham, Deptford) (Lab):** What steps he is taking to resolve the building safety crisis. [905902]

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove): The Government are ensuring that industry and those responsible pay to fix the current crisis. I refer the hon. Lady and the House to the letter I sent to the Home Builders Federation, published earlier today, which followed proposals sent to me by developers. While I welcome progress, developers have not yet gone far enough. I expect them to agree a fully funded plan to fix unsafe buildings by the end of this month or, reluctantly, we will have to impose a solution in law.

Vicky Foxcroft: I have met dozens of freeholders and leaseholders in my constituency who are worried about the escalating costs of fire safety remediation. The Hyde Group recently billed tenants £9,000 a year for waking watch, although, thankfully, it rescinded it. Leaseholders from the Renaissance buildings may be liable for £500,000 of costs relating to external wall investigations and the building safety fund application. What reassurances can the Secretary of State give my constituents while they wait anxiously for the Government to decide who is liable for those huge bills?

Michael Gove: I am grateful to the hon. Lady for articulating so clearly the concerns that so many of her constituents have. I am glad that the request for funding for waking watch has been removed. That follows on from the announcement that we made on building safety a little earlier this year. As she rightly points out, with regard to the allocation of costs and responsibilities, more needs to be done. I hope that by the end of this month the clarity that she seeks and the safe passage of the Building Safety Bill will provide the constituents for whom she speaks with the reassurance they deserve.

Housing Disrepair

9. **Ian Byrne (Liverpool, West Derby) (Lab):** What steps he is taking to protect tenants from housing disrepair and poor-quality housing conditions. [905903]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): This Government are committed to driving improvements in both social and private rented homes. This spring we will publish our White Paper setting out our ambitious proposals to reform the private rented sector, including exploring a legally binding decent homes standard as well as a landlord register. We are driving forward reform of social housing quality through our social housing White Paper commitments, including a review of the decent homes standard.

Ian Byrne: One in four properties in the private rented sector are classed as non-decent. Every day that the Government delay their White Paper is a day that millions spend in cold, insecure, unsafe and unaffordable homes. The words "levelling up" will ring hollow in the minds of millions of tenants living in these awful, awful conditions. Will the Minister commit that the White Paper will actually have teeth to resolve the crisis that we are seeing in our communities and hold rogue landlords to account, which is not happening now?

Eddie Hughes: I have tremendous respect for the hon. Gentleman and his work, and the work of the Select Committee in total. I will be working very closely with them to ensure that the White Paper does indeed have

teeth and that our collective efforts drive down the number of non-decent homes. The target set in the levelling-up White Paper was to reduce the number by 50% by 2030.

Islamophobia

10. **Afzal Khan** (Manchester, Gorton) (Lab): What recent discussions he has had with the anti-Muslim hatred working group on the rise in Islamophobic attitudes. [905904]

The Minister for Levelling Up Communities (Kemi Badenoch): The anti-Muslim hatred working group has played a valuable role as the Government's forum for discussing and advising on anti-Muslim hatred and the challenges faced by Britain's Muslim communities. While the group was paused during the pandemic they continued their important work through a series of webinars, including an event addressing the fears and myths about the covid-19 vaccination programme. The Secretary of State and I will be meeting the leadership of the group in the next few weeks to discuss the current issues facing Muslim communities and the best way for us to support the group's work.

Afzal Khan: Islamophobia remains in all elements of our society, and that includes our major political parties. The difference is that while the Labour party has taken decisive and swift action, the Government have not delivered on any of their promises. The anti-Muslim hatred working group's own Qari Asim has been critical of the Government's failure to take tangible action. Will the Minister now follow in the footsteps of the Labour party and take steps to tackle Islamophobia in the UK, starting with a truly independent investigation into the Conservative party? Will she outline when the UK last submitted a report to the UN's International Convention on the Elimination of All Forms of Racial Discrimination, as required of all signatories to the convention?

Kemi Badenoch: The Government do remain committed to stamping out anti-Muslim hatred and all forms of religious prejudice. I have had conversations with the hon. Gentleman and I am due to meet the all-party parliamentary group on British Muslims very shortly. We will outline our next steps in due course but we are actively working on this.

Imran Hussain (Bradford East) (Lab): I have listened to the Minister, but the tragic reality is that Islamophobia is on the rise and is rife in our society today. If anyone is in any doubt, they should speak to the Muslim communities up and down this country who have to face this evil on a daily basis. How can my constituents have any confidence in a Government who cannot even tackle Islamophobia in their own ranks?

Kemi Badenoch: I completely reject the accusation made by the hon. Gentleman—it is completely untrue. We are doing everything we can to tackle not just anti-Muslim hatred but all forms of prejudice in our society. On this issue, we have supported Tell MAMA with just over £4 million between 2016 and 2022 to monitor and combat anti-Muslim hatred. Over the past five years of the places of worship grant scheme we have awarded 241 grants worth approximately £5 million

to places of worship. In November 2020 we awarded £1.8 million through the Ministry of Housing, Communities and Local Government's faith, race and hate crime grant scheme.

Levelling Up: Rail Investment in Wales

11. **Geraint Davies** (Swansea West) (Lab/Co-op): What assessment he has made of the potential effect on levelling up in Wales of rail enhancement investments. [905905]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien): Investment in rail is a very important part of the levelling-up agenda. As well as the £2 billion for Network Rail in Wales over this control period, more than £340 million has been provided for enhancements in Welsh rail from 2019 to 2024. What is more, the UK Government are investing £30 million in the Global Centre of Rail Excellence, supporting about 120 jobs in Wales.

Geraint Davies: It takes three hours to get from London to Swansea; it takes three hours to get from London to Edinburgh. The reason is that only 1.5% of UK rail enhancement funding goes to Wales, even though it has 5% of the population and 11% of the railway lines. Will the Minister—with the support of the Secretary of State—urge the Treasury to provide funding as a share of HS2 to Wales on the same basis as it provides it to Scotland, given that HS2 is north-south, which would give us an extra £4.6 billion to level up and connect the Union?

Neil O'Brien: The 1% figure that the hon. Gentleman quotes is from a Welsh Government report, which looks only at a very small part of rail investment and does not give a correct picture of the wider investment in Wales that I described. HS2 will of course provide huge benefits to the people of north Wales, who will be connected much more rapidly to the rest of the country.

Second Homes: Devon and Cornwall

13. **Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): What assessment he has made of trends in the level of second homes in Devon and Cornwall between 2010 and 2022. [905907]

The Minister for Housing (Stuart Andrew): Data on second homes in Devon and Cornwall can be found on the Government's council taxbase website. The number of second homes for council tax purposes was 28,126 in 2010, and is at 26,853 this year. The Government recognise the adverse effects that large numbers of second homes can have on some areas, and we have introduced a number of measures to mitigate those effects, including high rates of stamp duty tax for those purchasing additional properties.

Luke Pollard: More west country families are being turfed out of their homes through no-fault evictions, only to find those homes appearing on Airbnb a few days later. Every west country family should have a first home, but we are becoming known as a region of second homes and holiday lets. Will the Minister meet a delegation from the First Homes not Second Homes campaign so

that we can look at how the Government can adopt Welsh Labour's proposal to charge 300% council tax on empty properties and second homes that are empty for much of the year, and ensure that every family can have a first home?

Stuart Andrew: The hon. Gentleman is right to raise this issue, which was one of the main topics that came up when I met several of my colleagues just last week. I am more than happy to meet the delegation, as the hon. Gentleman suggests, and will try to arrange that as quickly as possible.

Accountability of Locally Elected Representatives

14. **Mr John Whittingdale** (Maldon) (Con): What steps he is taking with local authorities to help ensure the accountability of locally elected representatives. [905908]

The Minister for Levelling Up Communities (Kemi Badenoch): The Localism Act 2011 sets out a robust framework for local authority standards and accountability. All local authorities must adopt a code of conduct, with sanctions when members do not adhere. I recently met the chair of the Committee on Standards in Public Life to reaffirm that the Government will respond shortly to his committee's report on this issue, when we will set out further steps to improve the system.

Mr Whittingdale: Does my hon. Friend agree that as the Government strengthen locally elected institutions, bodies and individuals as part of the levelling-up agenda, it becomes all the more important that they are properly held to account by local media—newspapers, radio and television? Will she look at what more can be done to sustain local media, which is under terrific pressure?

Kemi Badenoch: My right hon. Friend is right. Local news providers remain uniquely placed to undertake the investigative journalism and scrutiny of public institutions that is vital to ensuring a healthy democracy at local level. This is primarily a matter for the Department for Digital, Culture, Media and Sport, but I am happy to meet my right hon. Friend to find out more about it.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Am I living in a parallel universe? [HON. MEMBERS: "Yes!"] Listening to some Government Members talk about their experience of their local authorities and their local situation, I feel I must be in a different world. The fact of the matter is that the morale of local authorities and local councillors is at rock bottom, because during these years and years of Conservative Government there have been so few resources for local authorities to actually do their job. They want to do their job—they would love to level up—but just like the northern powerhouse, this all looks like pie in the sky to my constituents.

Kemi Badenoch: I did not hear a question, so I will just disagree with the hon. Gentleman.

Sir Robert Buckland (South Swindon) (Con): Accountability in local government includes participation from the widest corners of our society. As the Disability Policy Centre highlighted in its recent report, "Breaking Down Barriers", accessibility of local authority buildings

is still a major issue for disabled people. Only two in five of local authority homepages on the web are accessible. What work will the Government do to ensure we can open up local democracy to more people with disabilities?

Kemi Badenoch: My right hon. and learned Friend raises a very important issue. Officials are consistently looking at ways to ensure we comply with the Equality Act 2010. If there is a specific example he would like to give me, I would appreciate it if he wrote to me, and then I can provide him with a more comprehensive response.

Levelling-up Funding Allocation

16. **Joanna Cherry** (Edinburgh South West) (SNP): What steps he is taking to ensure that levelling-up funding is allocated equitably and transparently. [905910]

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove): Levelling-up funding is distributed using both competitive and formula-based models as appropriate across the United Kingdom. The methodology, assessment and decision-making processes involved are published on gov.uk.

Joanna Cherry: I have no objection to the Secretary of State redistributing wealth by giving my constituents and other Scottish taxpayers their hard-earned cash back, but the Scotland Act 1998 should be respected. In January, the House of Lords Constitution Committee said that the Government's approach was "unhelpful" and has undermined the trust of the devolved Governments in this Government. Can he tell us when the Government will start to properly respect the devolved settlements?

Michael Gove: I respectfully disagree with the hon. and learned Lady. Not only are we respecting the devolution settlement; we are enhancing it. Only the other week, I had the chance to speak to the Convention of Scottish Local Authorities, which, as she will know, is the successor body to the oldest local government organisation in the world. There was a huge welcome from the Scottish National party, Conservative, independent, Liberal Democrat and Labour councillors in Scotland for the approach that we were taking in the UK Government. [Interruption.] There is a straightforward division between us. I prefer to trust locally elected councillors in Scotland, whereas she prefers the view of the House of Lords. You know:

"Ye see yon birkie, ca'd a lord...A Man's a Man for a' That".

Topical Questions

T1. [905885] **Munira Wilson** (Twickenham) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations (Michael Gove): The situation in Ukraine is at the forefront of the minds of us all in this House, and I am grateful for the immensely hard work of civil servants across Government, and of those in local government, as well as those involved in diplomatic and humanitarian efforts at this time.

My Department has two specific roles in supporting cross-Government work. The first is exploring how we can support the Foreign, Commonwealth and Development Office and other Departments with a sanctions regime that meets the needs of the hour, and in particular how we can target the property and assets of those in this country who have been supporting the Putin regime. We are also responsible for ensuring that we can provide appropriate support for refugees arriving in this country. My right hon. Friend the Home Secretary has already expanded the family sponsorship system, and we have an existing humanitarian sponsorship scheme, which is being expanded now to ensure that local authorities and others can play their part in ensuring a warm and safe welcome for those fleeing persecution.

Munira Wilson: More than 2,100 residents have signed my petition to see the former Teddington police station site repurposed for community use and affordable housing. The Under-Secretary of State for Levelling Up, Housing and Communities, the hon. Member for Harborough (Neil O'Brien), confirmed last week that there is nothing in law or guidance that says the Mayor of London has to sell the site to the highest bidder, as he claims, and he has reportedly rejected a bid for a new home for Park Road GP surgery and affordable homes because he is insisting on getting the highest price—probably from luxury developers. Will the Minister join me in calling on the Mayor to reconsider this decision, as Teddington residents are demanding?

Michael Gove: I know how determined the hon. Lady has been to represent the residents of Teddington in this matter, and I know she has raised it in a Westminster Hall debate with my hon. Friend the Under-Secretary. I will seek to ensure that my ministerial team are closely engaged with the hon. Lady to ensure that we can come to a fair and equitable solution for her residents.

Mr Speaker: I call the shadow Secretary of State.

Lisa Nandy (Wigan) (Lab): It is three months since Russian troops massed at the Ukraine border and not a single detail has been published about the community sponsorship scheme that the Secretary of State is supposedly leading. We stand alone among European countries in insisting on a visa that takes months while desperate people are being turned back at Calais. Nearly 2 million people have fled Ukraine and only 50 visas have been granted. Will he really ask desperate people to wait months for his Department to get its act together or will he pick up the phone to the Home Secretary, cut out the bureaucracy and help people now?

Michael Gove: I agree with the hon. Lady that it is vital to provide the fastest and safest route for those fleeing persecution and we are working with our partners on the ground in Poland and elsewhere to do just that. We are processing more than 14,000 applications under the family scheme at the moment. Of course, as my right hon. Friend the Home Secretary outlined last week, that scheme has been significantly expanded. There is an existing community sponsorship scheme and the details are available on gov.uk for those who wish to help through it, but we are expanding it and more details will be announced later today and later this week.

Lisa Nandy: I point the Secretary of State to last year's inspectorate report that highlighted that his existing scheme is an absolute shambles. People are being asked to wait months on end to access it and still not a single detail has been published. I cannot bear to listen to that with the scenes that we are seeing unfolding in front of our eyes—it is too slow. While he quarrels with the Home Office, we are turning away refugees and, worse, letting oligarchs off the hook.

Seriously, how can the Housing Secretary sit there without any sense of shame while, just down the road, Russian oligarchs linked to the Kremlin are offloading millions of pounds from the UK property market in a fire sale? That is the dark money that sustains the Putin regime. He could set that right this afternoon through amendments tabled by his Back Benchers and by Labour that would start to put an end to the shameful situation that his party has presided over for too long. Will he back those amendments?

Michael Gove: Again, I am grateful to the hon. Lady for raising two important questions. On the need to ensure that we have a rapid expansion of the scheme, we need to use the existing community sponsorship scheme, which has been successful, to—*[Interruption.]* She has already asked her question, and I can answer. If she wants to try to rewrite her original question, she is welcome to do so. *[Interruption.]*

Mr Speaker: Order. No more chuntering. Answer the question quickly; I have lots of Members to get in.

Michael Gove: Thank you very much for ensuring order, Mr Speaker. The scheme that we are expanding will ensure that we meet the needs of the hour and that all those who need humanitarian resettlement find it. As to the hon. Lady's point about the steps required to ensure that the assets of oligarchs and others are addressed, the legislation that we are bringing forward will mean that we have the strongest sanctions regime in the world.

T3. [905887] **Steve Brine (Winchester) (Con):** My constituents have shown an outpouring of generosity for the people fleeing Ukraine. This weekend, my children and I spent time at Hursley parish hall where we received thousands of items that will be driven to Poland in the next 48 hours. Many constituents say that they feel helpless and want to do something; I do not doubt—many have already been in touch—that the humanitarian sponsorship pathway will lead to Winchester. Can my right hon. Friend confirm what I think he just said at the Dispatch Box, that more details on it will be announced later today?

Michael Gove: I will make two points in response to my hon. Friend. First, I thank his constituents for their amazing work, which reflects the commitment and compassion of many people across the country. The single most important thing that any individual can do at the moment is donate to the Disasters Emergency Committee. It is understandable that people want to see goods of a humanitarian nature flow to the Polish border, but the nature of the support that we need to give means that it is actually more effective to raise money to give to the DEC and others. With respect to the expansion of the humanitarian sponsorship scheme, there are more details to come.

Mr Speaker: I call SNP spokesperson Patricia Gibson.

Patricia Gibson (North Ayrshire and Arran) (SNP): Transparency International recently estimated that more than £1.5 billion-worth of UK property was bought by Russian oligarchs accused of corruption or links to the Kremlin between 2016 and 2021, of which £1 billion is in London. Can the Secretary of State assure that House that the UK will bring forward emergency legislation to repossess Kremlin-linked properties in London, which he reportedly favours, and does he agree that using the proceeds from those properties to offer further support to humanitarian efforts in Ukraine would be entirely appropriate and desirable?

Michael Gove: For the second time today, I must praise the hon. Lady for a gift of clairvoyance that few hon. Members enjoy.

T5. [905889] **Robbie Moore** (Keighley) (Con): Does the Minister share my and my constituents' deep frustration that, despite this Conservative Government making up to £20 million available to my constituents through the levelling-up fund, Labour-run Bradford Council did not even bother to submit a levelling-up application? When will it have the next opportunity to do that?

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien): Some £20 million is potentially available to Keighley and Ilkley through the levelling-up fund. Bradford is in a top priority category, and I really hope that it will bid so that we can build on the tens of millions of investment already being put into Keighley through the towns fund.

T2. [905886] **Kirsten Oswald** (East Renfrewshire) (SNP): Communities across Scotland and the UK stand ready to help those displaced by Putin's war on democracy in Ukraine. Every local authority in Scotland participated in the Syrian refugee resettlement scheme and I am sure they would want to do so again, but they cannot at the moment because of the shambolic response by the UK Government. The Secretary of State's Department is meant to be doing whatever is needed to make sure that sponsors can be quickly matched with Ukrainians in need, so when does he expect significant numbers of Ukrainians to arrive under the humanitarian sponsorship pathway, and will he join me in urging the Home Secretary to remove the unforgivable blockage—

Mr Speaker: Order. Can I just ask why Members do not want other Members to get in? It is totally unfair if you take up all the time.

Michael Gove: I think the hon. Lady said the shambolic response from the European Government and that she probably meant the United Kingdom Government, but not to worry. I respectfully disagree. More details on how we will help not just the devolved Administrations but local government to accept a higher proportion of humanitarian refugees will follow shortly.

T6. [905890] **Tim Loughton** (East Worthing and Shoreham) (Con): Can I ask one of the Ministers to outline the benefits the levelling-up White Paper will bring to West Sussex, particularly to coastal communities and

constituencies such as mine, where economic disadvantage and deprivation are happening—whether north or south, east or west?

Neil O'Brien: My hon. Friend is completely correct. Some £19.4 million was allocated to projects in Bognor Regis and Littlehampton through round 1 of the levelling-up fund, in addition to the £21.1 million allocated to Crawley. I look forward to working with people in West Sussex to do more through round 2 of the levelling-up fund as well as the UK shared prosperity fund.

T7. [905891] **Rebecca Long Bailey** (Salford and Eccles) (Lab): The Government announced the renters reform Bill in the 2019 Queen's Speech, and they announced it again in the 2021 Queen's Speech. My constituents desperately need this Bill to abolish no-fault section 21 evictions, introduce a national landlord database, apply the decent homes standard and much more, so will the Secretary of State confirm when he is finally going to get on with introducing this Bill?

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): We need to introduce the White Paper, which will be published in the spring, first. I look forward to discussing its terms with the hon. Lady so we can ensure that the legislation subsequently introduced is fit for purpose.

T9. [905893] **Suzanne Webb** (Stourbridge) (Con): Corbett meadow is a beautiful meadow in my constituency that is at risk of development, but in the local plan it has been designated as local green space. Does my right hon. Friend agree with me that, when the final plan comes out, that should be respected?

The Minister for Housing (Stuart Andrew): Due to my role in planning, I cannot comment on specific plans, but national park policy empowers local communities by making it clear that they can designate areas of importance as local green space through their local plans. Such designations ensure that these important assets are provided with protection, reflecting their importance.

T10. [905894] **Ben Lake** (Ceredigion) (PC): The airline Wizz Air has offered to fly Ukrainian refugees from Poland, Slovakia, Hungary and Romania, and there are indications that Cardiff airport could be a destination for some of these flights. I understand that there have been initial discussions with the Welsh Government, but would the Secretary of State lend his support to co-ordinating a post-flight visa processing facility at Cardiff airport, so that Ukrainians fleeing the warzone can be brought to Wales quickly and safely?

Michael Gove: I am very grateful to the hon. Gentleman for raising that, and I will look closely, with my colleague the Home Secretary, at that proposition. It is important that we have appropriate biometric checks, for reasons that are well understood, but I appreciate the generosity of the offer, and indeed we have been talking to the Welsh Government about how we can co-ordinate our efforts.

Sir Robert Goodwill (Scarborough and Whitby) (Con): Many people are still planning to staycation this year. Would the Secretary of State extend the scheme that worked so well during the pandemic, and allow permitted

development rights to be relaxed so that pop-up campsites can allow people to have holidays in places such as North Yorkshire?

Michael Gove: I now know what my Easter plans will be. My right hon. Friend is absolutely right that making sure, through the exercise of permitted development rights, that we can provide people with the opportunity to holiday in places as beautiful as North Yorkshire is an entirely welcome development.

Christian Wakeford (Bury South) (Lab): Reported cases of antisemitism continue to rise, with the Community Security Trust recording a record 2,255 cases in 2021. The Government have funded the security at Jewish locations, including synagogues and schools, and this, unfortunately, is vital to ensuring the safety of the Jewish community. Will the Secretary of State commit to the continuation of this funding next year, as well as ensuring that it is adjusted for the increased cost associated with inflation?

Michael Gove: The hon. Gentleman makes an important point. As the Minister who, as Secretary of State for Education, initiated that scheme, I will do everything I can to ensure it continues. But I would make one additional point: one of the things we can all do across this House in order to tackle the evil of antisemitism is stand against the boycott, divestment and sanctions campaign, and that is why when we bring forward legislation to outlaw BDS at local government level I hope we can count on the hon. Gentleman's formidable voice pressing on those on his Front Bench the importance of supporting that legislation and not, as they did in the past, abstaining.

Tom Hunt (Ipswich) (Con): Levelling up is crucial to rejuvenating our high streets and making sure we do not have buildings collecting dust and not in use, which has often been the case in Ipswich. In Carr Street, however, that is not the case: we have micro-shops there now: fantastic businesses such as Trini Flava, Central Vintage, and the Juice Mix bar. Does my right hon. Friend agree that to do this we need not only funding but a local council with a bit of a proactive, can-do attitude to bring such premises back into use?

Michael Gove: Yes, we need a council that is composed of simulacra or clones of my hon. Friend. If every Ipswich councillor was as ambitious for Ipswich as he is, Ipswich would not only be in the premier league for football—which it is not at the moment of course—but in the premier league of places to visit in the United Kingdom.

Ronnie Cowan (Inverclyde) (SNP): Seven out of 10 of the most deprived areas in Wales, six out of 10 in Scotland and three out of 10 in England have not received any levelling-up funding. When will the right hon. Gentleman give them that opportunity—when will he publish the timetable and the criteria for the second tranche of money?

Michael Gove: It is coming in the spring statement, but I should say to the hon. Gentleman, whom I count as a friend and much admire, that he should have a word with the hon. and learned Member for Edinburgh South West (Joanna Cherry), who seems not to want this money to go to Scotland because she believes it works against devolution. The hon. Gentleman wants that money to come to Scotland; can the Scottish National party please make up its mind?

Sarah Atherton (Wrexham) (Con): In the past week I have worked with Anna Buckley from Wrexham's Polish integration support centre to logistically manage the unprecedented UK response to her call for donations. Businesses and people across Wrexham have answered that call, with hundreds of volunteers sorting through five warehouses full of donations going to Poland. Will the Secretary of State congratulate Anna and the community spirit of Wrexham?

Michael Gove: Anna, the Polish community and indeed the wider citizens of Wrexham set a brilliant example, as so many do, of community action to support those in need. I congratulate her and my hon. Friend.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Will the Secretary of State speak to his colleague the Home Secretary and make her aware that only issuing up until now 50 visas for Ukrainian refugees is quite wrong and brings shame upon this country?

Michael Gove: I talk to my right hon. Friend the Home Secretary every day. The Home Secretary was in Poland at the border talking to those who were working with refugees: she was delivering while others, I am afraid, seek to make political points. We have a Home Secretary who is energetic, determined, on the job, talking to those on the frontline, making a difference, and I am afraid that when people want unity, purpose and delivery they will say to the right hon. Lady—

Mr Speaker: Order. This is unacceptable; these are topicals. The Secretary of State can go on a rant, but not on my watch.

One more question; Matt Hancock.

Matt Hancock (West Suffolk) (Con): Will the Secretary of State confirm that when it comes to local plans the idea that we need exactly the same proportion of extra housing in every part of every council area is wrong, and instead the different needs of different communities, as in my constituency in Haverhill, Brandon and Newmarket, can be treated differently, not with a one-size-fits-all approach?

Michael Gove: Yes, 100%, spot-on, totally correct.

Mr Speaker: Excellent. If every question and answer were like that, it would be wonderful.

ECONOMIC CRIME (TRANSPARENCY AND ENFORCEMENT) BILL: ALLOCATION OF TIME

Ordered,

That the following provisions shall apply to the proceedings on the Economic Crime (Transparency and Enforcement) Bill—

Timetable

(1)(a) Proceedings on Second Reading and in Committee of the whole House, any proceedings on Consideration and proceedings on Third Reading shall be taken at today's sitting in accordance with this Order.

(b) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on the Motion for this Order.

(c) Proceedings in Committee of the whole House, any proceedings on Consideration and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion six hours after the commencement of proceedings on the Motion for this Order.

Timing of proceedings and Questions to be put

(2) When the Bill has been read a second time:

(a) it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put;

(b) proceedings on the Bill shall stand postponed while the Question is put, in accordance with Standing Order No. 52(1) (Money resolutions and ways and means resolutions in connection with bills), on any financial resolution relating to the Bill;

(c) on the conclusion of proceedings on any financial resolution relating to the Bill, proceedings on the Bill shall be resumed and the Speaker shall leave the chair whether or not notice of an Instruction has been given.

(3)(a) On the conclusion of proceedings in Committee of the whole House, the Chair shall report the Bill to the House without putting any Question.

(b) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph (1), the Chair or Speaker shall forthwith put the following Questions in the same order as they would fall to be put if this Order did not apply:

(a) any Question already proposed from the chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment, new Clause or new Schedule selected by the Chair or Speaker for separate decision;

(d) the Question on any amendment moved or Motion made by a Minister of the Crown;

(e) any other Question necessary for the disposal of the business to be concluded;

and shall not put any other questions, other than the question on any motion described in paragraph (15)(a) of this Order.

(5) On a Motion so made for a new Clause or a new Schedule, the Chair or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(6) If two or more Questions would fall to be put under paragraph (4)(d) on successive amendments moved or Motions made by a Minister of the Crown, the Chair or Speaker shall instead put a single Question in relation to those amendments or Motions.

(7) If two or more Questions would fall to be put under paragraph (4)(e) in relation to successive provisions of the Bill, the Chair shall instead put a single Question in relation to those provisions, except that the Question shall be put separately on any Clause of or Schedule to the Bill which a Minister of the Crown has signified an intention to leave out.

Consideration of Lords Amendments

(8)(a) Any Lords Amendments to the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(9) Paragraphs (2) to (7) of Standing Order No. 83F (Programme orders: conclusion of proceedings on consideration of Lords amendments) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (8) of this Order.

Subsequent stages

(10)(a) Any further Message from the Lords on the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(11) Paragraphs (2) to (5) of Standing Order No. 83G (Programme orders: conclusion of proceedings on further messages from the Lords) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (10) of this Order.

Reasons Committee

(12) Paragraphs (2) to (6) of Standing Order No. 83H (Programme orders: reasons committee) apply in relation to any committee to be appointed to draw up reasons after proceedings have been brought to a conclusion in accordance with this Order.

Miscellaneous

(13) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on the Bill.

(14) Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

(15)(a) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken, to recommit the Bill or to vary or supplement the provisions of this Order.

(b) No notice shall be required of such a Motion.

(c) Such a Motion may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(d) The Question on such a Motion shall be put forthwith; and any proceedings suspended under sub-paragraph (c) shall thereupon be resumed.

(e) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on such a Motion.

(16)(a) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(b) The Question on any such Motion shall be put forthwith.

(17)(a) The start of any debate under Standing Order No. 24 (Emergency debates) to be held on a day on which the Bill has been set down to be taken as an Order of the Day shall be postponed until the conclusion of any proceedings on that day to which this Order applies.

(b) Standing Order No. 15(1) (Exempted business) shall apply in respect of any such debate.

(18) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

(19)(a) Any private business which has been set down for consideration at a time falling after the commencement of proceedings on this Order or on the Bill on a day on which the

Bill has been set down to be taken as an Order of the Day shall, instead of being considered as provided by Standing Orders or by any Order of the House, be considered at the conclusion of the proceedings on the Bill on that day.

- (b) Standing Order No. 15(1) (Exempted business) shall apply to the private business so far as necessary for the purpose of securing that the business may be considered for a period of three hours.—(*Priti Patel.*)

Economic Crime (Transparency and Enforcement) Bill

[Relevant documents: Report of the Joint Committee on the draft Registration of Overseas Entities Bill, Session 2017-19, HC 2009, the Government Response, Session 2017-19, CP135, and letter to Kelly Tollhurst MP relating to the Government Response, dated 3 September 2019; Eighth Report of the Foreign Affairs Committee, Moscow's Gold: Russian Corruption in the UK, Session 2017-19, HC 932, and the Government Response, HC 1488; Eleventh Report of the Treasury Committee, Economic Crime, HC 145.]

Second Reading

3.34 pm

The Secretary of State for the Home Department (Priti Patel): I beg to move, That the Bill be now read a Second time.

The United Kingdom is united in opposition to Putin's horrific, unjust war on Ukraine. The depth of that feeling was seen in how the entire House rose to applaud the Ukrainian ambassador at Prime Minister's questions last Wednesday. Mr Speaker, that you allowed that rare intervention in our parliamentary proceedings speaks for the unity of the House. Putin must fail, and the Government are taking a wide range of actions to that end along with an extensive package of support for the heroic Ukrainian people. Putin is a gangster.

Joanna Cherry (Edinburgh South West) (SNP): As the Home Secretary is straying to points outwith the Bill, I want to address how the airwaves at the weekend were full of criticism—both internal and external to the United Kingdom—of her scheme to help Ukrainian refugees. When will she announce something to speed up the scheme and give it the degree of urgency that their dreadful plight necessitates?

Priti Patel: I am grateful to the hon. and learned Lady for her question, because it gives me the chance to clarify what is happening in a fast-moving picture. As my right hon. Friend the Secretary of State for Levelling Up, Housing and Communities said, I was in Poland on Friday. This is a rapidly moving picture, and it is important for all colleagues in the House to know that the first quality-assured figures on the Ukraine family scheme will be published this evening. I want to make it abundantly clear that the figures that are now public are absolutely inaccurate and have not been assured by the Home Office.

The hon. and learned Lady also asked about our scheme. Before I return to my remarks, it is absolutely right to say that our scheme is the first of its kind in the world, and we cannot measure it against that of any other country. We have already had 14,000 people apply, and we also have a sponsorship scheme that will be announced later on. Of course, the extended family route was announced on Friday.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Will the Home Secretary clarify whether the Home Office has set up a visa application centre in Calais, or are people still being sent on journeys of hundreds of miles back to Paris or Brussels for the checks that they need to get safely into this country?

Priti Patel: Again, for clarification, as I set out in the House last week, we are surging capacity across our VACs to ensure that as many people as possible are getting access. Let me—*[Interruption.]* If the right hon. Member would like to listen to my response rather than shout from her seat, it is absolutely right that we have already had people in Calais. Let me therefore again clarify—I said this over the weekend—that we have staff in Calais and support on the ground. It is wrong to say that we are just turning people back; we are absolutely not. We are supporting those who have been coming to Calais. It is also important that we do not create choke points in Calais but encourage a smooth flow of people. In particular, I confirm that we have set up a bespoke VAC en route to Calais but away from the port because we have to prevent that surge from taking place.

Mr Speaker, this does not relate to the Bill, but there is another issue about our checks that the House should know about. Not only are people-smuggling gangs roaming around Calais but, over the weekend and today before coming to the House, I have been on calls about the human trafficking cases that are manifesting at the border. It is therefore right that we have the right process in place to check people and to safeguard them.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for what she is doing and the staff put in place to try to help move things on. However, only 50 people have been processed so far, and my constituent, whom I spoke about in the Chamber last week, is in Ukraine today to collect her son and daughter but uncertain about how to bring them home. I seek the Secretary of State's clarification on how we can make the process better for people with families here who are going through Poland or Romania to come here.

Priti Patel: The hon. Member makes an important point. Having been to Poland myself and seen the processes—I am also due to speak to my Romanian counterpart later today—I know that they have issues about capacity. We have had requests for technical capacity and support not just through our VACs but to help the host countries to do a lot more work at the borders. We are doing everything that we can.

The hon. Member also mentioned his constituent. If they are in Poland, we have got a huge amount of capacity and plenty of spaces for people to be processed, but they do need to come to our centres. If he would give me their details, I will ensure that we are joining that up in country.

John Redwood (Wokingham) (Con): The Home Secretary has a lot of support on the Government Benches for the compassionate and sensible way in which she is going about this. Will she confirm that she is listening both to what the refugees want, which is often not a long-term settlement a long way from Ukraine, and with regard to the security issues that this all poses?

Priti Patel: My right hon. Friend is absolutely right. I must emphasise that every single crisis requires a bespoke and unique response. There are two very big calls coming from the region and from our counterparts. First and foremost, they are asking for help on security measures right now; that consistent theme is coming over. That comes down to checks—they are undertaking checks—but

they are also very concerned about wider security issues, some of which I simply cannot discuss in this House, for clear reasons. The second point—even the Ukrainian ambassador made this point to me yesterday and I hear it every single day from my counterparts—is that there is a call to keep people in region. There is a big demand for that, and that is where the wider aid effort has to focus, in addition to the work that we are doing on humanitarianism.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I do not wish to disturb the flow of the Secretary of State's speech for very long, but I want to make one point. We all know that some of the brightest minds in the City of London are, at this moment, burning the midnight oil and finding ways to dodge anything that this Government, with the support of the Opposition, are bringing in. Is it not a fact that we need rapid action—as rapid as any of the other countries that are taking out sanctions—and will she promise me that it will be fast, furious and efficient?

Priti Patel: Yes.

Sir Robert Goodwill (Scarborough and Whitby) (Con): I was contacted on Saturday by a former constituent who had escaped from Ukraine with his Ukrainian wife. He contacted me again last night to say that I did not need to help him—he had been to our embassy in Berlin and expected that everything would be sorted out today, and that he would come to the UK this week—so I reassure her that, actually, the system is working and people are getting the help they need.

Priti Patel: I thank my right hon. Friend for the example that he shared with the House. That is really important, because we have surge staff across every EU visa application centre. I came to the House last week and said that we absolutely would do that and we are indeed doing it.

Sir Roger Gale (North Thanet) (Con): I have been told that people arriving at Calais are being told that they have to go to Paris or Brussels to get visas. Is that correct or not? If it is not, will my right hon. Friend please tell me why it is being said? In 1972, we took into Kent thousands of Ugandan Asians. We did it almost overnight and without any difficulty at all. Last Monday, my right hon. Friend told me that she would cut away the red tape. Why are we not doing that?

Priti Patel: I have already made it clear, in terms of the visa application centre that has now been set up en route to Calais, that we have staff in Calais, and, importantly, people have been coming to the UK from Calais. I am afraid that there has been a lot of misinformation about all this, and I have clarified our position today.

Munira Wilson (Twickenham) (LD): Will the Secretary of State give way?

Priti Patel: I will not; I need to make progress and I have been generous with interventions. In addition, on the point that my right hon. Friend the Member for North Thanet (Sir Roger Gale) made, I did say that we would

cut away process, but he has already heard me say that there are security concerns and considerations—*[Interruption.]*

Mr Speaker: Order. There are just too many conversations going on. I am struggling to hear.

Priti Patel: Thank you very much, Mr Speaker.

Putin is a gangster and his regime is underpinned by a mob of oligarchs and kleptocrats who have abused the financial system and the rule of law for too long. Putin's cronies have hidden dirty money in the UK and across the west, and we do not want it here. Expediting this legislation, which I know the whole House supports, will mean that we can crack down on the people who abuse the UK's open society.

Bob Seely (Isle of Wight) (Con): I am delighted that my right hon. Friend is bringing up not only the oligarchs, but the enablers and facilitators. What do the Government think about various potential bad actors in the House of Lords and what should we be doing about them?

Priti Patel: My hon. Friend and I spent some time on the Select Committee on Foreign Affairs, which looked at that very issue. He is right to highlight enablers and, with them, many other associates. It is right that through the Bill and the changes we are bringing in, we find a way to capture as many of them as possible. That is what the Bill seeks to do.

Aaron Bell (Newcastle-under-Lyme) (Con): Further to the point made by my hon. Friend the Member for Isle of Wight (Bob Seely), would the Government be willing to adapt the language of the Titles Deprivation Act 1917, which was used to withdraw peerages from peers who gave succour to Germany in the first world war, after proper investigation by the Privy Council?

Priti Patel: We will look at the issue, as we have said consistently. Part 1 of the Bill, which I will expand on shortly, is only one of the measures that we are taking, but we have to rule nothing out.

Andy McDonald (Middlesbrough) (Lab): Across the House, we all want to see these bandits nailed. Is the Home Secretary content that the Bill will actually stop the disposal of properties? In my view, the register may not succeed in inhibiting that. We want to stop people getting away with it and disposing of assets. Will the Bill do that?

Priti Patel: The hon. Gentleman is absolutely right to raise that point and to highlight the legal basis on which we can confiscate assets, property and so on. Unexplained wealth orders are one of several tools we can use that are covered in the Bill.

Mr Jonathan Djanogly (Huntingdon) (Con): A lot of houses are owned by criminal gangs for money laundering purposes, often in rural areas, and left empty. If people do not register, will the Bill allow us not only to impose a fine on them, but sell those properties so that they can go back to the community rather than be left there to rot?

Priti Patel: My hon. Friend is absolutely right. I said that unexplained wealth orders were one of several tools, but we have other tools that have to be deployed. Registration, beneficial ownership—all those aspects are covered in the legislation, and rightly so. By accelerating the legislation, we are concentrating on the sharpest tools we can use and the powers we can bring into force in the most focused time. Expediting this legislation will send a very strong signal that the UK will not be a home for corruption.

Mr David Davis (Haltemprice and Howden) (Con): Will my right hon. Friend give way?

Priti Patel: I will give way shortly, but first I will make some progress, if I may.

This will be about hurting Putin and his vicious regime, which has robbed the Russian people of their chance for democracy, peace and prosperity—not only that, but even their own wealth has been used and abused by these kleptocrats and oligarchs. The reforms in the Bill will give us greater power and more information to identify and investigate the illicit wealth of Russian criminals, their allies and their proxies. The new property register will have an immediate effect, dissuading those intending to buy UK property with illicit funds. Oligarchs could be slapped with an unexplained wealth order—one of the tools that we will have at our disposal—and the Treasury will be better able to act when financial sanctions are breached. We are implementing the most severe package of sanctions ever imposed on Russia or on any major economy.

Mr Kevan Jones (North Durham) (Lab): The right hon. Lady spoke about unexplained wealth orders. Does she have a commitment from the Treasury to ensure that the National Crime Agency and other agencies that deal with those orders are well financed?

Priti Patel: The right hon. Gentleman makes a very important point; I am pretty certain that he has raised several times in this House the need for legal protections, finance and an approach that gives law enforcement the tools it needs. The Bill is doing that, and we are acting not only through legislation, but through the wider way we help agencies and law enforcement to function, operate and go after those who have been undermining our system.

Mr John Baron (Basildon and Billericay) (Con): Following on from that point, the Bill is very welcome, but many of us believe it could go further, which is why we have supported and tabled various amendments. Legislation and regulations are worth their salt only if they are properly enforced. The National Crime Agency, for example, has had cuts to its funding in recent years. Will the Bill put that right not just for the NCA, but for all enforcement agencies?

Priti Patel: That is a really important point. This is about how we operationalise the Bill—how we use the tools that we are giving our agencies. Yes, resourcing is required. We have already stepped up with a new kleptocracy unit in the NCA and have put more resources into it. We are absolutely not going to stop—we cannot stop. We are catching up in many quarters, we really are, and we want to use the full force of legislation and the full force of the law to go after many of these individuals.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I thank my right hon. Friend for and congratulate her on driving this Bill forward so quickly, co-operating with all sides to get it on to the statute book. I wish to raise one point. I noticed that in the original draft, although there has been a slew of amendments since, there were all sorts of little caveats. For example, it let people off the hook if they did not “knowingly or recklessly” give the wrong information. I hope she will agree with an amendment I have put my name to and we will strike that out. There is no excuse on “knowingly or recklessly”; someone either did or did not co-operate, and if they did not, they should get the full force of the law.

Priti Patel: My right hon. Friend is absolutely right, and he has also pointed out the vast drafting that has taken place over the weekend, with various amendments. I am grateful to all colleagues, on both sides of the House, for their co-operation on many of those amendments. He is absolutely right to say that people have an intent, which is what we are going after.

Mr David Davis: The Russia sanctions regime is across eight different sets of regulations, and even the Commons Library could not disentangle them for me. In some cases, simply stopping people using their assets does not go far enough. For those found to be working on behalf of Putin and his elite, we should be expropriating their assets. Does this Bill simply allow freezing or does it actually allow us to confiscate assets?

Priti Patel: My right hon. Friend has hit the nail on the head, and I am going to come to some of that in my remarks shortly. If he will just bear with me, I would like to make some progress. I am conscious of the protected time we have today, so I ask all colleagues to bear with me.

This legislation is concise and tight for very good reasons, hence the number of amendments that have been made; we want to move at pace. But we cannot stop there, and for the benefit of this House—I know colleagues are aware of this—let me say that there will be a second economic crime Bill, a follow-on Bill in the next parliamentary Session, with further measures. We simply cannot get all the measures in right now. We have focused on the ones that will have the greatest impact and enablement.

Matt Hancock (West Suffolk) (Con): In respect of the Sanctions and Anti-Money Laundering Act 2018, many of the problems that we face today are due to amendments made in the other place, and it has subsequently come to light that many of those amendments came from those who are acting for oligarchs and then legislating for loopholes. Will my right hon. Friend confirm that the other place should listen very carefully to the elected House on this matter and make sure that this Bill, with these amendments, gets sent back here forthwith, without more loopholes being put in place by the other place, as they were years ago?

Priti Patel: I wholeheartedly agree with my right hon. Friend on that. We could do a rerun of exactly what happened back in 2018, but, in the interests of time, we

want to crack on with where we are going with this Bill. It will enable the greatest changes to the companies register since it was established nearly 200 years ago. Companies House will be reformed and we will verify the identity of every company director and beneficial owner. I know that Members of this House have been calling for that for a considerable time. No criminal or kleptocrat will be able to hide behind a UK shell company ever again—those infamous brass plates will go. This will be a boost to all legitimate businesses in the UK and, importantly, it will make it easier for them to get the information they need.

The next Bill will bring forward reforms to prevent the abuse of limited partnerships; new powers to seize crypto-assets from criminals—that is a new and emerging area where we have so much more to do; and measures to give businesses more confidence to share information on suspected money laundering. It will be a very substantial piece of legislation. I assure the House that we are already drafting that legislation and it will be brought forward as soon as we are able to do so and we can get the time in the House. Today’s Bill and our commitment to a second Bill will show that in this Government, we are all acting collectively and unitedly to root out the dirty money in our economy and, importantly, to hobble Putin and his cronies.

Dame Margaret Hodge (Barking) (Lab): I welcome the indications that the Home Secretary has given of what will be in the Bill that will arrive, I hope, early in the next Session, but will she also consider the role of the enablers—lawyers, accountants, banks and others—who either condone or themselves facilitate much of the money laundering and financial crime?

Priti Patel: I agree with the right hon. Lady, and I am also grateful to other Members who have not just highlighted this issue but given specific examples. A great deal of work is being done. It is important that we take a collective approach institutionally, and that our legal basis is sound and solid.

Catherine West (Hornsey and Wood Green) (Lab): The Home Secretary is very generous in allowing so many interventions.

During the 2017 Parliament, the then Prime Minister appointed a tsar—for want of a better word—to fight corruption within the House, but over the years that role has become less effective. Does the Home Secretary think it should be re-established and refreshed, so that someone could really call out many of the issues that we know to be a problem in both the House of Commons and the House of Lords?

Priti Patel: I thank the hon. Lady for highlighting the role of our anti-corruption tsar, my hon. Friend the Member for Weston-super-Mare (John Penrose), who has been supporting the Government at every level. He has also supported me by helping with much of our work on illicit finance and economic crime. He comes to our roundtables, and spends a great deal of time dealing with matters concerning the City and transparency. I can therefore assure the House that we have that function up and running. We have a superb colleague supporting the Government on all those measures, and I am very grateful to him for his work.

Let me now explain the measures in the Bill in more detail. It sets a new global standard for transparency, which is thanks to the work of my hon. Friend the Member for Weston-super-Mare, but it also takes the whole-of-Government approach that many Select Committee reports have called for—I think it fair to say that I have read a few of those reports produced by colleagues and friends—in that it contains several measures from several Departments. It creates a register of overseas entities to crack down on foreign criminals who use the UK property market to launder money. A foreign company that wishes to own land in the UK will be required to identify its beneficial owners and to register them with Companies House. Once a company is registered, an overseas entity identity number will be provided, and that entity will be required to update its information annually.

Kevin Hollinrake (Thirsk and Malton) (Con): I welcome the measures that my right hon. Friend is introducing, but many Members fear that people who have already bought their properties through a discreet structure will sell them before the measures take effect. Will she look carefully at amendment 64, which Mr Speaker has graciously accepted—a manuscript amendment—and which would effectively prevent people from doing that by means of a prohibition through the Land Registry?

Priti Patel: I thank my hon. Friend for amendment 64. He was in touch with me about it over the weekend. He is absolutely right, and we are looking at the details of that proposal.

Layla Moran (Oxford West and Abingdon) (LD): As the right hon. Lady knows, the Bill provides exemptions that Secretaries of State would be able to use in order not to require an entity to be on the register. One of them relates to

“the economic wellbeing of the United Kingdom”.

Many of us, across parties—and I thank Ministers for being so constructive in this regard—fear that that could drive a coach and horses through the entire legislation. Is this another amendment that the right hon. Lady is looking at, or would she care to simply accept it?

Priti Patel: At this stage, I am outlining the measures in the Bill. We have a Committee stage coming up, and we are considering all the details, because we absolutely must get this right and ensure that all the measures will be effective.

Overseas entities will be required to verify information regarding beneficial owners and managing officers before making an application for registering, or updating or amending information held on the register. That is very important, because the current system is out of date. We need to be able to keep the information fresh and agile, and ensure that the right checks and balances are constantly applied. They will have to provide evidence to underpin that verification, and Companies House will be able to query all information under the broader powers we will create in the second Bill. If a foreign company does not comply with the new obligations, or if it submits false filings, its managing officers can face criminal sanctions or civil sanctions. Criminal penalties in England and Wales could, depending on the offence committed, be a prison sentence of up to five years, or a fine. We are also

introducing a mechanism by which financial penalties can be enforced without the need for criminal prosecution. More importantly, overseas companies will be restricted in their ability to sell or lease their land if they do not comply with the requirements.

Chris Bryant (Rhondda) (Lab): I am grateful to the Home Secretary for giving way. This is naughty of me, as I have been in the Foreign Affairs Committee and I have not heard all that she has said. Would she acknowledge that clause 31 seems to set a very high bar by saying that it is an offence to give false information only if someone does so “knowingly or recklessly”? I apologise again for arriving late.

Priti Patel: The hon. Gentleman has clearly been occupied elsewhere, and we did cover this point earlier on.

Dame Andrea Leadsom (South Northamptonshire) (Con): I have been in the Chamber since my right hon. Friend started speaking. She might be aware that over many years one of the problems with Companies House has been the capability of a small business to register a name, take our money by selling us something, not deliver the goods, then go into liquidation and set up again the next day with almost the same name, perhaps with “and sons” at the end of it. Can she reassure me that this Bill will deal with that issue, in the changes to Companies House?

Priti Patel: My right hon. Friend has made an incredibly important point and used a good example to show how the system is being used and abused. I want to reiterate to the House that this is a two-stage Bill. The first stage will deal with many aspects of this, but the full Companies House reform will come in the second economic crime Bill, where that detail will all be worked through. It is important to say this is the first step to making a clean sweep in terms of how we update, in terms of accountability, and in terms of holding individuals and their enablers—their managers and all the others responsible—to account. The House has just heard me speak about the penalties.

Andy Slaughter (Hammersmith) (Lab): There seems to be bit of a gap between the Home Secretary’s rhetoric and the reality. Last week, the Government were briefing the press that they were drawing up plans to seize British property and use it to house Ukrainians fleeing their homeland. Well, if there are only 50 Ukrainians, that is probably only one property. However, where is the freezing and seizing of assets here? All that this Bill is proposing is a relatively generous time limit on the publication of information. When are we going to get the steps that actually bite?

Priti Patel: I have been speaking for a while and I would have hoped that the hon. Gentleman was listening to my remarks about the many tools that this Bill will bring in to enable asset confiscation, freezing and so on.

That brings me neatly on to unexplained wealth orders. The Bill removes key barriers to the use of unexplained wealth orders. Let me make it clear to people who think they can obstruct law enforcement investigations that that will end now through this Bill. I have already touched on the work of the National Crime Agency. Yes, we will be resourcing it and yes, there is more to do; we are very

[Priti Patel]

open and honest about that, and we have to be. We will reform the costs rule so that agencies acting to protect the public will be protected from substantial legal costs when they have acted reasonably in their investigation. The maximum period that a property can be frozen while unexplained wealth orders are in place will be extended, allowing the full force of the law and proper investigation.

Unexplained wealth orders will also be more effective against those who hold property in the UK through trusts. That is another complex entity that tends to lead to complex ownership schemes. Individuals will no longer be able to hide behind opaque shell companies, trusts and foundations. We will do everything in our power to counter the unwillingness of kleptocrats to provide reliable information. These reforms will have an immediate dissuasive effect.

Tim Loughton (East Worthing and Shoreham) (Con): I support the measures in this Bill, but it all hinges on enforcement. Can my right hon. Friend explain why unexplained wealth orders have been used so little? What research has she done with other countries? The Criminal Assets Bureau in Ireland, in particular, has a much higher success rate in pursuing unexplained wealth orders, tracking down these people and prosecuting them.

Priti Patel: We cannot compare London with certain other countries and economies, and there are well-known barriers to the application and utilisation of unexplained wealth orders. Much of the wealth is legal, and individuals tie our law enforcement system in knots, exposing it to huge costs, including legal costs. The purpose of this reform is to change the entire way in which UWOs are operationalised, and to give law enforcement agencies the legal basis, legal powers and protections they need to go after many of these individuals, as the current system has stopped them doing so.

Sir Oliver Heald (North East Hertfordshire) (Con): I understand that the Secretary of State for Business, Energy and Industrial Strategy has put forward the idea of having an enforcement unit at Companies House. Will that be available for individuals who want to make allegations of false information on the register, or is there some other mechanism by which we will be able to investigate and press the case?

Priti Patel: With this Bill, we are speaking very clearly about known individuals, known oligarchs. This legislation enables the Government, the NCA and other agencies and aspects of Government to focus on those individuals, which is our priority. The second economic crime Bill is currently being drafted. It links to Companies House reform, which will take slightly longer, and will cover many of those wider issues about reporting and how to join up Companies House and law enforcement.

Several hon. Members *rose*—

Priti Patel: I will make progress. I have taken plenty of interventions, and I am conscious of the protected time for subsequent stages.

This Bill also toughens up the enforcement of financial sanctions, making it easier for the Treasury to impose significant fines. Even where it has not imposed a fine,

the Treasury will have the power to publicly name those who have breached financial sanctions. That will both sanction them and deter others, and we are expanding the information-sharing powers to help the Government shine a much brighter light on malign actors who abuse the financial system. Of course, all this will be a major boon to the Treasury's ability to clamp down on financial sanctions breaches, and that work will be done with the financial institutions, our economic crime tsar and across the Government. We have to work with the financial sector, too.

We are, of course, working closely with the devolved Administrations on this legislation. The Bill contains provisions relating to the register of overseas entities and unexplained wealth orders, which engage devolved powers in both Scotland and Northern Ireland. We are moving together as one country, and I am confident that we can rely on their support as we continue to expedite legislative consent. I emphasise that we are doing this together in lockstep, and I am grateful to all colleagues across the DAs for their support.

The Government have consulted and engaged widely on the measures in this Bill. The new property register has been designed carefully, drawing on extensive discussions, to balance the need to clamp down on misuse while protecting the ease of doing business. The unexplained wealth order reforms have been designed in close consultation with law enforcement agencies such as the NCA, the Crown Prosecution Service, Her Majesty's Revenue and Customs and, of course, the Serious Fraud Office. We have also engaged widely with representatives of the accountancy, financial and legal sectors, and with others. Colleagues have raised the issue of enablers many times, and enablers are at the forefront of much of our work.

The Treasury will engage and consult on updated civil monetary penalty guidance for financial sanctions before the reform comes into effect. We are acting decisively, but we are getting the balance right. I urge both sides of the House to support this Bill and to work with us on some of the technicalities in how we kick dirty money out of our country and make it harder for Putin and his associates by bringing this into legislation so that we can operationalise it as soon as possible.

Stewart Hosie (Dundee East) (SNP): Will the Secretary of State give way?

Priti Patel: Not just yet.

As I have said, further measures are coming shortly in other legislation and some of them will take more time to be developed.

Craig Mackinlay (South Thanet) (Con): On the vexed issue of trusts, whether they be domestic or, more likely, foreign, if they are of a discretionary nature, there is no absolute beneficiary, by their very definition. They may be tucked away in a trust deed in some foreign jurisdiction of which we do not have details. I have looked through the legislation and can see no way in which we can penetrate some of those trusts. I do not even know whether we should, because of the nature of discretionary trusts, for which there will be a list of potential beneficiaries but no absolute beneficiary. The legislation will catch absolute beneficiaries, but I cannot see how discretionary trusts can be caught or, frankly, ever could be.

Priti Patel: My hon. Friend makes an important and significant point. That is exactly the work in which the transparency tsar has been heavily involved, giving the Government advice on that work across Government Departments. All this has to be looked at. I come back to the point that, in recognition that this is expedited legislation, we have not only to consider carefully but to work through the practicalities and how we operationalise the legislation.

The Government are also amending the Sanctions and Anti-Money Laundering Act 2018, which has been referred to many times. We are streamlining the existing legislation so that we can move more swiftly and effectively to sanctions oligarchs and businessmen associated with the Russian Government. The amendments we have tabled will remove the statutory test of appropriateness in the designation of individuals and entities, thereby speeding up designations. It is important that we do that in real time and in fast time, because of some of the related complications.

Matt Western (Warwick and Leamington) (Lab): Will the Secretary of State give way?

Priti Patel: I am not going to give way, because there is protected time and the hon. Gentleman will get to speak later.

We will remove some of the constraints on designations by description, so that the Government can designate groups of individuals more quickly. That means there will be more agility and flexibility so that we can act. It will help to quickly list members of defined political bodies—such as the Russian Duma, which has been highlighted, and the Russian Federation Council—by body rather than by individual names, all of which can run into the hundreds. We will have the power to apply the legislation to groups. That will ensure that the Foreign Secretary can mirror the listings that have already been adopted by our allies, but via urgent designation procedures. The United States, Canada, Australia and the EU are listed on the face of the Bill for that purpose. Others may be added, by a power, as needed. That will facilitate the closest possible international co-ordination on sanctions. I emphasise the co-ordinated approach we are seeking to take at a time of crisis and conflict. It will help us to strip back unnecessary requirements regarding the making and amending of regulations under the 2018 Act, to streamline the process of establishing or augmenting the sanctions regime.

Of course, we want to protect the public purse by only permitting the payment of damages in connection with designations in the case of bad faith, removing the possibility of damages for negligence. The Bill also provides a power to impose a cap on damages for actions under the 2018 Act. The provisions will apply to any proceedings issued after 4 March, when the amendments were tabled, even if the proceedings relate to designations made previously. That will limit the ability of many of the deep-pocketed oligarchs—we have had this with UWOs—to claim massive pay-outs from sanction challenges. This is a fundamental change to our laws and how we operationalise them. A streamlined review of the reporting requirements under the 2018 Act will follow.

Through this specific legislation, we can focus on Putin and his cronies. We do not choose between a transparent economy and a strong economy: it is transparency that

makes our economy, our country and our approach to these issues stronger. The Government are providing our law enforcement agencies with the crucial powers and resources that they need. We want to go after the dirty money and crack down harder on those who violate our financial sanctions and our country. Putin and his band of thugs must not be able to hide their wealth in the UK. This is as much for the sake of ordinary Russians robbed of their wealth as it is for the sake of our country and the west more broadly. We are calling on all countries, all our friends and allies, to take a similarly robust approach. It is by working in co-ordination that we can make a difference. There is overwhelming global condemnation of that regime and the grotesque war that is raging in Ukraine. This Bill is part of our effort, and I commend it to the House.

4.15 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I welcome the Bill before us today, at a time when rocket attacks are continuing, when homes, community centres and even kindergartens are being hit, and when families fleeing through the streets of Ukraine are being targeted for attack. The Russian President has launched an illegal war against a democratic state. It is a crime against a brave nation. As we stand united with Ukraine, we know that this is a battle for democracy against despotism.

Our country has to play its part. All of us want to see the strongest economic measures against Russia and against the oligarchs linked to the Russian regime who have made their wealth through corrupt and illicit practices, and against those who made their money not through their own sweat and toil, but through corruption and the concentration of power.

A few years ago, the Intelligence and Security Committee's Russia report said that the UK has

“offered ideal mechanisms by which illicit finance could be recycled through what has been referred to as the London ‘laundromat’”.

That is damning. It issued this warning nearly three years ago:

“It is not just the oligarchs...the arrival of Russian money has resulted in a growth industry of ‘enablers’”—

individuals and organisations that manage and lobby for the Russian elite. Chatham House has referred to Britain's “kleptocracy problem”.

The fact that corrupt elites from all over the world can launder their money and their reputations through our capital city is shameful. The fact that an industry of enablers has grown up here to facilitate those corrupt elites, to help them hide their money, evade tax or launder proceeds of crime is deeply damaging to our economy, to our international reputation, to the rule of law and to democracy.

So yes, we welcome the Bill. We welcome the chance of stronger sanctions and measures to make it easier to put pressure now on Russia in the face of this appalling war. We welcome the improvements to unexplained wealth orders, making it easier for the police to use them and harder for those with endless wealth to use their riches to block them, and we welcome the register of overseas entities to get some transparency and to make it harder for corrupt elites to hide their wealth in the UK property market. We will support the Bill today and support the process to get it through Parliament as fast as possible.

[Yvette Cooper]

Many of these measures should have been introduced some years ago. Some that we need and have long been promised are not yet before us. All of us should accept that some of this action should have taken place earlier, because we had been warned. We had been warned by Transparency International back in 2015; by the evidence from leaked international documents such as the Pandora papers; by the National Crime Agency, which said that unexplained wealth orders were too hard to use; by Members of this House when we confronted the murderous intent and actions by Russian agents on British soil during the Salisbury attack four years ago; and by the damning Russia report. We were promised reforms in many of these areas in 2016. There was a consultation in 2018 and reference to a Bill in the Queen's speech in 2019. We still do not have the much-needed Companies House reforms before us today.

Catherine West: Does my right hon. Friend agree that, had the Government got a move on with this years ago, we would be able to deal with phoenix companies today, which rip off members of our communities day after day? We could have dealt with that, too, in one blow.

Yvette Cooper: I agree with my hon. Friend that action should have been taken much earlier to address that, which should mean that there is an even greater imperative on us all now to ensure not only that this Bill passes, but that the subsequent economic crime Bill that we badly need is brought forward as swiftly as possible. That is one of the areas where the Opposition have submitted amendments.

Dame Angela Eagle (Wallasey) (Lab): Is my right hon. Friend as surprised and worried as I am that the Office of Financial Sanctions Implementation, which is in the Treasury, has 37.8 full-time equivalent people working in it?

Yvette Cooper: My hon. Friend makes an important point. Unless we have the ability to use the powers we have and the powers we are discussing in this Bill, in practice nothing will happen. We know that there is considerably more investment in taking some of these measures in the United States, for example. There are also issues with enforcement resources for the National Crime Agency.

Chris Bryant: The enforcement issue is really important. For instance, following the invasion and annexation of Crimea, we made it a criminal offence to support tourism activities in Crimea. However, Quintessentially, which is run by Ben Elliot, has been providing restaurant recommendations in Crimea to Russian oligarchs. Surely he should be investigated and everybody should be distancing themselves from him now.

Yvette Cooper: I must say that the information my hon. Friend provides is deeply disturbing. There is a huge responsibility on us all, and particularly on the Government, to ensure that there is no conflict of interest in the source of any political donations to the party or any role in the party, and that there is a proper distancing from the appalling activities of corrupt Russian elites.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): At the last election but one, a former intern of mine, now a very wealthy Hollywood lawyer, sent me £5,000. I

immediately sent it back because it was a foreign donation. Is that not the sort of example that every Member of this House should set for how to behave when foreign people offer us money?

Yvette Cooper: My hon. Friend makes an important point. For example, there is discussion as part of this Bill about shell companies and ensuring that action is taken on economic crime. However, we had similar discussions about shell companies on the Elections Bill, where the measures taken were not strong enough.

Overall, we welcome this Bill, although we want some of the further measures to be introduced swiftly. We welcome the Government's agreement to some of our amendments, which have pushed them to go further; we will press them still further in Committee on some of those issues, but we want to continue to work with them, and there are many areas of consensus.

That is why the scale of the Government's failure to support Ukrainian refugees is so troubling, and I must pick up some of the points the Home Secretary made earlier. She said,

"I confirm that we have set up a bespoke VAC en route to Calais but away from the port".

No. 10 has said,

"I don't believe there's one there now but we'll keep it under review".

The Home Office website is still telling people to go to Paris. Journalists in Calais, looking for any centre that there might be, are still unable to find anything; all they can find is a few Home Office staff, in a building with a crisp machine but no visas. One family, who have been there for five days, have been told they cannot get an appointment in Paris until 15 March.

I must ask the Home Secretary what on earth is going on. If she cannot tell us where that visa centre is en route to Calais, then there is no hope or chance of Ukrainian families being able to find it on the way to Calais in order to get sanctuary.

Priti Patel *rose—*

Yvette Cooper: I will give way to the Home Secretary to clarify.

Priti Patel: I think the right hon. Lady did not hear what I said earlier. I said that I can confirm that we are setting up another VAC en route to Calais—I made that quite clear in my remarks earlier on. I also said that it would be away from the port in order to prevent the surge that we do not want to take place. It is news to me that she says that there is a family—[*Interruption.*] Well, as I said earlier on, we do not want to create choke points in Calais, given the people trafficking and smuggling issues that have been materialising. That is a fact. I am sorry that Opposition Members are very dismissive of this, but I am involved in a lot of engagement on it and I am seeing all sorts of concerning matters. I need to pick up on the right hon. Lady's point about a family that says they cannot get an appointment at a VAC in Paris. That is news to me. I have not been told that that is the case; I have been told very clearly that there are appointments and people are not having problems accessing appointments. I am very happy to call her office directly later on today and give her the facts on that.

Yvette Cooper: That would be very helpful. But we also need to know when this visa application centre will be set up and operational, because right now this means that people are being turned away from Calais because they do not have the biometrics or the security checks they need and so are being sent back to Paris in order to do so. We need to know when that is going to be in place.

Dan Carden (Liverpool, Walton) (Lab): Are not the Government and the Home Secretary absolutely out of step with the British public on this? When bombs are raining down on families across Ukraine, the public want us to open the doors and welcome them in.

Yvette Cooper: I think the public want to see us doing our bit, and that is not what is happening. What people are seeing time and again is families having to leap over additional hurdles—additional bureaucracy. People are being told to wait 72 hours after their security checks are all cleared just because of bureaucracy. Lots of relatives are still being left out. Elderly aunts or 19-year-old nieces are not included and are being turned away. That is the point. *[Interruption.]* If the Home Secretary says that is not correct, I really urge her to stand up and clarify it, because at the moment her guidance says that elderly aunts and 19-year-old nieces are not included in the family visa scheme.

Priti Patel: I appreciate that this is now becoming a much wider debate, but on Friday we launched an extended family route that covers the very family members that the right hon. Lady is referring to, and people are applying—over 14,000 have applied. That scheme is up and running. I said in my earlier remarks that later on this evening we will be providing assured data and assured numbers on the people who are coming through that route. It is wrong to say that this Government are not welcoming Ukrainian refugees. We have a very unique scheme. As I said, it is the first of its kind in the world and it cannot be measured against that of any other country.

Mr Speaker: I think I need to come in here, just for a minute. At the end of this debate I expect the Minister's wind-up to pick up on some of the points that have not been answered—that is the idea of having a Minister speak at the end. Hopefully we can make sure that the Government, having been given time to think about the answers, are prepared to respond to some of the questions that have been raised.

Yvette Cooper: I am grateful, Mr Speaker, because there are some very serious questions.

The Home Secretary has just said that elderly aunts are included, but that is not what the website says. Elderly parents are, yes, but elderly aunts are not. We really need to know what the facts are, because right now a lot of families are being turned away. Lots of relatives who are families of Ukrainians working here on healthcare visas or on study visas are also not allowed to come. They are not included in her scheme and families are desperate now.

What is happening is shameful. There are too few relatives arriving and no sign of the sponsorship scheme that the Government have promised will allow those who are not family members to come. Will the Home

Secretary please stop claiming that this is all world-beating and world-leading and that she is doing everything possible, and accept that it is not working and things are going wrong? Otherwise, how can we possibly have confidence that she is going to put this right and make sure that refugees can get the sanctuary they need?

Stella Creasy (Walthamstow) (Lab/Co-op): As of an hour ago, there was a poster up in Calais that says simply, "No visas delivered in Calais." It tells people to go to an online form and then to Paris or Brussels. Does my right hon. Friend understand why the Ukrainian community in this country are horrified, frustrated and furious to see their relatives who are in Calais being given such information and such a lack of clarity, and does she agree that we need to tell people where this processing centre is? People seeing that sign will give up hope, when hope is what they need from this country.

Yvette Cooper: My hon. Friend is absolutely right. If we in this House are so confused and cannot follow this chaos, it must be devastating for families who are desperately trying to be reunited. I hope the Home Secretary will deliver on some of the promises she has made, but there is currently a huge gap between the rhetoric and the reality, which is letting Ukrainian families down badly.

Stephen Flynn (Aberdeen South) (SNP): On the topic of confusion, is the right hon. Lady as concerned as I am about the fact that the Home Secretary seemed to indicate that the figure of 50 visas is inaccurate, yet in response to a question from the hon. Member for Rhondda (Chris Bryant) in the Foreign Affairs Committee earlier today, the Foreign Secretary said that she believed the Home Secretary had announced that? Is it 50, or is it not? Does this confusion not cut to the heart of the issue?

Yvette Cooper: Clearly we need updated figures, but my understanding is that 50 visas is the figure issued by the Home Office yesterday. I hope we will have a further update, but the problem is that we are now 10 days into the conflict, and the Home Office was warned—

Kevin Hollinrake: On a point of order, Mr Speaker. We have been waiting for the economic crime Bill for many years. There is a huge number of amendments on the Order Paper and a huge number of people wanting to speak. This is a very important issue—absolutely critical—but it does not relate to that legislation. Could we have a ruling from you on that point, sir?

Mr Speaker: I make the decisions, and I think it is all right. What I would say, in fairness, is that the Home Secretary spoke for well over 30 minutes—in fact, I think it was nearly 40—and I am therefore giving some leeway. It is a very important matter; it is also protected time, so one need not worry.

Yvette Cooper: Thank you. Mr Speaker. The concern for the House is that the Home Secretary has provided information today that does not yet seem to be accurate, and we urgently need accurate information. We also need a simple route to sanctuary for people who want to join family or friends and need sanctuary in the UK to be able to do so. That is not yet happening. We desperately need the Home Secretary to get a grip.

[Yvette Cooper]

We need action to support refugees. We need the UK to do our bit. We also need the measures on sanctions, unexplained wealth orders and the register of overseas entities to be put swiftly in place. We need Putin to feel the full force of sanctions now; we welcome the sanctions that are in place, but more than a week into the war, we have sanctioned only a handful of oligarchs and are still falling behind other countries. I hope the Bill will make it possible to speed things up, but there are concerns that people who may be subject to sanctions will still have time to move their wealth. We will discuss those concerns later in Committee, where amendments have been tabled that may be able to address them.

Turning to beneficial ownership, UK property has been used to launder illicit wealth for too long. We welcome measures to reveal for the first time who the ultimate foreign owners of UK property are. We welcome, too, the Government's recognition that the initial, draft Bill did not go far enough; they have accepted our amendments on stronger fines and proper identity checks, and that is welcome. Giving people 18 months to dispose of all their assets, as the draft Bill suggested, so they can hide them in some other regime was clearly ludicrous; it was a chance for them to get out of London and stash illicit money somewhere else. But even six months gives people a very long time, and is not justified by the scale of the problem we face. People have already had six years of warning that this Bill was coming. That is why in our amendment, we call for 28 days instead.

We support the measures on unexplained wealth orders. The fact that they have been used in only four cases in four years shows that for too long they have not been working: they are too hard for the police to use and too easy for the clever lawyers of rich criminals and oligarchs to block, and the costs to the National Crime Agency if it loses a court case are too great. We have called for more action to monitor progress to see whether these reforms make sufficient difference, and we welcome the Government's acceptance of that amendment, but that must be only the start. We badly need the long-promised reform to Companies House, and we are calling on the Government to publish that draft legislation imminently. We need to ensure that it has action on enablers and on cryptocurrencies, too.

We will need more action on golden visas. The Home Secretary has rightly made a decision to halt them, but her own statement said:

"The operation of the route has facilitated the presence of persons relying on funds that have been obtained illicitly or who represent a wider security risk."—[*Official Report*, 21 February 2022; Vol. 709, c. 6WS.]

There is still no published review, no information on the number of people suspected of involvement or of posing a wider security risk, or how many of them have now become British citizens. I wrote to the Home Secretary to ask questions on that, and she has not responded. I urge her or other Ministers to explain when they will be able to do so.

Matt Western: The question I was hoping to put to the Home Secretary was very simply whether she could illustrate how this extremely important legislation, would, say in the case of Roman Abramovich, bring into effect

the changes needed. It was reported to the Home Secretary back in 2019 that he was a person of interest to Her Majesty's Government.

Yvette Cooper: My hon. Friend is right that we need clarity about how the legislation will work in practice and be used to make a difference. It raises questions about individuals, and we are all aware, as other Members have raised, that serious allegations have been made this weekend about the appointment of a Member of the House of Lords with close family links to the Putin regime.

Rushanara Ali (Bethnal Green and Bow) (Lab) *rose*—

Yvette Cooper: I will take one final intervention.

Rushanara Ali: Does my right hon. Friend agree that it is deeply concerning that the now Lord Lebedev, despite warnings—

Mr Speaker: Order. We cannot name a Member of the other place, unless it is on a substantive motion, so that it is not personal. We must keep to where we are.

Yvette Cooper: Given the seriousness of this matter and the seriousness of the allegations that security advice from our intelligence agencies was dismissed, and given the importance of the Prime Minister always demonstrating that the defence of our national security is always his priority, it is immensely important that all the information and advice pertaining to this appointment is made available to the Intelligence and Security Committee, so that it can also scrutinise this process and examine the information it is given. The No. 1 responsibility for us all, and certainly for our Government, must be the protection of our national security.

Today we will speed through this Bill and wish it well. We want to see stronger action against Russia at this time of international crisis. We want to see stronger action against economic crime that puts us to shame and undermines our economy and the rule of law. We need action on transparency, on regulation, on enforcement and on accountability—too many areas where there has not been progress for too long. We also need action so that the UK plays our part and properly gives sanctuary to those fleeing the Russian bombardment in Ukraine. They need our support and help here in the UK, and that is not just family members, but those more widely who need our support. We must vow that never again will we allow our major institutions to be so influenced by corrupt elites and that we will give those involved in corruption and economic crime no place to hide. Be it Russia or anywhere else in the world, we will no longer stand for this here in the UK.

Mr Speaker: I start off by saying that I expect Members to take around five minutes.

4.38 pm

Mr David Davis (Haltemprice and Howden) (Con): Given the nature of the debate, I will try to make my simple points in three minutes. [*Interruption.*] There were cheers from the Government Benches, anyway.

I suspect that we will all vote for this Bill. The House is of one in wishing to stop the murderous behaviour of Putin in Ukraine and to punish him and his elite for

carrying out such evil crimes against humanity. That is not to say this is a perfectly crafted Bill. To some extent, that is inevitable; it has had to be constructed in a hurry from an original economic crime Bill that was designed for a different purpose under different circumstances. Worse than that, in some ways, it is being operated by three or four Departments, some of which are operating in areas that they are not used to, which is often not a pretty sight, and I speak as an ex-Minister in that respect.

The Government, I think, will do two sensible things. First, they will accept most, or many, of the amendments that have been tabled, which is sensible because most are thoughtful and all are well intentioned. Secondly, the Home Secretary said that there will be a second economic crime Bill and of course we are making plans and projections for that. One of its functions will be to correct the mistakes that we make today, of which there will be many, because we are dealing with a difficult and sophisticated adversary and we are making decisions quickly.

Sir Iain Duncan Smith: I want my right hon. Friend to extend his speech slightly. Does he agree—I hope my right hon. Friend the Home Secretary is listening too—that whatever happens with the Bill, we are clear that those in the other place who deliberately amended previous legislation to water down the provisions that would have seen us go after many of these people, have some warning not to do that ever again?

Mr Davis: I am pretty sure that they will hear that warning when they look back at this debate.

I do not often quote Lenin, but it is probably appropriate. As he famously said,

“A bayonet is a weapon with a worker at both ends,”

which is also true of the Bill. It will do great harm to the Russian economy and to our adversaries in Russia, but it will also do some harm to us—or at least, the retaliation will—and it will particularly hit the least well-off. We will see greater price inflation, less growth, less trade and therefore fewer jobs. We must recognise that when we undertake what we are doing here. We can make Russia a pariah state but Putin will retaliate, and we must be ready. We need to be ready for fuel crises, cyber-attacks and ludicrous threats from the Kremlin.

Beyond the Bill, there are many further things that we can do in the west and we should be ready to do them. To pick one example, the allies should be ready to reduce every Russian embassy to a bare minimum—to skeleton status—by the expulsion of diplomats at the first sign of retaliatory action from Russia. It must be clear to Russia that it will pay if it retaliates again.

We have said, and we must keep saying, that the Bill is not aimed at punishing the Russian people—that is incredibly important. It should target the Russian Government, Putin and his henchmen, which is why the actions in the Bill against oligarchs are as important as the actions against Russian banks and commercial institutions. There was some briefing from Whitehall over the weekend that implied that they are not, but that is wrong.

We have all heard the rumours that Putin has something like \$200 billion of personal wealth. He does not hold any of it himself; it is held by the 140-plus oligarchs around the world. Targeting them, therefore, is at least

as important as targeting the Russian state banks. To do that properly, we must act fast, which is the thrust of my new clause 29, which I will speak to later in Committee.

We should not kid ourselves. This is not an economic crime Bill, but an economic warfare Bill, and it is a war that liberal democracies cannot afford to lose.

Madam Deputy Speaker (Dame Rosie Winterton): I call SNP spokesperson Alison Thewliss.

4.43 pm

Alison Thewliss (Glasgow Central) (SNP): SNP Members are delighted to see this well-overdue Bill. We have called for action on these issues many times in this Chamber, in Bill Committees, in Select Committees and in Westminster Hall, yet no action has been taken until today. The measures within the Bill are far from the full package of measures that we need to tackle economic crime and we look forward to hearing the further measures that will come forward soon.

Tom Keatinge of RUSI has said:

“War has not made this money dirty—it has been here, corroding society and undermining the country’s institutions, for decades.”

The failings that we hope the Bill will address have long been identified, but have been ignored through incompetence, disinterest or worse. That goes to the heart of why the Bill is urgent. The money has been sloshing around in the UK and people have benefited from it, but they are not the ones from whom it was stolen. We need to take further action to ensure that we address that.

Stewart Hosie: My hon. Friend is absolutely right about where the money was stolen from, and many of the kleptocrats the Home Secretary mentioned made their money by looting Russia after Yeltsin’s privatisations. Does she agree with me that no matter how many times that cash has been through the laundromat, it is still stolen and is still unexplained wealth, and does she share my concern that the use of unexplained wealth orders will never actually get to the root of where some of that grubby stolen money came from?

Alison Thewliss: My right hon. Friend is absolutely correct to point that out. This money has been around the world many times and we may never ever find out where it has come from, but we could take further action to stop it coming through bank accounts in this country, helped by lawyers and accountants in this country, and the Bill does not go far enough to deal with the people who are facilitating this economic crime.

On the register of overseas entities, Members will know that I sat on the Joint Committee with the Lords on the draft Registration of Overseas Entities Bill, because I have mentioned it several times before. I cannot understand why it took so long before we had this legislation coming before us today—and in such haste, I should say. Introducing the registration of overseas entities is intended to shed light on the individuals behind overseas companies that control property in the UK, and that is welcome, but again it is too late. The proposals were discussed in detail in that scrutiny Committee, and I still do not understand—I would like some kind of explanation from the Minister, if he would stop chatting—why the Government twiddled their thumbs for four years instead of getting on with implementing such legislation.

[Alison Thewliss]

I should note that the Scottish Government have moved on this. The register of persons holding a controlled interest in land in Scotland will come into effect and start operating, by taking names on the register, on 1 April. I seek some information from Ministers about what exactly will be the interaction between this register of property in Scotland, which includes overseas entities, and the provisions they are trying to pass today. It has been remarked by a number of organisations that the Scottish register will actually have transparency at its heart and has better transparency than what Ministers are proposing with their register. I would ask that they go to that higher level, rather than ask Scotland to level down on what we are putting on the register of persons holding a controlled interest in land.

Transparency International has estimated that £6.7 billion of questionable funds has been invested in UK property since 2016, of which at least £1.5 billion-worth has been bought by Russians accused of corruption or links to the Kremlin. When we take into account the secret nature of these transactions and how hard it is to get the actual information, the real figure is likely to be much higher.

The Bill as it stands will give the owners of about 95,000 foreign-owned properties six months to reveal their identities. I am glad that the Government have cut that back from the original 18 months they proposed in the draft Bill, but as things stand six months gives people an awful long time to move their money, down what Oliver Bullough calls the “Moneyland tunnel”, to hide those assets and to spirit them away to where they cannot be seen and cannot be found. Such secret jurisdictions will be used by the people who want to do this.

I would like to know from the Minister whether this register will be to the same standards as the Companies House register just now, because the Companies House register is basically full of guff. I have said this many times, but someone can register a company to “Anytown, Anyplace”. I could register one in the Minister’s name if I wanted to, and if I did not give any indication that I had done that, I would get away with it scot-free. The Minister really needs to tell the House what the standards of registration for these companies will be.

Our new clause 4 suggests that Companies House should be an anti-money laundering body, and it should use the Government’s Verify scheme to make sure that a person is a real person when they register a company at Companies House. I want to know what this register of overseas entities is going to look like and how we can make sure that the data put in will be maintained.

Mr Kevan Jones: Does the hon. Lady agree that full transparency at Companies House of who owns companies is in everyone’s interests? It was only because of the investigation undertaken by Caroline Wheeler of *The Sunday Times* that we discovered that Viktor Fedotov was one of the beneficial owners of Aquind, a company that has given huge sums of money to individuals in this House as donations. Does the hon. Lady think it would perhaps have helped some of those individuals decide whether to accept that money if they had known that Fedotov was an owner, especially because of his track record of alleged corruption in the Transneft gas pipeline deal?

Alison Thewliss: That is a fair point, and I absolutely agree. I will speak in the sanctions part of my speech about the fact that the Government do not know who has what in order to sanction them because the Companies House register is such nonsense, and we do not have a good enough understanding of who actually owns property in this country right now.

Liam Byrne (Birmingham, Hodge Hill) (Lab): Does the hon. Lady share my concern that there are still 11,000 companies at Companies House that do not have a person of significant control registered, yet there have been only 119 prosecutions? Surely we have to transform the regulatory power of Companies House to get rid of this nonsense.

Alison Thewliss: I absolutely agree. I was going to speak about Scottish limited partnerships later but will jump forward to that bit of my speech now, because it ties in nicely with the point the right hon. Member makes.

The House will have heard me speak on numerous occasions about SLPs, which have the distinction of being able to hold assets—property, yachts or whatever else—as a company. They have been used in the past as a means of funnelling money out of Ukraine as well other countries. OpenDemocracy reported last year that it had found €35.9 million in an SLP account which had been stolen from people in Ukraine through a fraud; Remini Consulting was the company involved in that. As the right hon. Member pointed out, the key to tracing those involved in such frauds is the persons of significant control.

SLPs have been obliged to have a person of significant control for several years now; that is a reform the SNP pushed for and the Government said they were going to introduce. Sure enough, the numbers of SLPs on the Companies House register decreased, and the number of people who were not registering as persons of significant control also decreased, but according to the most recent figures 203 companies are still SLPs with no person of significant control registered. That is just not right, and that is not being pursued either. Of all the thousands of SLPs that have existed and that still exist, only one has been issued with a fine for not having a person of significant control, and that fine was £210. That is absolutely pathetic, and it highlights that this Government are not even bothering to enforce the rules they have.

The Government are proposing in this economic crime Bill to fine companies that do not comply, but they are not fining companies that do not comply right now. That is not just about not enforcing the rules; it is money that is walking out of the Treasury—money they could have had to spend on services and do other things. They are not enforcing the rules, and they are not fining the companies that are not playing by the rules—they are not striking them off the register; they are not doing anything to make sure the rules are complied with.

This Bill does not go far enough to address that. The fines suggested are £2,500 a day, which is nothing to many of the companies who are shifting billions of pounds through shell companies. That is just the cost of doing business; it is nothing to the oligarchs with deep pockets stuffed full of Putin’s money, and the Government should be doing a hell of a lot more about that. At this moment, welcome as this Bill is, they are not doing anything to address that imbalance.

Mr John Baron (Basildon and Billericay) (Con): I can tell the hon. Lady that there are concerns across the House on this issue, as she can see from those of us who have signed various amendments. In the last five years the number of prosecutions for money laundering has fallen away. The number of prosecutions from the Serious Fraud Office has fallen away, and the National Crime Agency has managed just five prosecutions a year on average. Does she agree that laws and regulations are only worth their salt if properly enforced, and that we need to come together on both sides of the House to address this issue and make sure moneys are available to properly fund our enforcement agencies?

Alison Thewliss: I very much agree with the hon. Member and acknowledge the strength of cross-party support in the House on this issue. I am sure he has read the Treasury Committee's report on economic crime, which highlighted that not enough has been done on enforcement or invested in the law enforcement agencies to give them the skills that they need. Without that, the crooks will continue to be several steps ahead of the law enforcement agencies, which do not have the resources, the skills or the talent to get around these schemes and stop them in their tracks.

I agree with the hon. Member for Oxford West and Abingdon (Layla Moran) about the loophole in the Bill that she highlighted, which allows individuals or their assets to be exempted if so doing would be in the interests of the economic wellbeing of the United Kingdom. That gives the Government a whole lot of scope to exempt people from the Bill. There are clearly huge sums of money involved, and the economic wellbeing of the United Kingdom is ailing in many respects because of many things—not least Brexit—so they could look to that as a loophole. That must be closed. I do not think I got in to put my name to amendment 4 in time, but I fully support what she puts forward in it.

On sanctions, the Bill sets out a series of reforms that are likely to intensify sanctions enforcement. The SNP pushed for greater action on sanctions and their enforcement back when the Sanctions and Anti-Money Laundering Act 2018 was going through the House. There are limitations for the Office of Financial Sanctions Implementation: as I mentioned earlier, when we do not know where people are hiding their money, it is difficult to track them down, impose sanctions on them and enforce those sanctions. A great deal more needs to be done in that regard as well. As my colleague on the Treasury Committee, the hon. Member for Wallasey (Dame Angela Eagle), mentioned earlier, the OFSI has only 37.8 staff, which does not seem sufficient to the size of the task it faces. I hope that it will be able to get more resource to do that. Clearly no one could have quite anticipated the scale of the current sanctions, but it needs further resource for sanctions, both so that it has the expertise it needs and to ensure that our sanctions are aligned with those of other jurisdictions around the world.

Finally, according to figures put out at the weekend by the Minister for Brexit Opportunities and Government Efficiency, although the UK's sanctions are only a fraction of the EU's or US's efforts, they have captured more in value than either of them. That is an interesting and curious point, and a serious one if it indicates how much Putin-related cash is swilling around in London's economy. If the figures are to be believed, the UK has

more in assets belonging to oligarchs than the EU and the US combined, which really shows us the scale of the problem that the UK Government have got themselves into.

The SNP supports the measures in the Bill that will strengthen measures on economic crime. Although they do not go far enough or fast enough, they are long overdue. We look forward to moving some amendments later this evening—and, if the Government have any sense at all, they will accept them.

Several hon. Members *rose—*

Madam Deputy Speaker (Dame Rosie Winterton): Order. I am going to introduce a five-minute time limit. However, I am sure that right hon. and hon. Members will be aware that, if they take less time than that, we will get to Committee stage more quickly, as they might wish to do. Those who particularly wish to speak in Committee might bear that in mind as well.

4.58 pm

Sir Robert Neill (Bromley and Chislehurst) (Con): Thank you very much, Madam Deputy Speaker. This is an important Bill, and it is an exceptional Bill because this is not normally the way in which we go about dealing with such matters, but it is necessary. My right hon. Friend the Member for Haltemprice and Howden (Mr Davis) spoke of it as an economic warfare Bill. Sadly, there is an element of that, because a vicious and genocidal war is being waged in our own continent and, as a law-abiding country that believes in the rule of law, we have necessarily to take actions perhaps not in the way we normally would.

Some aspects of the Bill involve, for example, the removal of a proportionality test in the seizing of assets. In the case of the acolytes, fellow travellers and hangers-on of the Putin regime that is murdering people, it is perfectly proportionate to move swiftly and immediately, but that might not be true in all the other cases in which entities are held in this form. Although none of us is going to delay this Bill today, I hope that the Minister will reflect on whether the second Bill that will come along, which I welcome, may give us a better chance to look at whether that approach is appropriate as a global provision, as opposed to one that is specifically targeted in this instance. There are legitimate business grounds for why assets may be held in various forms of entities that will be caught by the Bill. We do not want to destroy our ability to do that in this country, but at the same time, we want to prevent abuse.

I also welcome what has been said about strengthening the enforcement provisions. We need to do much more on economic crime. The Justice Committee is conducting an inquiry on fraud at the moment, but we need to look at crime internationally as well. Our reputation both as a financial centre and a legal centre depends on that, but that involves our committing the money in a way in which, for example, the United States does to a far greater degree for economic and extraterritorial matters.

The fact that, unlike us, Russia is not a country that abides by the rule of law could not have been more amply demonstrated by its non-attendance at the International Court of Justice in The Hague today. It is a measure of the regime's arrogance that despite being party to the genocide convention and having signed up to the ICJ's jurisdiction, it does not even bother to turn

[Sir Robert Neill]

up and has the brass neck to suggest, wholly falsely, of course, that it is defending Russian speakers against genocide. It is a measure of the perversion that has taken over the Russian state. Regrettably for those of us who love Russia's culture and history as a European nation, under Putin it has become almost as much of a rogue state as the mullahs have made Iran. We therefore have to act with exactly the same rigour to destroy it economically. That will bring awful pain to the people of Russia, which is terrible, and it will bring a considerable amount of pain to many people in this country and beyond. Sadly, however, that is the price that we will have to pay to ensure that a genocidal, homicidal dictator, who has clearly never changed from being the KGB torturer that he once was, will not be able to blackmail us going forward.

On the Bill's specifics, I hope that the Minister will look at some of the amendments, including a number of important technical amendments that have been suggested by the Law Society and which merit being looked at in Committee. We must not forget, for example, that those who have significant control are not necessarily the same as those who have beneficial ownership. There is a risk of a loophole that needs to be tightened up. It is really important, therefore, that we ensure that the various registers that are now being created align sufficiently so that we actually get to the economic beneficiaries of the trusts, rather than the intermediaries who might be dealing with it. That is where the oligarchs, in this case, and the criminals are likely to be.

It is also particularly important to look at the timeframe. Six months for registration seems needlessly generous. Equally, 28 days is too short, because we must bear it in mind that legitimate businesses will hold their assets through these entities and formulas, and we need to give them time to register. I say to the Minister that if, in the other place, there was an amendment that brought that time limit down to three months, many of us think that that would strike the balance very sensibly. That would enable legitimate businesses to register properly, but it would still put the pressure on the villains who we would really get to. I hope that the Minister will think about that.

Subject to that, I commend the Bill to the House. This is actually a fight not just for democracy and decency, but for the rule of law, and that is why we must get the Bill through.

5.3 pm

Dame Margaret Hodge (Barking) (Lab): I will try to keep my remarks short. Like others in the House, I welcome the Bill, but it should never have taken the nightmare of a war in Ukraine for us to act and to halt the avalanche of dirty money that has been allowed to enter Britain today. We are the jurisdiction of choice for not just Russian oligarchs, but kleptocrats, money launderers, people traffickers, smugglers, terrorists and other villains. That is the result of the failure of this Government and previous Governments to act. The Labour Government also had some responsibility for this, but the inaction over the last decade or so is down to this Government and the previous Conservative Governments.

As every other hon. Member has said, the Bill has to be the first step. I look forward to a further Bill coming forward swiftly at the beginning of the next Session so that we can enact other important measures. The other point that other hon. Members have made is that the Bill is not something great or inventive. It was first promised to us by David Cameron; I think that was in 2015, although others think it was 2016. There was then a massive consultation, pre-legislative scrutiny and a Bill in 2018. It was in the Queen's Speech in 2019 and reinforced in the G7 summit in Cornwall, and then we heard that there was not going to be an economic crime Bill. It was all gone, and then war came in Ukraine and suddenly it has re-emerged.

The implications of the Bill go well beyond Ukraine, although the Bill is vital as we try to put pressure on Putin and his utterly dishonourable gang of cronies, and to de-escalate the conflict through economic sanctions. We need to move faster and go further. Some very important amendments have been tabled; I will not use my time on them now, because hon. Members will want to talk about them in Committee, but they include freezing an oligarch's assets while lawyers consider the case for sanctions, and ensuring appropriate funding so that we do not just put something into law without using it to go after the oligarchs properly.

Mr Baron: Is the right hon. Lady as concerned as I am that some estimates put the cost to this country of economic crime at nearly £300 billion, yet we spend something like only £850 million on all the nationwide enforcement agencies? Other countries spend a lot more and seem to have a higher prosecution success rate. Is that a coincidence?

Dame Margaret Hodge: No, of course not; I completely concur. The latest figure I have seen for the cost of economic crime to the economy is £260 billion, so the Government must provide tougher regulations, more effective enforcement, proper resourcing and clear accountability—those are the key things we need.

I thank the Government for listening to our representations. Even the Bill before the House includes some very welcome changes, such as tougher penalties and greater accountability, with an annual report to Parliament—I remember arguing that case as the legislation went through, and it being resisted. The Government's new clauses will speed up the processes, and I hope that in Committee there will be further improvements.

When the Minister winds up, will he say whether he has looked at amendment 3, which stands in my name and that of other hon. Members? It would address the loophole that I think the hon. Member for Bromley and Chislehurst (Sir Robert Neill) mentioned; I think it is a drafting mistake, but it looks as if individuals could escape the transparency that the Bill intends by using nominee directors and corporate trust providers. We have received legal advice, a copy of which I have shared with the security Minister; I wonder whether the Minister answering this debate has looked at it and whether he will respond on the drafting issue.

This is not an economic crime Bill; it is important legislation that should have been put in place years ago. The economic crime Bill is still desperately needed and I look forward to urgent discussion of it. In the meantime, I hope we will have time for the proper consideration of our amendments.

5.8 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to speak in this debate and to follow the right hon. Member for Barking (Dame Margaret Hodge), whom I join in welcoming this long-delayed Bill. I think I have co-chaired the all-party parliamentary group on anti-corruption and responsible tax for nearly seven years; as she says, we were promised this measure six years ago. The irony is that at the time the Government were ahead of the curve, and probably ahead of the world, in coming up with such measures. If we had only had these rules in place and these disclosures available to us now, we could have moved so much faster in this crisis. I wholeheartedly welcome them today and support them all.

I just want to take a few moments to disagree slightly with some comments that have been made. The transparent register of overseas entities is not about economic warfare; it is a perfectly normal and necessary measure to ensure that we have a clean economy free of dirty, criminal and corrupt money. It should not be seen just as a measure for this crisis, but as a measure for life. It is needed for our economy, and it is not intended to be an attack on investors who are perfectly normal and acting properly. It will catch Americans, Australians, Canadians and Europeans; anyone who has property in this country owned by a company will be caught. They are still welcome to come here. We want them to come here, invest here and create jobs.

What we do not want is dirty, corrupt money. People involved in that can sling their hook—they can go. That is what these sanctions are aimed at correcting. People who are coming here to invest have nothing to fear if they are doing nothing illegal—that is what we want. Please, let us not pretend that this measure, which has been planned as an anti-corruption measure for all these years, is solely one for this crisis. I hope it helps in this crisis and that somehow we find some property owned by an oligarch or two that we would not otherwise have found, and we can freeze or sanction it. I suspect that this measure will not make much difference on that. If we do not know what assets they have got already, through our intelligence services, and we cannot get those sanctions and freezes in place quickly, I suspect that having a register in place in a few months' time, which these people may or may not comply with, is not going to make a lot of difference.

Sir Robert Neill: My hon. Friend makes a good point: this is not just for this crisis. He will have seen the excellent article in *The Spectator* by Professor Richard Ekins, where he and Sir Stephen Laws, the former Junior Treasury Counsel, suggest that the best route for this crisis would have been a stand-alone Bill naming all those to be sanctioned in a schedule and with power for that to be added to. That is not what we have, so the reality is that we are going to have to get this Bill through and perhaps think about that better approach, should such eventualities arise again in the future.

Nigel Mills: I agree with my hon. Friend, but that matter is beyond my expertise or interest; my interest is in anti-corruption measures here. I welcome the fact that we have this Bill, but I am nervous that the speed of its drafting and some of the technical provisions may lead these provisions not to work as they should. The people we are most after are not the innocent businessmen

who have chosen to arrange property or a company here; we are after the really dodgy rich ones who will use every bit of machinery they have got and may well be able to find some loopholes and ways of exploiting this.

The Bill requires the registration of the beneficial owner of the company that owns the property, not the actual property itself. That may sound like a distinction without a difference, but I suspect that ways can be found, through nominees and careful shareholdings, where those two things can be distinguished. So we need to watch carefully as we bring these provisions in to ensure that they are hitting the people we think they should hit and getting the disclosures we want. If we are not getting them, we need to come back quickly and tighten the rules, changing the provisions and tweaking them. We must not just think, "We have done this today; that's it. It doesn't matter. We have got a few thousand registrations." All the innocent ones may be there, but we may not have got the important ones. That is where we need a huge culture change in the City, in the government and in the law enforcement agencies, where people know that Parliament is now serious in saying, "We mean these provisions to have effect. We want you to enforce them, and we want them to work and to be resourced." We do not want them on the statute book only then to be ignored, with their being a bit of a deterrent and it not mattering whether they are used or not. We want this stuff to make a huge culture change to our economy and we want it to happen quickly. I commend the Bill and I look forward to the rest of its stages.

5.12 pm

Layla Moran (Oxford West and Abingdon) (LD): It is a pleasure to follow the hon. Member for Amber Valley (Nigel Mills), and I associate myself with his comments. Although, as the right hon. Member for Barking (Dame Margaret Hodge) said, it has taken a war for us to get to this point, I find myself forgetting how often I go to other countries and speak to people there, or speak to family members who live abroad, who say how they look to this place for what should be best practice. Yet when it comes to tackling economic crime we have been lagging behind. The Secretary of State said that this was done speedily, and I am reminded of when I was a teacher and people used to stay up all night to do the homework I had set three weeks earlier. The Government could have done this better and sooner, and they did not, but we are here now.

Kim Johnson (Liverpool, Riverside) (Lab): The hon. Lady is making an excellent speech. Does she agree that actions speak louder than words? We have had an awfully long time to get this right—it goes back to 2016—so let us see some action, and action now.

Layla Moran: I thank the hon. Lady for her intervention, and she is right. I do not say this in any other spirit than one of wanting to help. I thank the Ministers for the ways in which they have engaged with us, and I will keep working constructively with the Government on this, because we need to get it right, and not just for the people of Ukraine. Before I came into the Chamber today, I was talking to some Russians in Russia. I cannot name them and will not do so, because if I did, it would put their lives in danger. Members will be aware that on Friday Putin put in place legislation to give

[Layla Moran]

them 15 years' imprisonment for simply saying that Putin is waging a war, as opposed to an exercise or a peacekeeping mission. They describe what is happening as strict and cruel legislation designed for political oppression, and they are asking Members of this House to work with the Russian community here in the UK to get the message out through their networks and to their friends about things such as how to circumvent Putin's internet clampdown in Russia in order to get the BBC in Russian to people on the ground. There is something that all of us can do to help those Russians who want to help us here, and who are desperate not to be tarred with the same brush.

I look forward to the Committee stage that will take place later this evening, so I shall be brief, but I would love to hear from the Minister what exactly will be in the economic crime Bill part 2, especially in relation to the Companies House reform that we seek. I also want to associate myself with what has been said about enforcement. When I asked doughty third-party groups such as Transparency International and the Royal United Services Institute why other countries—America, for instance—had managed to include far more companies and individuals on their lists, I was told, “They have fewer laws, but they enforce the hell out of them.” Can we please be a country that enforces the hell out of this and any further legislation that we might want to introduce?

We also want to ensure that the second Bill clamps down on enablers. Amendments have been tabled to that effect, but we know that stand-alone legislation will be required for this purpose. It is not just the lawyers who are involved; it is the PR firms, the accountants, the banks, and all the others who knew what they were doing. It should not be ‘a case of acting “recklessly”—there are some get-out clauses in this Bill that we need to be careful about—because those people knew or decided to turn a blind eye, and that can no longer be good enough. I appreciate that this cannot be covered in today's Bill, but when will it be covered?

I look forward to working with the Minister in future iterations of these matters, and I especially look forward to the Committee stage, when we shall be able to discuss some of the holes in the Bill in more detail.

5.16 pm

John Penrose (Weston-super-Mare) (Con): At bleeding last! It is here. We have been waiting for years. Alleluia! It has finally arrived.

We have all heard some of the history of how long we have been waiting for the Bill, but it is also true to say that a few years ago Britain was at the forefront of this legislation. In fact, in some respects we are still the one-eyed man in the land of the blind. There are still many other countries that have not taken even the initial step of introducing beneficial ownership transparency, which we have long had in this country. But—and it is an essential “but”—because we have the City of London and the wholesale financial markets that are the envy of so many countries, we have to live up to a much higher standard than other countries, and that means that we have to go further.

We know that we have loopholes in our existing laws, and it is well past time for us to plug them. The Bill is the first step on that road, but it is only a first step, and I

was delighted to hear the promise of more in the White Paper and the promise of a second Bill. Like the right hon. Member for Barking (Dame Margaret Hodge), I hope that that will come early in the next Session, because only if we do both those things in parallel and in tandem will we finish the job that was started back in 2015 or 2016, depending on which version of history we adhere to.

I am also delighted at the acceptance of the manuscript amendment tabled in my name and that of my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), which aims to speed up the application to deal with the oligarchs who own property in this country and will even now be searching for buyers to palm the assets on to so that they can get their money out, because they know that we are moving and also know that, as matters currently stand, they have some time to complete their transactions. It is vital that we move faster, and I am delighted that we will have a chance to consider the manuscript amendment.

Bob Stewart (Beckenham) (Con): I thank my very good friend for allowing me to intervene. I hope and presume that this Bill will freeze assets; will the second part of the legislation, when it comes, allow their confiscation? I hope that it will, in which case we might even put it to good use and help the people of Ukraine. Is that out of the question?

John Penrose: That is a question that I think the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Sutton and Cheam (Paul Scully), who I know is listening carefully, will be able to answer in his summing up. To the point raised by my right hon. and gallant Friend the Member for Beckenham (Bob Stewart), we cannot sanction an oligarch's cash if we do not know where it is, so the essential initial step is to rip back the veils of anonymity so that we can find it, so that we know what we are looking at and so that we can at least stop it leaving the country before we move on to those other steps.

There are two other points that I hope the Minister can address in his summing up. They relate to things that could be in the Bill but are not. I hope that they will appear later or that they will appear in the follow-up Bill that we are being promised. The first is the need for proper measures to deal with whistleblowers. We have heard a great deal already about the importance of enforcement. Enforcement is vital, but it is so much faster and so much better applied if proper whistleblowing legislation is in place. As with transparency of beneficial ownership, a few years ago this country's legislation on whistleblower protection was among the best in the world, but the world has moved on and other countries have overtaken us.

We urgently need to improve the quality of our whistleblower legislation. It is good that the Minister who will respond to this debate is from the Department for Business, Energy and Industrial Strategy because it is in his Department that the whistleblowing team sits. I fear that it is well behind the curve of where it needs to be if we are going to move promptly on this. We have a long way to go and a great deal of thinking to do, and I hope that he will be able to make some commitments when he gets to his feet at the end of this Second Reading debate.

Kevin Hollinrake: New clauses 14 and 27 both deal with the establishment of a commission for the protection of whistleblowers to do exactly what my hon. Friend is setting out.

John Penrose: I acknowledge that point. I am not sure whether the Government will be able to accept those proposals, but if they do not, I hope they will be able to make some commitments about what they intend to do very soon to plug the undoubted gaps.

My final point is about trusts. My hon. Friend the Member for South Thanet (Craig Mackinlay) intervened on the Home Secretary to make a point about trusts, and it is essential that we do not forget that one of the issues we are dealing with here is to do with companies, because they have been proven to be an excellent vehicle for covering up the ownership of assets. We have also heard from the hon. Member for Glasgow Central (Alison Thewliss) about the problems that have accrued for Scottish limited partnerships. It is equally true that trusts could be, and potentially are being, misused in exactly the same way. This legislation does something on the use of trusts when it comes to unexplained wealth orders, but it does not do the same thing for the disclosing of the settlers, the trustees and the potential beneficiaries of trusts for everything else. Those vehicles could easily be misused, and we do not want to come back in a couple of years saying, “If only we had thought to plug that loophole at the same time.” I hope that my hon. Friend the Minister will be able to deal with that omission and promise us some progress on that very soon.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. I have no problem with interventions, but it would be helpful to other colleagues, especially if the House wants to get on to the Committee stage, if Members could stick to their five minutes even if they take interventions.

5.23 pm

Peter Dowd (Bootle) (Lab): The Bill is a first step, but the proof of the pudding will be in the eating. It should not have taken the tragic and brutal invasion of Ukraine to see Government action on economic crime. For too many years, we have heard only warm words from the Conservatives. Our British overseas territories are often at the centre of these networks of dodgy financial flows, depriving citizens everywhere through tax avoidance and evasion. We have become the No. 1 safe harbour for criminals and kleptocrats the world over, and that is a shameful record. Despite this, part 1 of the Bill, on the registration of overseas entities, has sat on the statute book in draft form since 2018. Why? Indeed, only a couple of weeks ago, the Government had pulled their economic crime Bill from the legislative calendar altogether.

Because they have avoided this matter for years, the Government are now forced to rush this complex legislation through in a day. Over that same period, Labour Members have repeatedly requested for today's register to be introduced, along with several other corporate transparency measures proposed in our tax transparency enforcement programme. We have also called repeatedly for the introduction and strengthening of Magnitsky provisions. No one knows quite what has influenced the Government's

dither and delay on economic crime. Coincidentally, lawyers at the Good Law Project surveyed Russian donors to the Conservative party at the weekend and found that not a single one has been included on the sanctions list. Perhaps that is pure chance, but perhaps not.

The register is crucial to demonstrating how UK property is still used to stash illicit wealth. Transparency International has identified that £1.5 billion-worth of property in the UK has been bought by Russians accused of corruption. The glaring hole in part 1 of the Bill was the 18-month transition period for the full register, which has been reduced to six months. Nevertheless, six months is plenty of time for people to dispose of assets through their army of lawyers—we have called for 28 days. Does the Minister accept that six months is untenable?

A coalition of organisations including two all-party parliamentary groups, Transparency International and Tax Justice UK suggest amending the money-laundering regulations to strengthen due diligence on property transactions in the interim. This is one way of limiting the obvious get-out offered by a six-month compliance timeframe.

The sanctions for failing to comply with the register are not sufficient either, given the plentiful resources of those who wish to avoid the spotlight. The Government have again sought to address this via amendment. One wonders why they sought to introduce such a lax framework in the first place.

Clause 18 gives wide powers to the Secretary of State to exempt individuals from the register. In particular, the exemption

“in the interests of the economic wellbeing of the United Kingdom” seems pretty dubious. Can the Minister give examples of circumstances in which such exemptions will be applied? After all, many of the people who will hopefully be targeted are ostensibly in this country because it is in the interests of the economic wellbeing of the UK. What has changed?

Clause 4 allows for a statement to be provided to the register that does not identify the beneficial owner of an entity. Why? Little guidance is given in the schedules on the circumstances in which such a move would be appropriate. I cannot think of many such circumstances, so will the Minister enlighten the House? Allowing lawyers to submit excuses in place of a beneficial owner will surely be a major stay-out-of-jail-free card, almost literally, for anyone hoping to maintain their secrecy. This provision should be removed or much more narrowly defined.

Finally, there is the matter of our Crown dependencies and overseas territories. While serving as shadow Chief Secretary to the Treasury, I was among the many calling for public country-by-country reporting by multinational companies, to ensure they are not engaging in tax avoidance. Public reporting has still not been brought forward by the Government, despite the clear support of this House. We cannot allow the Crown dependencies and overseas territories to be used to undermine stronger rules on beneficial ownership in Britain.

I hope hon. Members think hard about this, and that this has not just been a Damascene conversion at the last moment. This awful war shows that the Conservative party can no longer dither and delay. The time for half measures has long passed. We must now act fully and decisively to end the UK's reputation as a sanctuary for economic criminals.

5.28 pm

Saqib Bhatti (Meriden) (Con): I refer to my entry in the Register of Members' Financial Interests as a practising chartered accountant and auditor who has worked on and helped to design many anti-money laundering schemes with companies.

Before I address the merits of this excellent Bill, I will speak about my visit on Friday to the fantastic WMG Academy for Young Engineers in Smith's Wood in my constituency. I was subjected to what I can only describe as an impromptu interrogation by 10 of its exceptionally talented students. I was struck by how the phrase "world war three" kept coming up in the discussion. The third time it was mentioned, I asked the students whether they thought world war three is inevitable, and I saw a row of nodding heads.

This Bill is incredibly important, and we should not underestimate what today means to my constituents and to many people across the country. The Ukrainian people have shown immense bravery and honour in how they have dealt with the Russian onslaught. Thanks to the free press across the western world, journalists and social media, we can see in real time the great tragedy that is unfolding before our eyes. The indiscriminate shelling of residential areas has destroyed not only buildings but lives and dreams. The callous bombing of refugee corridors, residential areas and non-military targets has resulted in the murder of innocent people across Ukraine. Even as we speak, the Ukrainian people are losing their families, children and loved ones. The carnage they are experiencing will be another sad chapter in a long history of brutality in Europe—a brutality that we had all hoped we had left behind.

War is unpredictable. The slightest miscalculation could see an escalation that could lead to greater devastation and spill over into a larger global conflict. That is why this Bill, today, is so important: we in the west need to do everything we can to ensure that Vladimir Putin realises, or is made to realise, the magnitude of his miscalculation so far. The people whom he has bankrolled, and who have in turn enabled him to be an international murderer and thug, need to know that in future they will not be able to do so without repercussions.

The sanctions regime, along with the measures taken with our international partners, means that the package we are imposing has some of the most severe sanctions Russia has ever experienced. In particular, the removal of the test of appropriateness in the designation of individuals and entities and the removal of the constraints on designation by description will mean that groups such as the Russian Duma and the Russian Federation Council can be sanctioned much more quickly.

I particularly support the reduction in the transition period for the registration of the beneficial owners of overseas companies. I know the issue has been the subject of much tension, but sufficient time must be given in order that the changes can be effective. Companies House must have in place a regime to police the register. It should not take too long to register new changes, but it may well take some time to get ready a detailed register that goes back in time.

I hope that when he responds the Minister will give some further detail on the resources that will be allocated to ensure the effective functioning and policing of the register. Perhaps he will also clarify what personal data

will be needed, or whether similar thresholds will apply as apply for persons with significant control. Will exemptions for the data provision exist, as they do in respect of the UK register of people with significant control?

Every piece of legislation that we pass in this House serves a great purpose. Over the weekend, I reflected on the comments of the students I met on Friday. After the uncertainty of covid, they were clearly grappling with the uncertainty of a global conflict, as many of us are. The Government have led the way on standing with the Ukrainian people. We have given them military support and medical support and, through this Bill, we will be able to ensure that there are some of the strongest economic repercussions for those who flout international law.

We in this House have made it clear that this barbaric war against the sovereign, democratic and free nation of Ukraine cannot be ignored. If it were to be ignored, there would be grave consequences for the free world. We must do all we can to avoid further conflict but be resolute in our actions. This Bill sends a clear message today: we will not stand by and let the ideology of a 21st century despot prevail over the rights of a free, democratic nation such as Ukraine.

5.32 pm

Andy Slaughter (Hammersmith) (Lab): I am sure we all agree that the Bill is urgent and that it is good as far as it goes, but it is inadequate because it has been hastily drafted, and it was hastily drafted because the Government dragged their feet.

If I understood the Home Secretary's argument earlier, it was that the number of amendments that have been tabled shows the degree of support for the Bill. The number of amendments shows the gaps in the Bill and its inadequacies. Hopefully, we will correct some of them in Committee later, but I would like to hear from the Government which of the amendments they propose to accept. If they do not intend to accept them on technical grounds, I would like to hear them at least give assurances that during the Bill's passage they will bring forward their own versions of the relevant measures.

I said earlier to the Home Secretary that there is a gap between the rhetoric and the reality. I was thinking of a briefing given to the *Financial Times* last week on the same day as the Bill was published, which said:

"UK cabinet minister Michael Gove is drawing up plans to seize British property owned by Russian oligarchs with links to President Vladimir Putin, without paying them compensation. Ukrainians fleeing their homeland could be housed in the lavish UK residences of oligarchs hit with sanctions under the proposals discussed by Gove".

I do not see very much of that in the Bill.

What we have seen was initially 18 months and now six months to publish information. Yes, there will be penalties for the failure to publish that information, but there will also be ample warning and time to either disburse or transfer those assets. Whether the Government accept the proposal from the Chairman of the Justice Committee, the hon. Member for Bromley and Chislehurst (Sir Robert Neill), that it should be three months, or our proposal that it should be 28 days, that period has to be cut down.

In addition to that—I am looking at new clause 29, tabled by the right hon. Member for Haltemprice and Howden (Mr Davis)—we need the early freezing of

assets to prevent them from being dissipated during that period. The Government, if one believes their own briefing, think that we should be seizing those assets. Where are those proposals? Where is the comprehensive coverage of people whose assets can be frozen and what assets there are likely to be? How are they going to drill through the elaborate network of shell companies in order to do that?

That brings us on to another point that is absent from the Bill: regulation and enforcement. Let us be clear: we need not more enforcement agencies, but the ones that are there to work properly, and the National Crime Agency and the Serious Fraud Office do not. That is partly because of a lack of funding, partly because they need staff of a higher quality and ability, and partly because of the revolving door between those agencies and defendant law firms, which goes on all the time at the moment. We have got to the stage now where the Attorney General has ordered an investigation into the head of the Serious Fraud Office because cases are collapsing, or because the wrong targets are being pursued—the minnows rather than the sharks. Indeed, we have the absurd position where the Serious Fraud Office itself is a target of SLAPP—strategic lawsuit against public participation—litigation by the Eurasian Natural Resources Corporation.

I hope that we will have time to discuss the amendments of my right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) on preparing legislation on SLAPP and on protecting whistleblowers. These are difficult things to do. Oligarchs are entitled to lawyers, but they are not entitled to misuse the law in this country. This legislation requires careful drafting, as will the seizure of assets. These are draconian and dramatic steps that our courts are not used to taking. To make sure that they are watertight, but also fair to all parties, the measures require careful drafting; they must not be done at the last minute on the back of an envelope.

I was delighted to see Tom Burgis win his case against ENRC last Wednesday. It shows that, if they are given the tools, our courts are prepared to stand up in that way. I was astonished to read this comment by the losing party, ENRC:

“We have seen a growing campaign of xenophobia pervade aspects of the media and parliament that targets individuals and companies based on their nationality, including bizarrely ENRC, which is a UK company with Kazakh shareholders.”

I do not think that Tom Burgis is anti-Kazakh and that such prejudices were driving him when he wrote his book, *“Kleptopia: How Dirty Money is Conquering the World”*. On the contrary, he was doing us all a service. The Government need to rise to the challenge now. It does not help if they are not clear on where the donors to the Conservative party are coming from at present.

5.37 pm

Bim Afolami (Hitchin and Harpenden) (Con): Many of my colleagues—interestingly, more on the Conservative Benches—are fond of quoting Lenin these days. My right hon. Friend the Member for Haltemprice and Howden (Mr Davis) did so earlier. One Lenin quote goes something along the lines of, “History needs a push.” It does feel that the march of history, regrettably, by the actions of Vladimir Putin, has given us a push. It has given this economic crime Bill a push. But it is

important that we bear in mind the words of my hon. Friend the Member for Amber Valley (Nigel Mills) in his excellent speech that this legislation is here for the long term. This is not dependent on what is going on in Ukraine, regrettable though that is. Some of the actions that the Government have rightly taken are temporary and designed to deal with the Ukrainian issue. But this is for the long term. Many Members on both sides of the House have worked for that and we need to bear that in mind as we legislate.

On the register of overseas entities, in my view, the proposed requirements will not disincentivise honest investors into the British market. We are a place that is open for business. We are pro-business, but we want clean money and this Bill completely bears that in mind and does the right thing.

I also want to push back on some colleagues who have picked up on Opposition amendment 12, which talks of setting up the register of overseas entities within 28 days. All of us want this to happen as soon as possible, but I fear that many in the House underestimate the challenge of turning Companies House—we have heard lots of war stories about various things at Companies House that are not as we would like them to be, and I would agree with those—from effectively an administrative office into something like a quasi-regulator. That is hard. It will take time.

There are those who say, “Well, you should legislate anyway and force Companies House to do it quickly.” Yes, we could; we could force it to do that tomorrow, but the next day, when our constituents, the media and various other people said, “Why is Parliament not enforcing the law it has passed?” the reason would be that we were not capable of doing it through Companies House. To some degree, these things are arbitrary, but I think six months is a fair period in which to do those things. Of course, I will listen carefully in Committee to what the Minister says from the Treasury Bench.

I have a couple of technical points for the Minister. The first is whether, in focusing on the holding and transferring of qualifying interest in land as a trigger point for this Bill, the Bill captures sales of property-owning companies—share sales, not asset sales. That is one point that should be cleared up. Secondly, does the Bill cater for nominee arrangements that could allow the purpose of the overseas register to be easily evaded? That would be an interesting point for the Minister to clarify.

The Office of Financial Sanctions Implementation has come up in the debate. The really good and important thing the Bill does is to move us from a position where the office could only impose penalties if an individual “knew or had reasonable cause to suspect”

that sanctions would be breached, to a strict liability position where, if the sanctions are breached, people can be fined. That is the right approach, it is overdue and I commend the Government for taking it.

Speaking as somebody who was formerly in the City of London as a lawyer, as an adviser and in a bank, it is important that the City of London helps this House and the Government to take a lead here. The world is looking at the City to see whether it can put these things in place in a co-operative way, and by that I mean everybody from the institutions to the advisers and all the rest. Morals and markets need not and should not be mutually exclusive. That is of critical importance.

[*Bim Afolami*]

We are all politicians—indeed, we are all human beings; those two things are not always mutually exclusive either—and there are heightened tensions in this House and across the country. While we legislate, we must bear in mind the rule of law. When we talk about seizures of assets, that is a serious business that should never be done on a whim. This Government, with this Bill and the other measures, have struck the right balance between doing what we need to do and ensuring that we are seen to be sensible, proportionate and within the rule of law. Without that, we lose everything.

5.42 pm

Mr Kevan Jones (North Durham) (Lab): I too welcome the Bill, but it angers and saddens me that it has taken the invasion of a European sovereign nation, and the fact that women and children in Ukraine are being bombed as we speak, to bring it forward.

We have heard the hon. Member for Weston-super-Mare (John Penrose) say that this Bill is about closing “loopholes”. No, it is not. This situation is because of a choice that was made. My right hon. Friend the Member for Barking (Dame Margaret Hodge) said that action should have been taken earlier, and it should have been. The ISC, the Committee I sit on, said in its annual report of 2019-2021 that

“the extent of Russian influence in the UK is very clear—the previous Committee found it to be ‘the new normal’, as successive Governments have welcomed the Russian oligarchy with open arms. As a result, there are a lot of Russians with very close links to Putin who are well integrated into the UK business, political and social scene... Yet...few, if any, questions have been asked regarding the provenance of their considerable wealth and this ‘open door’ approach provided ideal mechanisms by which illicit finance could be recycled through the London ‘laundromat’”.

This situation has not happened by accident; it has happened because we have had a Government who have turned a blind eye to what is going on. It now comes as a great shock to some people that we are going to have to legislate. The Prime Minister says we are going to bring in the toughest sanctions against oligarchs, and the hon. Member for Meriden (Saqib Bhatti) has repeated that we will have the toughest rules in the world. No, we will not, because this Bill will not do that. We will have another economic crime Bill to bring in further legislation, but this issue has been around for years and this Government have turned a blind eye to it. It is no good crying crocodile tears for the people of Ukraine and saying that we are going to react now, when we could have reacted years ago and this Government took a political choice not to.

As the hon. Member for Oxford West and Abingdon (Layla Moran) said, this is also about having the right culture of enforcement, which we do not have. The hon. Member for Amber Valley (Nigel Mills) is correct that it is not just about Russian oligarchs; it is about cleaning up the entire system. For the past 10 years, the right hon. Member for Haltemprice and Howden (Mr Davis) and I have been campaigning on landfill tax fraud—another area that has been completely ignored. This Government have had a light touch on economic crime.

The security implications of the money that is around Putin were well documented in the ISC’s Russia report. All I will say—because I cannot say any more—is that this is further well documented in evidence in the secret

annex, which will not be published, quite rightly, for security reasons. The Government say, “We don’t know who to go after; we don’t know what the actual extent is”, but they do.

As my hon. Friend the Member for Hammersmith (Andy Slaughter) said, as part of the will to have enforcement, we must ensure that any of the measures in the Bill are properly financed. It is no good the National Crime Agency taking a knife to a gunfight when going up against some of these individuals. That is exactly how it has been described to me by some of the individuals who work for the National Crime Agency. When I asked the Home Secretary whether she had extra resources for the NCA to implement these measures, she ducked and weaved around the answer. Without that, these measures will not be effective.

If we want a lasting testimony to do something really good and ensure that the people now suffering in Ukraine know that we are doing everything we possibly can—not the glib words of the Prime Minister, which we know are just soundbites that do not stand up to a great deal of scrutiny—then we need to ensure we bring in this Bill and very quickly bring in any other provisions to stop this illicit finance. That not only will have an effect in this area but—I agree with the hon. Member for Amber Valley on this—will clean up this country, and that is long been overdue.

5.47 pm

Peter Gibson (Darlington) (Con): I welcome the Economic Crime Bill and am pleased that the Government have brought it forward. It will bring in measures to allow us to better prevent and combat the use of land in the UK for money laundering purposes, cracking down on the ability of foreign criminals to hide behind secretive shell companies and revealing the identities of the true owners of land in the UK. That will put us in a position to ensure that our sanctions against Putin’s Kremlin regime will have a real impact.

The Government have already brought in targeted sanctions aimed at crippling Putin’s regime, and this Bill will enable us to go even further. In amending the Sanctions and Anti-Money Laundering Act 2018, the Bill will streamline current legislation, allowing us to respond even more swiftly and effectively to sanction oligarchs and businesses with links to Putin’s regime. Merely making it clear that these measures are being brought in will have an immediate dissuasive effect on those who seek to commit economic crime in the UK.

By creating a register of overseas entities that requires anonymous foreign owners of UK property to reveal their real identities, the Bill will help to address the risk of money laundering through our property market, making it clear to foreign criminals that there is no longer anywhere to hide. I am pleased that the Government have tabled an amendment to ensure that those who do not comply will face real penalties, with fines and imprisonment. However, I urge Ministers to ensure that all these measures apply not just to businesses but to discretionary funds where the beneficiary is not known—a point ably made by my hon. Friend the Member for South Thanet (Craig Mackinlay). We must ensure that there is nowhere to hide.

I note the concerns about the length of the transition period for retrospective registrations for overseas entities. Businesses are not automatically bad just because they

are owned by an overseas entity. Some 95,000 properties in the UK are owned through about 30,000 overseas-registered companies, and only a tiny number of these will be owned by corrupt individuals linked to Putin's regime. I welcome the proposals from my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) to stop avoidance in the coming six months. The Home Secretary has acknowledged my hon. Friend's work in that area.

The Bill builds on the work we are doing to crack down on illicit finance and economic crime. I am pleased to support it and the measures it contains, but I ask the Minister to address two points in his winding up. First, what plans do the Government have to mandate the registration of ID at Companies House for all company directors? Secondly, the Bill focuses specifically on land registered with Her Majesty's Land Registry. I would be grateful if the Minister commented on the quantity of as yet unregistered land that will fall within the scope of the Bill.

5.50 pm

Alyn Smith (Stirling) (SNP): We support the Bill and its aims, for which we have long since been calling, but we are highly frustrated that it has taken a tragedy in Ukraine to bring this legislation forward and shake the Government into action, when the problem of dirty money washing through the UK's economy has been there for all to see for a long time now. The self-congratulatory tone of the Home Secretary's statement did not hit the right mark, because a number of people across the House have been pressing for these measures for a long time, and the only thing the UK has really been leading on is being the destination of choice for the world's dirty money. This is a problem to be fixed, and we will help in the fixing of it, but to my mind the self-congratulatory element of the Home Secretary's presentation was not appropriate.

The Bill does not deal with a number of areas in which we would like to see more action. I appreciate that there is more to come, but let us move this forward. It does not deal with Companies House reform; although a White Paper is a welcome step forward, it does not go far enough, given that we know what needs to be done. The Bill does not deal properly with Crown dependencies and overseas territories. We believe there is a real risk of displacement—that as the rules change here, there will be movement into trusts in overseas territories—so this needs to be done as a comprehensive package. The Bill also does not deal with corporate liability reform, which is important, and nor does it do much for the UK's anti-money-laundering regime, so we would like to see further action. Today's Bill is a start, and we will engage with it positively to make it better, but we want to see an awful lot more. Scotland does not have the power to regulate this issue in Holyrood; this place has reserved those powers, so it is important that this is done properly.

We have engaged positively with the Bill to make it stronger. Our new clause 4 would give Companies House a greater role in anti-money-laundering efforts, which is overdue and necessary. We know what needs to be done, so let us get it done; let us get it started. New clause 4 would at least commence that work. I take the point that there are a lot of things to be done, but that is why we need to do them now, rather than wait. New clause 23 would ensure that beneficial ownership of Scottish limited

partnerships was published. Again, that is long overdue—we have seen how land holdings in Scotland have been used to get dirty money out of various jurisdictions. Our amendment 41 would ensure that companies claiming to have no beneficial owner or person of significant control have to explain themselves better—also long overdue.

More generally, like other Members, I would be grateful for an assurance from the Minister that all these measures will be properly funded; if they are not, this Bill will not matter. We already have significant powers, such as unexplained wealth orders, which have not been properly funded or utilised and have not been the deterrent they should have been. If law enforcement bodies are taking a knife to a gunfight, as the right hon. Member for North Durham (Mr Jones) said, we need to make sure that they are properly resourced and tooled up to deal with the people they have to deal with. That said, we support the Bill and will engage with it constructively in Committee.

5.53 pm

Mr John Baron (Basildon and Billericay) (Con): It is an inconvenient truth that no matter how good the legislation, no matter how robust the rules and laws, they can be made ineffective if they are not properly enforced. To be properly enforced, they have to be properly funded, so although many of us on both sides of the House welcome the Bill and some of us, at least, think it should go further—we have tabled various amendments to that end—I suggest to the Government that, fundamentally, we need to look at the issue of funding. This Bill should be called the economic crime (transparency, enforcement and funding) Bill. I look forward to hearing from Ministers what importance the Government attach to this issue and, more important, what hard money will be put into reinforcing many of the new regulations and rules on transparency that are being introduced.

Various estimates, including those of Spotlight on Corruption, suggest that over the past five years, the number of prosecutions for money laundering has dropped by nearly a third; the National Crime Agency has obtained only five successful prosecutions a year, on average; and the number of individuals convicted by the Serious Fraud Office is on a downward trend. We speak strong words in this place, but what is happening on the frontline is that the people committing economic crime are winning, and winning big time. It is as simple as that. In an intervention, I suggested that the extent of economic crime in this country could be approaching £300 billion, yet we spend less than 0.1% of that figure—£850 million—on all the nationwide law enforcement agencies. That cannot be right.

Look at the comprehensive spending review over the next three-year period. The investment of £42 million in economic crime over that period set out in last autumn's Budget represents just 0.1% of the £4.2 billion increase allocated to the Home Office. We should remember that the National Crime Agency has received a decrease in its core budget over the past five years, with the outgoing director general calling for a 54% increase in funding for that agency. We must ensure that our law enforcement agencies are properly funded, which is why I will be supporting—among a number of other amendments—new clause 2, which stands in the name of the right hon. Member for Barking (Dame Margaret Hodge). It is

[Mr John Baron]

also why I tabled my more expansive new clause 24, which addresses the resources required not only to enforce the measures in this Bill, but to police economic crime more generally. In the long term, we could introduce measures that would let our law enforcement agencies take a share of the proceeds of successful prosecutions—why not? Some overseas agencies do. However, in the short term our agencies need to be properly funded in order to bring them up to speed and take these many criminals to task.

Putin thinks that the west is weak, and he thinks this country is weak when it comes to this issue. It is up to this House, on a cross-party basis, to prove him wrong, but to do that we need to fund our enforcement agencies properly. I look forward to hearing from the Minister how the Government are going to set about doing so—if not in this economic crime Bill, then perhaps in the one that I hope will come around the corner very soon.

5.58 pm

Stephen Flynn (Aberdeen South) (SNP): I have been listening closely to a lot of the contributions made by Members across the House. It is important to reflect on the fact that this Bill is an important piece of legislation, and one that is clearly long overdue. Will it have an impact on the situation as it stands—the invasion of Ukraine and the mindless slaughter of its people? I sincerely hope it will.

This is also a time for reflection, and for the Government in particular to reflect on how we have found ourselves in this situation. As my hon. Friend the Member for Stirling (Alyn Smith) said, this is not a time for self-congratulation. The issues dealt with in the Bill are not new: they have been spoken about for years upon years, because this Government have wilfully—I repeat: wilfully—presided over this city becoming a laundromat. They have been content to allow that to happen. Despite all the outrage from politicians, civic society and some financiers, not a single finger was lifted. We had the Russia report, the Intelligence and Security Committee report that has been mentioned at length and the promises from Prime Ministers now long gone past, and we had the Panama papers not that long ago—I think it was about four years ago—with 11.5 million documents highlighting corruption and how those with vested interests facilitate it, yet we still had absolutely nothing from this Government. This is not a time for self-congratulation; this is a time for head shaking, reflection and a promise to do better.

Does the Bill do better? Of course it does better than nothing, but will it be the panacea? Will it be the thing that delivers the change we all want to see? Like I said earlier, I sincerely hope that it does, but I am somewhat sceptical. My scepticism sits not just in the fact that this is the very same Government who have overseen much of this laundromat corruption within the City, but in the question of how we make the Bill function, which is raised by some of its details. The hon. Member for Basildon and Billericay (Mr Baron) rightly spoke about this in his remarks. There is nothing in the Bill on funding. Is the enforcement going to be clear? Will it happen swiftly? Will those involved seriously face the

wrath of the law in good time and in time enough to have an impact on the situation as it stands at this moment?

There are some positives, such as the situation in relation to sanctions. Subsequent to the initial drafting of the Bill, the Government came forward with additional new clauses that outline how we will be able to sanction in timely collaboration with our partners elsewhere in the world, and we should be grateful for and positive about that step, which is to be encouraged, but that stands alone from a lot of the Bill. I still genuinely believe that individuals—in particular those who are linked to the Kremlin, who have hidden their money and who have stolen their money—will be using the time it has taken for this Government to put these measures in action to hide their money. Much of it will already be gone. That is why time is so crucial in all this. I sincerely urge the Minister to reflect on the fact that not only did his Government think it acceptable for 18 months to pass before people had to acquiesce to what the Government are seeking to do here, but they now think that six months is suitable. I simply ask: will six months help those in Ukraine?

6.2 pm

Matt Hancock (West Suffolk) (Con): I rise to support the Bill, and I am delighted to hear the full-throated support across the House for it. As the anti-corruption tsar in 2015-16, I had some role in putting together the policies that are finally making it on to the statute book now, in what I regard as the first half of an economic crime Bill. I pay tribute to the current anti-corruption tsar, my hon. Friend the Member for Weston-super-Mare (John Penrose), who has done a magnificent job of making progress since.

While I welcome many parts of the Bill, I focus in particular on sanctions, because the action taken on sanctions against Putin's cronies by the UK so far is among the strongest in the world. We have designated £258 billion and more than 200 individuals, entities and subsidiaries, and 3 million companies are debarred from raising funds in the City of London. The Government and the Prime Minister deserve credit for their leadership, but I believe that measures can and should go further, whether tonight or in the second half of the legislation. For instance, I am attracted to amendments 26 and 27 and new clause 29, and I would love to hear from the Minister the Government's attitude to those.

I also put on record the answer to the question of why we have to act legislatively at such pace. It is because the Sanctions and Anti-Money Laundering Act 2018 was riddled with holes by the other place during its passage. If we look back now at the speeches made in the other place then, some of those that looked unwise at the time look extremely unwise now. For instance, there was an explicit argument for more judicial review. On Report, the question was asked:

"Can the Minister explain why sanctions should be imposed on a person simply because they are connected to a specified country"?—[*Official Report, House of Lords*, 1 November 2017; Vol. 785, c. 1394.]

I think we have an answer to that question now. There was opposition to delegated powers, when Ministers need discretion to act quickly in relation to sanctions. Even the shadow Home Secretary, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper),

described those who act for oligarchs and then legislate for loopholes as “clever lawyers”. I hope that the other place listens to this debate and hears the strength of feeling. The same thing must not happen this time.

One further point—perhaps it is a point of detail—is that I am surprised to discover that some of those who spoke so powerfully for putting loopholes in place, and who made the case for confusion and delay in law, are also those who stand to benefit from confusion and delay in law, and they do not declare this conflict. Simply declaring earnings from the Bar is not good enough. Parliamentarians should make their interests crystal clear so that there is no confusion around them when they legislate in this area.

Finally, while we legislate rapidly in this case, we must also understand the cause of the challenges faced by Ministers trying to sanction Putin’s cronies. The cause is not the technology and how money is held, but the weakness in the law due to the 2018 Act and the flaws introduced to it during its passage. For instance, the shadow Home Secretary mentioned the challenges around cryptocurrency, but cryptocurrency is not a cause of avoiding sanctions. By contrast, by its nature and the nature of the technology, there is potential for more transparency in some of these new financial assets, so long as the legal framework is correct. Indeed, cryptocurrency exchanges can find out and follow the flow of the money more easily than can be done with traditional forms of finance, because of the nature of the technology, as the FBI has recently demonstrated with some excellent actions to crack down on economic crime in the United States. Let us put the right law in place and give Ministers the discretion they need to act fast. Let us get this legislation through fast, and then let us use it, because with shells raining down on innocent Ukrainians, there is not a moment to lose.

6.7 pm

Jim Shannon (Strangford) (DUP): I am pleased to be called to speak in this debate. As others have said, and as I recognise, none of us can be untouched by the images on our screens from the TV and media. Indeed, the image just last night of a mother and her two children lying lifeless on a pavement will remain with me and others for a long time to come. Those images stir up an anger within me that is difficult to manage. While this is a time for righteous anger—I am a great believer in that—I welcome this economic crime Bill today to take on Russia’s oligarchs and Putin at the same time. It is important that we do that.

It is clear that this Chamber is not the place for anger and knee-jerk reactions; it is the place for cool heads and measured useful action and for the message to be sent to Putin that the sanctions will be targeted, that this Bill will continue and that there is preparation for further action. Will the Minister give some idea of what is intended to come out of this and what will happen with the next stage, which will be even more necessary to support Ukraine and ensure that Russia is sanctioned?

Putin’s decision to invade Ukraine was based on—I say this with great respect—a USA reeling from covid and infighting. He looked to the same in the EU and perhaps in the United Kingdom. Tonight, we have an opportunity in this place to do our bit, and then the EU and the USA can do their bit and maybe a bit more.

Will this legislation freeze the assets and ensure that moneys, bank accounts, houses, vehicles and boats can be seized and used to rebuild Ukraine?

Putin is very much wrong. What he has forgotten is that the British stand together in times of conflict. He has forgotten that the people of this great nation of the United Kingdom of Great Britain and Northern Ireland remember the sacrifices made by their grandparents in the wars and are prepared yet again to sacrifice comfort and more to prevent the spread of oppression. He has forgotten that our DNA rebels against injustice and that we refuse to turn a blind eye. He has forgotten that we pull together when needs be. He must remember that very shortly, before he receives a response that he has not anticipated. That is why the Bill and its measures on sanctions are so important.

The right hon. Member for West Suffolk (Matt Hancock) mentioned cryptocurrencies. I understand that it is difficult to follow them around the world and to know where they come from or where they go. Perhaps the Minister can tell us whether, rather than people trying to get out of it in some way, the trail and history of cryptocurrencies can be followed so that people can be held accountable.

My heart goes out to the Russian citizens who do not support the actions of the despot Putin, who sees young Russian soldiers as mere cannon fodder. As long as his oligarchs have the funds, he does not care that his people starve, which is why we must hit every oligarch with a British link, and hit them hard. That is also why the sanctions are not against the Russian people; they have to hit at the highest levels—at Putin and all those around him.

As the Secretary of State mentioned, it is important to have a two-pronged strategy. Tonight’s debate is about the Bill and about sanctions, but we also have to recognise the great work that has been done and the generosity of spirit across this great nation and across the religious divide in Northern Ireland. Hope for Youth NI has sent 20 40-foot lorries from Northern Ireland in the last week. My councillor colleague Janice MacArthur said that she has been overwhelmed by how far people are willing to go to meet the need.

We also have missionaries in situ in Ukraine, such as Mr and Mrs Sloan, who are feeding the Ukrainians. All those things are so important, and it is important that they can continue to do that. The fact that they have to do that is the reason we have the Bill before us tonight. Faith in Action Missions, based in Newtownards, has a church in Ukraine. Sadly, one of its workers was killed last week.

We in this Chamber recognise the need to have the legislation in place and to make it as hard-hitting as it can be to ensure that we can make changes. The words spoken in this Chamber are important to send a message to Putin, but actions are essential. We say that we stand with them but we need to show that alignment with Ukraine and across the world.

I ask the Government to hit Putin and his cronies where it hurts, make it hard for them and stop their ability to live a normal life. They should freeze their assets, take those assets off them and use the moneys to help to rebuild Ukraine—use Russian moneys to rebuild the land that they are destroying. I ask the Minister whether we can do that. If we cannot, that is the sort of

[*Jim Shannon*]

legislation that I want to see. I want to see them hit where it hurts most—in their pocket—and probably somewhere else in their anatomy as well.

6.12 pm

Nickie Aiken (Cities of London and Westminster) (Con): I am sadly fully aware that my constituency holds potentially the largest matryoshka doll of Russian-owned investments in the UK. Dirty money is an issue with deep Kremlin-linked roots. As the Member of Parliament representing the Cities of London and Westminster, I support the Government's objectives to cut the financial and professional arteries to the Kremlin.

Clearly, one of the biggest barriers to tackling money laundering has been the inability to track funds overseas. The Bill undoubtedly raises the bar for transparency globally and may also prove to be a watershed for global economic crime enforcement, given the increase in international collaboration between law enforcement agencies across the world. Broadly speaking, the register of overseas entities is most welcome but, like other hon. Members, I would like it to be implemented in a shorter timeframe. On that note, I welcome the amendments that will see the register updated annually and those that work to fortify our long-term defences against illicit finances.

Of course, I would like the Government to go as far as possible and even consider strengthening our compulsory purchase order laws to allow local authorities to sell long-term empty properties that do not comply with the proposed new register. Indeed, I am sure that council leaders in Surrey and central London would not argue if they were allowed to sell one or two £10 million-plus properties and invest the proceeds in building more affordable homes. Equally, we must ensure that buyers, conveyancing solicitors and estate agents play their part when involved in the sales of prime properties on the register.

Siobhan Baillie (Stroud) (Con): I welcome the Bill and I share the desire to look carefully at the enforcement issues that have dogged previous legislation. As my hon. Friend represents such a multicultural constituency, does she agree that it is important for us to be careful about the anti-Russian message not being against all Russians and about comments about Russians being made to go home, because the law-abiding citizens who live here should be made welcome and continue to be so?

Nickie Aiken: I completely agree with my hon. Friend. We must remember that many Russians are living in this country because of Putin and because they have escaped his clutches.

To return to the register, I would welcome the Minister's thoughts on whether it could be made law that, on day one of its coming into effect, nobody could sell a property that may be on it unless it had been registered. I am not talking about six months ahead, but from the day that the law comes into force. That could close the loophole of there being six months.

In a similar vein, strengthening the use of unexplained wealth orders will be a valuable tool in our arsenal. I have spoken to Charles Begley, the chief executive of the London Property Alliance, at length on that issue.

Billions are settled in Westminster property alone. Most are under shell companies and very few are ever lived in. I have lost count of the number of times that I have knocked on doors when canvassing in Belgravia, Mayfair, Knightsbridge and other places to be met by housekeepers who tell me that sir or madam does not live there very often.

I am relieved to see that the Bill encompasses property and land, is tied together with reasonable retrospective clauses, and formally recognises complex ownership structures such as properties held in trust. All of that will create a potentially significant compliance burden for relevant entities, with breaches causing serious criminal liability. I hope that the Bill, soon to be an Act, will mean that Londongrad is finished and that the severity of the sanctions is the beginning of a new London.

Right now, oligarchs enjoy the grandest lifestyles that money can buy: they shop in Selfridges and on New Bond Street, they eat in the Michelin restaurants of Mayfair, they easily move money through shell companies, and their children benefit from being privately educated in the UK's world-renowned public schools. No doubt this Bill, and the one that will follow, are the first step in cleaning up dirty money in our capital once and for all. I commend the Bill.

6.17 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): We all know that a week can be a long time in politics but, amazingly, it is just 40 days since the resignation of Lord Agnew, who cited, among other things, that he thought the Government would not be willing to bring forward an economic crime Bill this year as his reason for walking out. That statement was of huge concern to many of us. The urgent question that we asked on that matter showed the coalition that exists on both sides of the House which wants real action to be taken on those issues.

Having listened to the Second Reading debate today, I think it is clear that the coalition has assembled again. It should not have taken Ukraine for the Bill to happen, but at least we have the first stage of the legislation. I counted 19 contributions from Back Benchers, all of whom agreed that the legislation should proceed. The Opposition also welcome the Bill and what it contains. There are things that we want to strengthen but we are clear that we will work with the Government to secure its passage today.

As was evident from the beginning of the debate, however, the Bill is not the totality of what is required. Other reforms, such as those to Companies House and to Scottish limited partnerships, must follow. The economic crime Bill promised in the next Queen's Speech must be presented in the early part of the next Session and must make those reforms. I was in conversation with the Minister for much of last week. I welcome the assurances that have been given and that the Home Secretary gave from the Dispatch Box when she opened the debate.

The Bill covers three main areas: the register of overseas entities, the changes to unexplained wealth orders and the changes to the sanctions regime. I will cover all three. The main part of the Bill deals with the register of overseas entities, on which many hon. Members understandably focused. I very much agree with the hon. Member for Amber Valley (Nigel Mills) that that

should be considered a mainstream part of a healthy transparent economy, and that it is not economic warfare to expect that level of transparency—to tell us for the first time who actually owns property in the UK and to make that information publicly available. I have long believed that transparency in this area is essential. Football clubs and luxury yachts get attention because they are visible. What I want to know is who owns the property in plain sight all around us, not just because of oligarchs and their position in the Putin regime, but because of the money launderers and the tax evaders. We have needed transparency in this area for years.

Sammy Wilson (East Antrim) (DUP): Does the hon. Member accept that it is one thing to have a register and insist that people fill in the register and fill it in honestly, but it is another thing to ensure that that register is properly checked? Without the resources, skills and acumen to do that, this could become just another piece of legislation that people can bypass.

Jonathan Reynolds: I understand the right hon. Member's scepticism, and he is of course right to acknowledge, as we have heard many times in this debate, that any measures are only as good as the enforcement mechanisms that exist and the resources behind them. What is significant about a register of property is that, if we do it properly, we can essentially prevent the sale of a property, because we can refuse to register the new ownership unless the measures have been followed. However, his argument about the wider reform required, certainly in relation to Companies House, is absolutely well made, and that is why the second piece of this legislation—the second Bill—is so essential.

Mr David Davis: The issue of the register is obviously important, but I do not think it answers all the questions that the Government assert it does, because we may want to refuse the re-registration of a sale, but on what basis will we do it? If the individual concerned—the oligarch or whatever—is already being sanctioned, we can of course do that, but if they are not being sanctioned and it is taking six months or a year to get to that point, we can do nothing about it.

Jonathan Reynolds: The right hon. Member pre-empted my comments about the timescale for implementation and the worries relating to that, and there have been some very interesting and valid speeches from all sides pointing out such dangers.

However, I want to address the fact—we have not actually heard about it in the debate today, such is the seriousness of the issues—that there is, and we should acknowledge this, an argument against the transparency that all of us are seeking. It is that there are some celebrities or people of high net worth who will cite concerns about privacy in relation to this measure. They would say that they are worried there will be potential risks to them from this register coming into effect.

Mr Kevan Jones: On transparency, and I raised this with the Home Secretary when she was here, there is the issue of Companies House. It was only because of Caroline Wheeler from *The Sunday Times* that we actually found out who the other shareholder is in Aquind, a company that has donated tens of thousands of pounds to individual Members of this House. That was because, strangely enough, the Luxembourg register is more open than ours. Does my hon. Friend think that, if Members

wish to accept donations, this would be helpful to them, because at least they could then discover where the money actually came from originally?

Jonathan Reynolds: My right hon. Friend's point about donations is absolutely well made. His earlier point was about how some of the things we are seeking to address with this legislation we know about because of whistleblowers and investigative journalists. It is only because of them that we have been able to get some sense of the scale of the problem, and that is what should worry us, because we have to decide, as British Members of Parliament, about the proportionality of the concerns about this. I would ask those people who have such concerns to understand that the lack of transparency in the UK, as things currently operate, does not just open us up to risks of criminal activity, but is now a threat to our national security.

Like many people, I once believed that, as countries developed and became wealthier, that created an irresistible pressure for political reforms—for strong institutions, independent courts and the rule of law—but the fact is that that has not happened in many parts of the world. We are all too familiar with stories of people who have looted the national wealth of their countries, and then stashed those assets safely here in the west. There are examples from Nigeria, Kenya, Indonesia, China, Afghanistan, Russia and many others, and I would like to thank Transparency International for its campaigning and advocacy on these matters. Ukraine itself was once a major victim of this under the corrupt presidency of Viktor Yanukovich. Such corruption often leaves behind countries that are poor and dysfunctional, where the state is starved of the resources and legitimacy it needs to function properly, and where millions are denied the path to prosperity that they deserve. In that space, extremism and terrorism can thrive, so we simply cannot allow this to go on.

Tackling this properly clearly requires international co-operation, but when it comes to registers of beneficial ownership, that co-operation does now exist. That is why there is clear consensus on this happening in relation to property in the UK. This debate has shown that the principal difference of view between ourselves and the Government, which we will obviously discuss in Committee, is what length of time is reasonable to give people to register the beneficial ownership of the near 100,000 properties that will be affected. I think people know that we want 28 days. The Government originally proposed 18 months, and I do acknowledge that they have moved some way in reducing that to six months. I also acknowledge that this is a significant change for some people in relation to their property rights.

However, I would say that this change was announced in 2016 by David Cameron. The pre-legislative scrutiny took place in 2018, and my right hon. Friend the Member for Barking (Dame Margaret Hodge) outlined some of the history of that. So this change has been a long time coming, and people have known it was coming. It is not really the 28-day implementation period we are seeking, but the six years and 28 days that that adds up to. That is why I believe it is reasonable, proportionate and necessary to ask the Government to act at speed.

The second part of the Bill proposes changes to unexplained wealth orders. I raised the problems with these orders when we had the urgent question. I am pleased

[Jonathan Reynolds]

to see them included as part of this Bill, and I again acknowledge that the Government have already accepted several Labour amendments on this matter. The problems with these orders relate to issues with implementation that have occurred in the courts, so it is clearly good to see those addressed. However, many Members went further in their speeches because there are concerns, because of the way that Russia operated in the 1990s, that it can be hard to use unexplained wealth orders to take the action required now. Several Members have proposed a new set of powers that could freeze relevant assets while cases are made, and again we can deal with those amendments in Committee, but I am sympathetic to the arguments put forward.

The third part of the Bill relates to sanctions and their application. People are asking us as Members of Parliament why those who have been subject to sanction by the US and the EU are not currently sanctioned by the UK. The debate today recognises that the regime laid out in the Sanctions and Anti-Money Laundering Act 2018 is not sufficient. There is clearly a widespread desire to see this improved, and proposals in this area are welcome. However, I would also say, separate to this, that there are the issues of resources and enforcement. My right hon. Friend the Member for North Durham (Mr Jones) and the hon. Member for Basildon and Billericay (Mr Baron) made that point in detail. My understanding is that, as a country, we are under-powered in the resources and capacity we devote to this. Just last month, the former Leader of the House—now the Minister for Brexit Opportunities and Government Efficiency—said he wanted to cut 65,000 civil servants over the next three years. However, this is a clear example of an area where we need more capacity, as well as the right legal regime, to do what is required. The seriousness of these matters means that the Government must devote the resources required to do that.

Mr Baron: Very briefly, we are going to see a second economic crime Bill come through, and I think it would do the House a great service if the Labour party actually put forward concrete proposals when it comes to funding that would perhaps gather more support across the House than the hon. Member imagines. At the moment, the Opposition are just talking in very vague terms, but everybody seems agreed, so we need to see some concrete action.

Jonathan Reynolds: I am always happy to be of service to the hon. Gentleman, and we will be looking to do that. He will of course know that a comprehensive spending review is imminent.

Mr David Davis: Will the hon. Gentleman give way?

Jonathan Reynolds: I feel I must proceed so we can go into Committee, given how important this is.

To conclude, the measures in this Bill are necessary. They are overdue, but I am pleased that they will make progress today. There is much more to do, but I hope that this legislation will mark a turning point in the UK no longer being known as a destination of choice for hiding ill-gotten gains. The measures will have an effect, and it is possible some people will argue that they will

limit foreign investment in the UK. I would say that any money stopped by this Bill is money we should never have been open to in the first place. As the journalist Edward Lucas wrote a decade ago in his book “The New Cold War”:

“If you believe...money matters more than freedom, you are doomed when people who don’t believe in freedom attack using money.”

Too many parts of this country have been compromised by their proximity to the extreme wealth and influence the oligarchs can wield. The perception that the UK has been willing to turn a blind eye to this has been of considerable detriment to our reputation and legitimacy. If this Bill marks the moment when that starts to change, it will be very welcome indeed.

6.29 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): It is a pleasure to follow the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) and I thank him for his engagement over the last week, because it is important that, despite any differences in terms of finessing this Bill, we are all in agreement, as I think we are, and it is very important that this Parliament and this House are united in our drive to right the wrongs done to the people of Ukraine and to drive Russian money out of London and indeed to punish the oligarchs. I shall cover as many of the points raised by hon. Members as I can in the time available, but first I want to remind the House about what the Bill signifies and what we are hoping to achieve and believe it will achieve.

The Bill will improve transparency about the ownership of companies and property in the UK and strengthen the enforcement of financial sanctions. It will create a register of overseas entities to crack down on foreign criminals using UK property to launder money. The new register will require anonymous foreign owners to reveal their real identity to ensure criminals cannot hold property behind secretive chains of shell companies. By legislating now, we will send a clear warning to those who have used, or are thinking of using, the UK property market to launder ill-gotten gains, particularly those linked to the Russian Government.

Mr Baron: The Minister is absolutely right and this Bill is of course welcome, although many of us believe it should go further. However, putting that to one side for the moment, do he and his Front-Bench colleagues accept that all these well-intended regulations and rules will come to nothing if not enforced properly? When will the Government bring forward concrete figures on the proper increase in funding required to make sure that these rules and regulations, and others, have full effect?

Paul Scully: I will come to those figures because I totally agree with my hon. Friend that the rules and new laws must be enforced. We can talk as much as we like, but this is about action, and we are leading the way on action.

This Bill will also reform unexplained wealth orders by removing the key barriers to their use by law enforcement and include amendments to financial sanctions legislation, helping to deter and prevent breaches of sanctions.

Questions have been raised today about why it has taken this long to come up with the legislation. We had prelegislative scrutiny on the register of ownership a couple of years ago, which obviously was interrupted by the pressures of covid on parliamentary time. None the less, that means we have been able to adapt the paragraphs that have already been drafted, undergone prelegislative scrutiny and had a clean bill of health from Committees in this place to the new norm following the Russian invasion of Ukraine.

Dame Angela Eagle: We on the Treasury Committee have just published a report on economic crime and some of the evidence we took highlighted a great deal of frustration among those working in this area and trying to make the system work, in particular at the Minister's Department's lack of progress with reform of Companies House. That is in the Minister's own specific bivouac; why has more not been done faster?

Paul Scully: I am thinking of the word bailiwick rather than bivouac, but I hope the hon. Lady will agree that our being able to reflect on that legislation and align it with the broader reforms of Companies House that we have subsequently announced has enabled the broader legislation to work together and be more effective. That has been absolutely essential in ensuring that the new requirements are workable and proportionate and the register strikes the right balance between improving transparency and minimising burdens on legitimate commercial activity.

Peter Dowd: On Second Reading of the Sanctions and Anti-Money Laundering Act 2018, the Prime Minister, who was then Foreign Secretary, said:

"The aim of the Bill is to grant Her Majesty's Government full power over British sanctions policy after we leave the EU and, in a memorable phrase, to take back control."—[*Official Report*, 20 February 2018; Vol. 636, c. 77.]

Does the Minister think we have used the full power in the fullest way to take sanctions against those we think are a threat to us in economic terms?

Paul Scully: I thank the hon. Gentleman for raising that because the now shadow Chancellor boasted afterwards how she managed to weaken the Government's approach during the passage of that Bill. I believe we have gone as far as we can, but we need more measures, which is what today is all about. This is the first half of those measures to make sure we can introduce the remaining economic crime Bill, which includes Companies House reform.

We have tabled an amendment to reduce the transition period from 18 months to six months, but I will outline a little further how we can make this work effectively to ensure that people cannot just move money out of this country.

Matt Hancock: Will the Minister welcome the conversion of the Labour party to supporting strengthening the sanctions regime, because a strong Bill was introduced in this House by the then Foreign Secretary, but it was watered down in the House of Lords with the support of the Labour party? I do not like to make party political points out of this because we should be united on it, but that is a matter of fact.

Paul Scully: I agree that it is, but let us come back to a sense of unity. We have had some ding-dongs throughout, but it is time now to make sure we can come together and send the most powerful message as a House and Chamber to the oligarchs that their behaviour will not be tolerated for a moment longer.

It is also important to remember that the majority of property held by overseas entities will be owned by entirely law-abiding businesses and people. We are talking about 95,000 properties in England and Wales owned by 30,000 or so overseas entities. Only a tiny fraction of them are likely to be held by criminal or corrupt interests. The transition period is an important protection of the rights of those legitimate owners of property. The Government do not interfere with individuals' rights lightly and the interference could not reasonably have been expected when rights over the properties within scope of the register were acquired, so we must ensure that we respect those rights in a way that cannot be challenged. No doubt those who wish to avoid these requirements and who are able to afford expensive legal teams will take any advantage of opportunities to do so.

Kevin Hollinrake: The transition period—the debate on the timescale of 18 months, six months or 28 days—is key. Does the Minister agree that the most effective way of dealing with this and preventing the asset flight we are all concerned about is through something along the lines of manuscript amendment 64, which would require people who want to sell or transfer their asset to disclose the beneficial owner prior to doing so to Companies House and therefore Her Majesty's Land Registry could block it? Will he accept that that is the right way forward?

Paul Scully: He will, and I thank my hon. Friend for his work and for raising that. I will come back to his point shortly.

There will also be law-abiding British companies that have adopted such structures and that type of ownership for legitimate commercial reasons, including real estate investment trusts, which are public companies, whose core business is to manage and own properties that generate income, and in particular pension schemes holding land and properties. Others will be British nationals who have adopted the arrangements for legitimate reasons of privacy—as we have heard, perhaps celebrities who do not want their address to be known publicly. They may wish to apply to Companies House for their personal details to be protected from public view on the new register, but the threshold for exemption from the public register will be high, so it is right for individuals to have time to seek advice on their options and how to make a case to the registrar.

Several hon. Members rose—

Paul Scully: Before giving way further, I want to acknowledge that I am very aware of the strength of feeling that corrupt people must not be allowed to set up ways to escape the transparency this register will bring. I can therefore see merit in requiring all who are selling property to submit a declaration of their details at the point of the transfer of land title during that transition period. That would mean we would give anyone selling a zero-day transition period; that goes

[Paul Scully]

further than the 28 days, but it is an acknowledgement of the work done across this Chamber, in particular with the help of my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). They would have to register ownership if selling, and in that way we would either get their ownership details, or if they did not sell, we would get it at the end of the transition period in a way that still protects legitimate owners. We will give this further consideration ahead of finalising the Bill in the Lords next week, because it is not right for British businesses to bear the brunt of Her Majesty's Government's pursuit of the Russian cronies.

Dame Margaret Hodge: I am interested in where the Minister has got his information from, because I have not seen that data. I understand about the Hollywood stars and those people who do not want their ownership of property to be revealed, but my understanding from both Transparency International and Global Witness is that most properties are bought through shell companies—often located in the British Virgin Islands—probably as a mechanism for laundering money. I wonder where he gets his data. Some of the British companies that choose that structure do so to avoid stamp duty, and the House does not want to endorse that, either, does it?

Paul Scully: No, indeed. If the right hon. Lady looks at the Panama papers, I think she will see that they cite Emma Watson as having bought a house under a shell company owing to security risks, and the Pandora papers cite a former Prime Minister of this country buying a house in Harcourt Street and ultimately saving £300,000 in stamp duty. We clearly should not support that. So we have to get the balance right. There will be legitimate reasons, and there will be people avoiding tax, which we want to stamp out, but, in repurposing these measures, we want first to ensure that we are stamping out oligarchs' money.

Layla Moran: The Minister will be aware of amendment 4—we will discuss it in Committee—which asks why there is an exemption on the so-called economic wellbeing of the UK. He will be well aware that many of these oligarchs own big companies that employ thousands of people, so the exemption could be used as a loophole. Will he accept the amendment? If not, will he explain why the loophole is there in the first place? We are very confused.

Paul Scully: I will happily talk about that amendment in Committee. However, I take the hon. Member's point and the spirit in which she makes it. Perhaps we can debate that later, because I totally get what she is saying.

In respect of Russia specifically, we have swiftly implemented the strongest set of economic sanctions ever imposed against a G20 country, including the recent sanctioning of Kremlin associates Alisher Usmanov and Igor Shuvalov. That is worth a combined \$19 billion with immediate effect. The Government's new amendments will also streamline current legislation so that we can respond even more quickly.

We had discussion about funding and resource. The Government have developed a sustainable funding model, including about £400 million over the spending review period. We have announced new investment of £18 million in the next financial year and £12 million in the years after that for economic crime reforms, in addition to £63 million over the spending review period for the Companies House reforms. Since 2006-07, just under £1.2 billion of the assets recovered under the Proceeds of Crime Act 2002 have been returned to law enforcement agencies.

Gavin Robinson (Belfast East) (DUP) *rose*—

Paul Scully: I will give way one last time.

Gavin Robinson: I am grateful to the Minister. He will know—I raised this with him earlier—that there was confusion in Northern Ireland about whether, without a legislative consent motion, some of the Bill would not apply to Northern Ireland, creating another loophole that would allow oligarchs to retain assets in the United Kingdom through the back door. Will he confirm that, through the transition period, and knowing that the majority of the Bill does extend to Northern Ireland, he will ensure that there are no loopholes or back doors?

Paul Scully: Yes, the Bill does contain provisions relating to the register of overseas entities and unexplained wealth orders that engage devolution powers in both Scotland and Northern Ireland. The Government are engaging closely with colleagues across all three devolved Administrations, who are all supportive of the Bill's measures, and we continue to work closely with Scotland and Northern Ireland to complete those respective legislative processes at the earliest opportunity.

We clearly want to ensure that we have that Companies House reform, which will be the biggest since its inception 200 years ago. It is a complex area of law, and we will return to it at the earliest possible time. I thank right hon. and hon. Members for their contributions to this excellent and informative debate. I look forward to discussing the Bill in Committee.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Further proceedings on the Bill stood postponed (Order, this day).

ECONOMIC CRIME (TRANSPARENCY AND ENFORCEMENT) BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Economic Crime (Transparency and Enforcement) Bill, it is expedient to authorise:

(1) the payment out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by a Minister of the Crown or a government department; and

(2) the payment of sums into the Consolidated Fund.—
(Amanda Solloway.)

Question agreed to.

Economic Crime (Transparency and Enforcement) Bill

Proceedings resumed (Order, this day).

Considered in Committee (Order, this day)

[DAME ROSIE WINTERTON *in the Chair*]

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): The selection paper includes three manuscript amendments that the Chairman of Ways and Means has selected: amendment 63, in the name of David Linden; new clause 41, in the name of the Secretary of State; and amendment 64, in the name of Kevin Hollinrake. A separate paper containing those amendments is available from the Vote Office.

Clause 1

OVERVIEW

Question proposed, That the clause stand part of the Bill.

The First Deputy Chairman: With this it will be convenient to discuss the following:

Clauses 2 and 3 stand part.

Amendment 24, in clause 4, page 2, line 18, at end insert—

“(aa) a statement either—

- (i) of the names of any persons who are registered beneficial owners of the entity and are designated persons listed on the UK Sanctions List, or
- (ii) that no registered beneficial owners of the entity are so listed;”

This amendment would require the identity of any sanctioned registered beneficial owners of the entity, or a statement that there are no such persons, to be included in an application for registration.

Clauses 4 to 6 stand part.

Amendment 5, in clause 7, page 4, line 11, after “update period” insert “or trigger event”.

This amendment would extend the duty to update the registrar to certain trigger events.

Amendment 25, page 4, line 11, at end insert—

“(aa) an updated statement in accordance with section 4(1)(aa)”.

This amendment requires statements made under amendment 24 to be updated annually.

Amendment 6, page 5, line 18, at end insert—

“(8A) For the purposes of this section, trigger event means the date on which an overseas entity has reasonable cause to believe that anyone has become or ceased to become a registrable beneficial owner.”

This amendment defines a trigger event.

Clause 7 stand part.

Amendment 42, in clause 8, page 5, leave out lines 30 to 35 and insert—

- “(a) on the first day of contravention, a fine,
- (b) on the second continued day of contravention, an additional fine of £500, and
- (c) on each subsequent day of continued contravention, an additional daily default fine of the value of the previous day’s fine plus £50.

(2A) If the contravention continues for a period of six months beginning with the first day of contravention, the Court must order the seizure of assets from the person guilty of the offence of the value of the cumulative fines to which that person is liable.”

The purpose of this amendment is to provide progressively higher fines for a registered overseas entity, and every officer of the entity, for an initial default in complying with its duty to update the register, leading to a seizure of assets if non-compliance continues for 6 months.

Government amendment 45.

Amendment 7, page 5, line 31, leave out “£500 and one-tenth of level 4 on the standard scale” and insert “£2,500 and half of level 4 on the standard scale.”

This amendment would increase the daily default fine for an offence committed under section 8 in England or Wales.

Government amendment 46.

Amendment 8, page 5, line 35, leave out “one-tenth” and insert “half”.

This amendment would increase the daily default fine for an offence committed under section 8 in Scotland or Northern Ireland.

Amendment 43, page 6, leave out lines 1 to 6 and insert—

“(a) on the first day of continued contravention, a fine of £500, and

(b) on each subsequent day of continued contravention, an additional daily default fine of the value of the previous day’s fine plus £50.

(6) If the contravention continues for a period of six months beginning with the first day of contravention, the Court must order the seizure of assets from the person guilty of the offence of the value of the cumulative fines to which that person is liable.”

The purpose of this amendment is to provide progressively higher fines for every officer of the entity for a continuing contravention of its duty to update the register, leading to a seizure of assets if non-compliance continues for 6 months.

Government amendments 47 and 48.

Clause 8 stand part.

Amendment 9, in clause 9, page 7, line 14, leave out subsection (8).

This amendment would extend the definition of an overseas entity registered as the proprietor of a relevant interest in land for the purposes of sections 9 and 10 to include such entities irrespective of date of registration of the entity.

Clauses 9 to 11 stand part.

Amendment 41, in clause 12, page 8, line 32, at end insert—

“(3A) If an entity declares that there is no person whom it knows, or has reason to believe, is a registrable beneficial owner in relation to that entity, the registrar of companies in England and Wales must give an information notice under this section to that entity requiring full details of how the entity is controlled.”

This amendment requires an explanation to be given where an entity claims there is no registrable beneficial owner. Making a false statement in purported compliance, or failing to comply, with a notice under this section is an offence under section 15.

Clause 12 stand part.

Clauses 13 to 15 stand part.

Amendment 10, in clause 16, page 10, line 29, at end insert—

“and (d) prior to the registrar taking action under section 5(1).”

This amendment establishes that such verification processes made under regulations should take place prior to the registrar recording the date of registration in the register, allocating an overseas entity ID to the entity and record the overseas entity ID in the register.

Amendment 11, page 10, line 30, leave out “may” and insert “must”.

This amendment requires the Secretary of State to include the specified information in regulations.

Government amendment 49.

Amendment 12, page 10, line 35, at end insert—

“(4) The Secretary of State must make regulations under this section no later than 28 days following the commencement of Part 1 of this Act”.

This amendment would require the Secretary of State to make regulations under this section within 28 days of the commencement date.

Clauses 16 and 17 stand part.

Amendment 4, in clause 18, page 11, line 16, leave out subsection (1)(b).

This amendment removes the ability of the Secretary of State to exempt an individual from the requirements to register their overseas entities on the grounds of the economic wellbeing of the United Kingdom.

Clauses 18 to 20 stand part.

Amendment 37, in clause 21, page 13, line 1, leave out from beginning to end of line 2 and insert—

“(3) No cause of action in civil proceedings shall lie against a person in respect of the making of a protected disclosure as defined in section 1 of the Public Interest Disclosure Act 1998 in relation to information from the register.

(3A) In a prosecution of a person for any offence prohibiting or restricting the disclosure of information it is a defence for that person to show that, at the time of the alleged offence, the disclosure was, or was reasonably believed by the person to be, a protected disclosure.”

Clause 21 stand part.

Clauses 22 to 25 stand part.

Amendment 44, in clause 26, page 16, leave out lines 10 to 15 and insert—

- “(a) on the first day of contravention, a fine,
- (b) on the second continued day of contravention, an additional fine of £500, and
- (c) on each subsequent day of continued contravention, an additional daily default fine of the value of the previous day’s fine plus £50.

(2A) If the contravention continues for a period of six months beginning with the first day of contravention, the Court must order the seizure of assets from the person guilty of the offence of the value of the cumulative fines to which that person is liable.”

The purpose of this amendment is to provide progressively higher fines for a registered overseas entity, and every officer of the entity, for providing inconsistent information for the register, leading to a seizure of assets if non-compliance continues for 6 months.

Government amendments 50 and 51.

Clause 26 stand part.

Clauses 27 to 30 stand part.

Amendment 26, in clause 31, page 18, line 13, leave out “knowingly or recklessly”.

This amendment removes the requirement that a false statement to the registrar needs to be proven to have been given knowingly or recklessly for that statement to constitute an offence.

Amendment 27, page 18, line 18, at end insert—

“(1A) If the registrar has reason to believe that a person may have committed an offence under section 31 the registrar may require—

- (a) any person connected with the entity, including in any professional or advisory capacity,
- (b) any public body, or

(c) any other person

to provide information in connection with that potential offence.

(1B) A requirement under subsection (1A) applies notwithstanding the data protection legislation (within the meaning in section 25).

(1C) A person who fails to comply with a requirement under subsection (1A) commits an offence.”

This amendment gives the registrar powers to demand information in connection with suspected false statement offences.

Clause 31 stand part.

Clauses 32 and 33 stand part.

Amendment 34, in clause 34, page 20, line 20, at end insert—

“, provided that the person can show that he or she was not acting knowingly, recklessly or carelessly.”

This amendment would require those giving advice in a professional capacity to show that they were not acting knowingly, recklessly or carelessly if they are not to be caught by the provisions of subsection (2).

Clause 34 stand part.

Clauses 35 to 37 stand part.

Amendment 29, in clause 38, page 21, line 4, leave out from “if” to “the” in line 5 and insert

“it is reasonable to assume that, on the balance of probabilities,”.

This amendment reflects the civil law standard of proof.

Amendment 30, page 21, line 6, at end insert—

“, or conduct which would have been an offence if the word ‘recklessly’ in clause 15(2)(b) were replaced with ‘carelessly’”.

This amendment expands the test to behaviour which may reflect a lack of due diligence as well as deliberate intent.

Amendment 31, page 21, line 6, at end insert—

“(1A) Where the failure relates to the ownership of a qualifying estate (as defined in Schedule 4A to the Land Registration Act 2002), any penalty imposed by the registrar shall be calculated by reference to the market value of that qualifying estate.”

This amendment makes provision for the calculation of penalties by reference to the market value of the qualifying estate.

Amendment 32, page 21, line 9, at end insert—

“(ba) for penalties to be reduced in cases where a person was acting carelessly, and not recklessly or knowingly;”.

Manuscript amendment 63, page 21, line 12, insert—

“(f) disqualifying the person from the electoral roll.”

Amendment 33, page 21, line 20, leave out subsection (4) and insert—

“(4) The regulations must provide that—

- (a) if a person is convicted of an offence and is liable to a fine, and is subsequently the subject of a financial penalty under this clause relating to that same conduct, the penalty shall be reduced by the amount of the fine (but not below zero), and
- (b) if a person is subject to a financial penalty under this clause, and is subsequently convicted of an offence relating to that same conduct, any fine for which they are found liable shall be reduced by the amount of the financial penalty (but not below zero).”

Clause 38 stand part.

Clauses 39 to 49 stand part.

Amendment 38, in clause 50, page 32, line 9, at end add—

“(2) The Secretary of State shall establish an inquiry into the use of legal intimidation and strategic lawsuits against public participation (SLAPPs) to prevent such actions from being used to prevent economic crime from being uncovered.”

Clause 50 stand part.

Government amendment 59.

Clauses 51 to 52 stand part.

Government amendments 52 to 54.

Clause 53 stand part.

Amendment 1, in clause 54, page 33, line 7, after “force”, leave out “on such day as” and insert

“at the end of six months from the day on which this Act is passed or on any earlier day that”.

The intention of this amendment is for the Parts 1 and 2 of the Act to come into force no later than 6 months from being passed.

Government amendments 60 to 62.

Amendment 36, page 33, line 20, at end insert—

“(8) The provisions of this Act shall have retrospective effect from the date that the Bill received first reading in the House of Commons.”

This amendment seeks to move forward the provisions of this Bill, backdating them to the day upon which it received first reading.

Clause 54 stand part.

Amendment 2, in clause 55, page 33, line 22, leave out “Economic Crime (Transparency and Enforcement)” and insert “Registration of Overseas Entities, etc”.

The intention of this amendment is for the short title to reflect more accurately the contents of the bill.

Clause 55 stand part.

Government new clauses 31 to 40.

Government manuscript new clause 41.

New clause 2—*Report on funding of enforcement agencies*—

‘Within 28 days of this Act being passed, the Secretary of State must publish and lay before Parliament a report on the funding of enforcement agencies in connection with the provisions of Part 2 of this Act.’

This new clause would require the Secretary of State to publish and lay before Parliament a report on the funding of enforcement agencies in connection with the reforms to unexplained wealth orders, as provided for in Part 2 of the Bill.

New clause 3—*Requirement on entity to register if it owns certain assets*—

‘(1) An overseas entity must apply for registration in the register of overseas entities if the entity is registered as the owner of—

- (a) a professional football club,
- (b) a jet, or
- (c) a yacht.

(2) In this section—

“professional football club” means any association football club playing in the English Premier League, the English Football League or the Scottish Professional Football League.

“jet” means any jet aircraft with a value over £500,000.

“yacht” means any medium sized sailing boat with a value over £500,000.’

This new clause would require an overseas entity that owns a football club, jet or yacht to apply for registration in the register of overseas entities.

New clause 4—*Registrar of companies for England and Wales: additional duties*—

‘(1) The Secretary of State must amend the Money Laundering, Terrorist Financing and Transfer of Funds Regulations (2017/692) to specify that the registrar of companies for England and Wales is a supervisory body in relation to overseas entities as defined in section 2 of this Act.

(2) The Secretary of State must direct the registrar of companies for England and Wales to participate in a government identity assurance scheme.’

The purpose of this new clause is for Companies House to be made an anti-money laundering supervisor and to register as part of the UK Government’s Verify scheme.

New clause 5—*Duty to report on representations received by the Government relating to economic crimes*—

‘(1) Within 1 month of this Act being passed, the Secretary of State must lay before Parliament a disclosure report detailing all representations received by the Government in the last twelve months regarding the register of overseas entities, as provided for by Part 1 of this Act.

(2) The disclosure report under subsection (1) must include—

- (a) the minutes from or any notes of meetings in which such representations were made; and
- (b) all correspondence, including submissions and electronic communications, addressed or copied to any Minister or former Minister of the Crown.

(3) Information provided under subsection (2)(b) must include—

- (a) the names of entities making representations;
- (b) the dates on which representations were made; and
- (c) a summary of what the representation was.’

This new clause requires the Government to lay before Parliament a report containing details of all representations made by entities including businesses, regarding the register of overseas entities, provided for by Part 1 of the Bill. The report must be laid within 1 month of the Bill attaining Royal Assent.

New clause 6—*Transitional Period for Certain Qualifying Estates*—

‘(1) A transitional period of 18 months shall apply to—

- (a) an entity that—
 - (i) is registered in the register of title kept under the Land Registration Act 2002 as the proprietor of a qualifying estate within the meaning of Schedule 4A to that Act, and
 - (ii) became so registered in pursuance of an application made on or after 1 January 1999,
- (b) an entity that—
 - (i) in relation to a plot of land that is registered in the Land Register of Scotland, is (or is to be) entered as proprietor in the proprietorship section of the title sheet for the plot of land by virtue of an application for registration made on or after 8 December 2014,
 - (ii) in relation to a lease that was recorded in the General Register of Sasines or registered in the Land Register of Scotland before that date is, by virtue of an assignation of the lease registered in the Land Register of Scotland on or after that date, the tenant under the lease, or
 - (iii) in relation to a lease that was registered in the Land Register of Scotland on or after that date, is the tenant under the lease, or
- (c) an entity that—
 - (i) is registered in the register kept under the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) as the owner of a qualifying estate within the meaning of Schedule 8A to that Act, and
 - (ii) became so registered on or after the day on which that Schedule came into force.

(2) Overseas entities registered as the proprietor of relevant interests in land falling within the scope of subsection (1) must comply fully with all obligations under the Act at the end of the period of 18 months beginning with the commencement date.’

This new clause creates a transition period for certain overseas entities registered as the proprietor of relevant interests in land in order to provide the Government with a time frame to resolve issues with the Land Registry that currently make registration impracticable.

New clause 7—38A Further reforms to Companies House—

‘(1) Not later than 28 days from when Part 1 of this Act comes into force, the Secretary of State must publish draft legislation for the purpose of making further reforms to Companies House, including to support the effective functioning of the register of overseas entities.

(2) The draft legislation must include—

- (a) new powers for the registrar to aid the verification of foreign entities applying for registration as set out in section 4 of this Act;
- (b) new powers for the registrar to better share data with enforcement agencies; and
- (c) reforms that will improve the quality and veracity of the information on the register.’

This new clause would compel the Secretary of State to publish draft legislation on reforms to Companies House, including reforms that would support the operation of the Act.

New clause 8—47A Annual reports on unexplained wealth orders—

‘(1) The Secretary of State must prepare annual reports on unexplained wealth orders made by the High Court on application by an enforcement authority under the Proceeds of Crime Act 2002.

(2) An annual report must —

- (a) specify the number of unexplained wealth orders made during the relevant period; and
- (b) specify the number of applications by each enforcement authorities during the relevant period.

(3) An annual report must be published and laid before Parliament before the end of the 4 month period beginning immediately after the last day of the period to which the report relates.’

This new clause requires the Secretary of State to make an annual report on the use of unexplained wealth orders.

New clause 9—Review of Act 2022 and adequacy of resources

‘(1) The Secretary of State must publish a review of the operation of this Act by 31 December 2022.

(2) The registrar of companies in England and Wales must publish a report on the operation of this Act by 31 December 2022.

(3) The report by the Secretary of State under subsection (1) must include an assessment of the adequacy of resources allocated for the operations of the registrar of companies in England and Wales, as augmented under this Act.

(4) The report by the Secretary of State under registrar of companies in England and Wales must include an assessment of what the effect on performance of the over the following 12-month period if the real-terms resources after inflation allocated by the Secretary State were increased by—

- (a) 10%,
- (b) 25% and
- (c) 50%.

(5) The Secretary of State must publish a further review of the operation of this Act by 31 December 2023, and at least once in each subsequent calendar year.

(6) The registrar of companies in England and Wales must publish a further report of the operation of this Act by 31 December 2023, and at least once in each subsequent calendar year.’

This new clause would require annual reports from the Government and Companies House on the effectiveness of this Act, and the adequacy of resources allocated to Companies House.

New clause 10—Review of sanctions regulations: requirement for a debate in House of Commons—

‘In section 30 of the Sanctions and Anti-Money Laundering Act 2018 (Review by appropriate minister of regulations under section 1), after subsection (5), insert—

“(5A) An appropriate Minister of the Crown must, not later than ten sitting days after a report under this section has been laid before Parliament, make a motion in the House of Commons providing for a debate in relation to the report.”’

This new clause would require the Government to schedule a debate on reports laid before the House in relation to the continued appropriateness of regulations made under section 1 of the Anti-Money Laundering Act 2018.

New clause 13—Power to require overseas entity to register if it owns property within a freeport—

‘(1) The Secretary of State may by notice require an overseas entity to apply for registration in the register of overseas entities within the period of 6 months beginning with the date of the notice if at the time the notice is given—

- (a) the entity is registered as the proprietor of a relevant interest in property within a UK freeport, and
- (b) the entity is not registered as an overseas entity, has not made an application for registration that is pending and is not an exempt overseas entity.

(2) A notice under subsection (1) lapses if, before the end of the period mentioned there, the overseas entity—

- (a) ceases to be registered as the proprietor of a relevant interest in property within a freeport, or
- (b) becomes an exempt overseas entity.

(3) If an overseas entity fails to comply with a notice under subsection (1), an offence is committed by—

- (a) the entity, and
- (b) every officer of the entity who is in default.

(4) A person guilty of an offence under subsection (3) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for the maximum summary term for either-way offences or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both).

(5) In subsection (4)(a) “the maximum summary term for either-way offences” means—

- (a) in relation to an offence committed before the time when paragraph 24(2) of Schedule 22 to the Sentencing Act 2020 comes into force, 6 months;
- (b) in relation to an offence committed after that time, 12 months.

(6) In this section “exempt overseas entity” means an overseas entity of such description as may be specified in regulations made by the Secretary of State for the purposes of this section.

(7) Regulations under subsection (6) are subject to the affirmative resolution procedure.’

This new clause requires an overseas entity to apply for registration in the register of overseas entities if they have a property within a freeport.

New clause 14—Commission for the Protection of Whistleblowers—

‘The Secretary of State shall establish a Commission for the Protection of Whistleblowers for the purpose of enhancing the transparency and enforcement of economic crime covered by this Act.’

New clause 18—Publication of information during transitional period—

‘(1) The Secretary of State must record the activities of overseas entities that fall within the scope of this Bill which take place during the transitional period, provided for by part 2 of schedule 3 and part 2 of schedule 4.

(2) The Secretary of State must publish on a weekly basis the information gathered under paragraph (1).

(3) “Information” under subsection (2) means details on overseas entities as provided for by Part 1 of this Act.’

This new clause would require the Secretary of State to record and publish the details of companies benefitting from the 18-month transitional period, to facilitate scrutiny as to whether they may be linked with the Russian regime.

New clause 19—Power to require registration of donations to registered political party, etc.—

‘(1) The Secretary of State must by notice require a company or Limited Liability Partnership (LLP) to apply for registration in the register of overseas entities within the period of 6 months beginning with the date of the notice if at the time the notice is given—

- (a) the company or LLP has made a donation to—the entity is not registered as an overseas entity, has not made an application for registration that is pending and is not an exempt overseas entity.
 - (i) a registered political party,
 - (ii) a candidate at an election,
 - (iii) a third party (non-party campaigner under Schedule 11 of the Political Parties, Elections and Referendums Act 2000 (PPERA)),
 - (iv) a permitted participant at a referendum under Schedule 15 of PERA, or
 - (v) any other regulated entity under Schedule 7 of PERA, including holders of elective office, members of political parties, and members’ associations,
 and the entity has not made in written form to the recipient the declaration specified in subsection (2) of this section; and
- (b) the entity is not registered as an overseas entity, has not made an application for registration that is pending and is not an exempt overseas entity.

(2) The declaration required by (1)(a) is that the company or LLP’s profits generated and taxable within the UK over the previous 12 months are greater than the value of the donation given.

(3) A declaration under this section must also state the company or LLP’s full name, address and registration number.

(4) A person who knowingly or recklessly makes a false declaration under this section commits an offence attracting the following penalties—

- (a) on summary conviction in England and Wales or Scotland: to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (b) on summary conviction in Northern Ireland: to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (c) on conviction on indictment: to imprisonment for a term not exceeding 12 months or a fine (or both).

(5) The Secretary of State may by regulations make provision requiring a declaration under this section to be retained for a specified period.

(6) The requirement in subsection (1) does not apply where, by reason of section 71B(1)(b) of PERA, the entity by whom the donation would be made is a permissible donor in relation to the donation at the time of its receipt by the party.’

This new clause is intended to require that any donations made by UK companies or limited liability partnerships come from sources generating profits made by genuine commercial activity carried out within the UK, and prevent donations of foreign or unknown provenance from being channelled through UK companies or LLPs into regulated political entities (political parties, third parties, campaigners at referendums, candidates etc.)

New clause 21—Report on co-ordination and co-operation—

‘The Secretary of State must lay a report before both Houses of Parliament no later than 31 December 2022, and at least once in each subsequent calendar year, setting out progress in co-ordination and co-operation in relation to this Act and (in particular) an assessment of the effectiveness of information-sharing in relation to entities registered or operating in—

- (a) the Crown Dependencies (the Bailiwicks of Jersey and Guernsey, and the Isle of Man), and
- (b) the British Overseas Territories (Anguilla, Bermuda, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, Gibraltar, Montserrat and Pitcairn Islands.’

This new clause requires annual reports on transparency and enforcement in the Crown Dependencies and the British Overseas Territories.

New clause 22—Report on resources for implementing this Act—

‘(1) The Secretary of State must lay a report before both Houses of Parliament no later than 31 December 2022, and at least once in each subsequent calendar year, setting out the funding and achievements in relation to this Act of—

- (a) National Crime Agency and
- (b) the Office of Financial Sanctions Implementation,

in the most recent year ending 31 March, with an assessment by the Comptroller and Auditor-General of value for money of each of those organisations.

(2) Each report under subsection (1) must be accompanied by—

- (a) an assessment from the organisation concerned of the adequacy of the long-term financing provided by the Secretary of State, and
- (b) an assessment by that organisation of the expected outcomes in terms of performance and value for money, if funding for the next financial year was increased by 20%.

(3) Before laying a report under subsection (1), the Secretary of State must consult the Scottish Ministers.’

The intention of this new clause is to ensure parliamentary oversight of the funding of the National Crime Agency and Office of Financial Sanctions in relation to the implementation of this Act.

New clause 23—Scottish Limited Partnerships—

‘(1) The Secretary of State must consult the Scottish Ministers on the application of this Act to Scottish limited partnerships.

(2) The Secretary of State may make regulations, including supplementary, incidental and consequential provision, to apply any provision in this Act to Scottish limited partnerships.

(3) Regulations made under subsection (2) with the consent of the Scottish Ministers are subject to the negative procedure.

(4) Regulations made under subsection (2) which do not have the consent of the Scottish Ministers are subject to the affirmative procedure.’

The intention of this new clause is to ensure that Scottish limited partnerships are covered by the provisions in the Bill.

New clause 24—Review of funding arrangements for enforcement agencies—

‘(1) The Secretary of State must conduct a review of the suitability of the funding arrangements for enforcement agencies in light of the provisions of this Act and in connection with the wider context of economic crime.

(2) The report of the findings of the review under subsection (1) must be published and laid before Parliament within 3 months of this Act being passed.’

This new clause would require the Secretary of State to conduct a review of the funding arrangements for enforcement agencies in light of the provisions of the Bill and in relation to economic crime more broadly.

New clause 25—*Reports on operation of Act*—

‘(1) The Secretary of State must lay before both Houses of Parliament no later than 31 December 2022, and at least once in each subsequent calendar year, a report on the operation of this Act.

(2) The Secretary of State must also lay before both Houses of Parliament no later than 31 December 2022, and at least once in each subsequent calendar year, a report from the register of companies in England and Wales on the operation of this Act.’

The purpose of this new clause is to ensure that Parliament is regularly informed about the operation of this Act.

New clause 26—*Designation of persons under sanctions regulations: reform*—

‘(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.

(2) In section 11 (designation of a person by name under a designation power), leave out subsection (2)(b)(ii).

(3) In section 12 (designation of persons by description under a designation power), leave out subsection (5)(b)(ii).’

This new clause would amend the Sanctions and Anti-Money Laundering Act 2018. It would remove the requirement that a Minister, when designating a person by name or persons of a specified description in regulations made under that Act, to have regard to the likely significant effects of the designation on those persons.

New clause 27—*Commission for the Protection of Whistleblowers (No.2)*—

‘(1) The Secretary of State shall establish a Commission for the Protection of Whistleblowers for the purpose of promoting transparency in relation to breaches of the provisions of this Act.

(2) The Commission for the Protection of Whistleblowers must work with relevant authorities to ensure that any concerns raised by whistleblowers in relation to breaches of the provisions of this Act are dealt with responsibly and effectively by the relevant authorities.’

New clause 28—*Emergency asset-freezing orders*—

‘(1) The Secretary of State may make an unexplained wealth order in respect of any property or cash in whatever form, including sums held in blockchain accounts, that is held (or that the Secretary of State has reason to believe that is held) by or on behalf of a designated person.

(2) The Secretary of State may make an interim freezing order in respect of the property or cash in whatever form, including blockchain, if the Prime Minister considers it necessary to do so for the purposes of avoiding the risk of any recovery order that might subsequently be obtained being frustrated, and that it is in the interests of national security that the order be made.

(3) An interim freezing order has the same meaning as in section 362J of the Proceeds of Crime Act 2002.

(4) The Secretary of State may designate under subsection (1) any person whom Secretary of State considers meets, or is likely to meet, the criteria for sanctions to be imposed under the Sanctions and Anti-Money Laundering Act 2018.

(5) The power in this section lapses 6 months after the date on which this Act is passed, unless the Secretary of State makes an order to continue this section in force for a further period of up to six months.

(6) An order under subsection (4) may be made more than once, but every such order may be made only after a draft of the order has been approved by resolution of each House of Parliament.’

The intention of this new clause is to provide a temporary emergency power to freeze the assets of individuals, companies or other entities in order to prevent asset flight before sanctions are in place.

New clause 29—*Asset freezing in respect of individuals considered for sanctions*—

‘(1) The Secretary of State may by notice publish the name of a person being considered as a subject for sanctions.

(2) A person in respect of whom a notice has been published under subsection (1) is immediately subject to the provisions of this section.

(3) A person in respect of whom a notice has been published under subsection (1) is prohibited from—

- (a) selling any assets they own or have an interest in,
- (b) moving any assets they own or have an interest in out of the United Kingdom, or
- (c) moving any of their funds out of the United Kingdom.

(4) ‘Assets’ in subsection (3)(a) or (b) includes (but is not limited to)—

- (a) land;
- (b) houses, flats or other private accommodation;
- (c) commercial, industrial, agricultural and other buildings, premises or property;
- (d) businesses;
- (e) personal possessions, works of art, jewellery or collectibles with an individual value of more than £500;
- (f) motor vehicles;
- (g) yachts or boats; and
- (h) aircraft.

(5) ‘Funds’ in subsection (3)(c) means financial assets and economic benefits of any kind, including (but not limited to)—

- (a) gold, cash, cheques, claims on money, drafts, money orders and other payment instruments;
- (b) deposits with relevant institutions or other persons, balances on accounts, debts and debt obligations;
- (c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;
- (d) interest, dividends or other income on or value accruing from or generated by assets;
- (e) credit, rights of set-off, guarantees, performance bonds or other financial commitments;
- (f) letters of credit, bills of lading, bills of sale; and
- (g) documents providing evidence of an interest in funds or financial resources.

(6) A person who breaches any prohibition under this section commits an offence.

(7) A person who engages in an activity knowing or intending that it will enable or facilitate the commission by another person of an offence under paragraph (6) commits an offence.

(8) A person guilty of an offence under subsection (6) is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both;
- (b) on summary conviction—
 - (i) to imprisonment for a term not exceeding six months; or
 - (ii) to a fine which in Scotland or Northern Ireland may not exceed the statutory maximum,
 (None) or to both.

(9) A person guilty of an offence under subsection (7) is liable on summary conviction—

- (a) to imprisonment for a term not exceeding six months; or
- (b) to a fine which in Scotland or Northern Ireland may not exceed level 5 on the standard scale,

or to both.’

This new clause would prevent individuals whom the Secretary of State has named as being considered as a subject for sanctions from selling their assets or moving funds or assets out of the UK.

New clause 30—*Proposals for enforcement agencies to retained recovered wealth*—

‘Within 28 days of this Act being passed, the Secretary of State must publish and lay before Parliament a report setting out proposals to allow for the wealth recovered in connection with the use of unexplained wealth orders and other anti-corruption powers under the Proceeds of Crime Act 2002 and the Criminal Finances Act 2017 to be retained by the agencies involved in countering economic crime.’

This new clause would require the Secretary of State, within 28 days of the Bill being passed, to publish and lay before Parliament a report setting out proposals to allow for the wealth recovered in connection with the use of unexplained wealth orders and other anti-corruption powers to be retained by the relevant enforcement agencies.

Amendment 28, page 35, line 3, schedule 1, at end insert—

“(1A) The required information about an individual owner who is not a British citizen must include information about whether that individual has ever held a Tier 1 (investor) visa issued in accordance with paragraphs 245E to 245EF of the Immigration Rules.”

This amendment would ensure transparency over the use of overseas entities by individuals who have held so-called golden visas.

Amendment 40, in schedule 1, page 35, line 38, at end insert—

“6 In a case where Condition 5 in paragraph 6 of Schedule 2 is met in relation to the registrable beneficial owner, the required information includes details of the role of the beneficial owner in relation to the trust.”

This amendment would ensure that the required information includes details of the role of the beneficial owner in relation to a trust, where a person controls a trust which owns shares, has voting rights, can appoint or remove directors or exercise significant influence or control over an entity.

That schedule 1 be the First schedule to the Bill.

Amendment 3, in schedule 2, page 37, line 30, at end insert—

“4A Any individual trust, company, government or public authority wherever resident shall be treated as a registrable beneficial owner in relation to an overseas entity for the purposes of this Act if a beneficial owner of a qualifying estate as defined in Schedule 4A that is held by the overseas entity whether or not the individual trust, company, government or public authority holds itself any interest in that overseas entity.

4B In relation to a trust which is to be treated as a registrable beneficial owner, full details shall be given in the registration of the senior trustees and principal beneficiaries.”

The intention of this amendment is to facilitate the identification of the beneficial owners of registered trusts.

Amendment 18, page 38, line 5, leave out “25%” and insert “10%”.

The intention of this amendment is to define as a beneficial owner a person who holds more than 10% of the shares in an entity.

Amendment 19, page 38, line 8, leave out “25%” and insert “10%”.

The intention of this amendment is to define as a beneficial owner a person who holds more than 10% of the voting rights in an entity.

Amendment 39, page 38, line 23, at end insert—

‘6A (1) A person (“A”) is a beneficial owner of an overseas entity or other legal entity (“B”) if—

- (a) A is closely connected to a person (“C”) to whom one or more of the conditions in paragraph 6 applies; and
- (b) A—
 - (i) benefits directly from C’s role in respect of B, or
 - (ii) previously exercised the role in relation to B that is now exercised by C.

(2) For the purposes of this Schedule two persons are “closely connected” if—

- (a) they are married to one another;
- (b) they are in a civil partnership with one another;
- (c) one person is the parent of the other.
- (d) one person is the brother or sister of the other.

(3) Where this paragraph applies, the required information under Schedule 1 must be provided in a single statement in relation to both A and C.’

Amendment 20, page 40, line 34, leave out “25%” and insert “10%”.

This amendment is consequential on Amendment 18.

Amendment 21, page 40, line 36, leave out “25%” and insert “10%”.

This amendment is consequential on Amendment 18.

Amendment 22, page 41, line 1, leave out “25%” and insert “10%”.

This amendment is consequential on Amendment 19.

Amendment 23, page 41, line 2, leave out “25%” and insert “10%”.

This amendment is consequential on Amendment 19.

That schedule 2 be the Second schedule to the Bill.

Amendment 13, in schedule 3, page 45, line 10, leave out paragraph (b).

This amendment would require the registrar to enter a restriction in the register in relation to a qualifying estate in which an overseas entity is registered as the proprietor regardless of the date of the registration.

Government amendment 55.

Amendment 15, page 48, line 20, leave out “18 months” and insert

“save as provided for by section (Transitional period for qualifying estates) 28 days save as provided for by section (Transitional period for qualifying estates)”.

This amendment would reduce the period for registration as an overseas entity within from 18 months to 28 days save as provided for by NC6.

Amendment 14, page 48, line 26, leave out paragraph (b)

This amendment would extend the offence to all overseas entities, and every officer of the entity in default regardless of the date of the registration.

Manuscript amendment 64, page 49, line 9, leave out from “estate” to the end of line 12 and insert “from the commencement date”.

Government amendment 56.

Amendment 16, page 49, line 11, leave out “18 months” and insert

“28 days save as provided for by section (Transitional period for qualifying estates)”.

This amendment would reduce the period from 18 months to 28 days for entering the restriction relating to a qualifying estate save as provided for by NC6.

That schedule 3 be the Third schedule to the Bill.

Government amendment 57.

Amendment 17, in schedule 4, page 57, line 24, leave out “18 months” and insert “6 months”.

This amendment would reduce the transitional period from 18 months to 28 days save as provided for by NC6.

Government amendment 58.

That schedules 4 and 5 be the Third and Fourth schedules to the Bill.

6.45 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): Over the last 10 days, the world has watched the actions of Vladimir Putin in shock and horror. The ability to tackle dirty money and impose economic sanctions has never been so important. We are putting the Bill through in an expedited way. It is important that I put on the record what the Bill will do and set out the intention behind the Government amendments. I will seek to be brief because a number of right hon. and hon. Members are keen to speak to their amendments.

As my right hon. Friend the Home Secretary set out earlier, the Bill has four main objectives. First, it will prevent and combat the use of land in the UK for money laundering purposes through the establishment of the public register of beneficial owners of overseas entities owning land in the UK, which will be held by Companies House. Secondly, it will reform the UK's unexplained wealth order regime to enable law enforcement to investigate the origin of properties and recover the proceeds of crime. Those measures remove key barriers to the effective use of UWO powers and will increase and reinforce operational confidence in relation to their use. Thirdly, it will amend financial sanctions legislation, including the test for imposing monetary penalties and powers, to publicly name those breaching financial sanctions. That will make it easier for the Government to act against those who fail to comply with sanctions. Fourthly, it will amend the Sanctions and Anti-Money Laundering Act 2018 to streamline the current legislation so the Government can respond even more swiftly and effectively to sanction oligarchs and other businesses associated with Putin's regime.

Part 1 establishes the new register of overseas entities, which will require overseas companies owning or buying property in the UK to provide the information about their true owners. Clauses 1 to 6 provide an overview of the register, define an overseas entity and establish the register and registration process. Clauses 7 to 11 set out the duties for updating and removing entities from the register. Clauses 12 to 19 set out mechanisms for obtaining, updating and verifying information, penalties for non-compliance and exemptions to various requirements.

Chris Bryant (Rhondda) (Lab): Amendments 24 and 25 would require that, when someone is registering or updating, they also have to notify the fact that one of the people to whom they are referring as an overseas person is a sanctioned individual. Will the Government accept those amendments tonight?

Paul Scully: I thank the hon. Gentleman for his intervention. I have spoken to colleagues across the House. We will certainly look at how to draft the measure correctly to ensure that it serves its purpose. We will certainly look in the other place to debate that further.

Dame Angela Eagle (Wallasey) (Lab): Will the Minister give way?

Paul Scully: I will not give way for a second, because I want to ensure that we can cover the ground. I will deal with some of the opposing amendments at the right time: at the end of the Committee.

Clauses 20 to 30 cover the annotation and inspection of the register, and the disclosure, protection, correction and removal of information. Clauses 31 to 39 cover measures including the false statement offence and amendments to land registration as well as provisions about offences and penalties. The schedules define key terms such as "registrable beneficial owner" and cover amendments to land registration laws, for example, regarding land ownership and transactions for England and Wales, Scotland and Northern Ireland respectively.

Dame Angela Eagle: Will the Minister give way?

Stewart Hosie (Dundee East) (SNP): Will the Minister give way?

Paul Scully: I will.

Stewart Hosie: Schedule 2, paragraph 6 describes a beneficial owner as meaning someone, for example, who

"has the right to exercise, or actually exercises, significant...control over"

an "entity". However, part 4 of schedule 2—on beneficial owners exempt from registration—goes on to describe such a person as someone who has

"the right to exercise, or actually exercises, significant influence or control over"

an "entity". It may be that that apparent confusion is dealt with in part 3 of schedule 2, which deals with an entity

"subject to its own disclosure requirements",

but it is not at all clear whether someone has to be a registrable beneficial owner, or whether they are exempt for precisely the same criteria.

Paul Scully: I thank the right hon. Gentleman for that point; it comes back to something that was said in the previous debate about persons of significant control, which I did not address at the time. However, I will take that point away and discuss it with the right hon. Member for Barking (Dame Margaret Hodge) and others to make sure that we can get any drafting on that exactly right.

Dame Angela Eagle: Will the Minister give way?

Paul Scully: I will not just because I want to make sure that we can cover all the areas, and we will be short of time.

Important changes in part 2 include changing the unexplained wealth order regime, increasing the scope of the existing powers to ensure that an enforcement authority can obtain the information that they need even when the assets in question are held in trusts or other complex ownership structures. That is to ensure that the true owners cannot hide their claim over assets to avoid the force of the law. The introduction of an alternative test to the existing income requirement also provides flexibility for agencies to tailor the UWO applications to the facts of a case.

Clauses 44 to 47 will mitigate the significant operational risks to an enforcement authority and provide a more encouraging basis for them to use their powers to seek a UWO: first, by extending the period for which an interim freezing order has effect, enabling agencies to review material provided in response to a UWO without significant time pressures; and secondly, by reforming the cost rules to protect law enforcement against incurring substantial legal costs following an adverse ruling.

Part 3—clauses 48 to 51—strengthens the financial sanctions legislation to change the monetary penalty test and internal review process. Those changes will allow the Office of Financial Sanctions Implementation to publicly name sanctions breaches even when no monetary penalty has been imposed and allow for greater information sharing across Government.

We are really grateful for the support of all parties in passing this legislation as quickly as possible, but in the light of the deteriorating situation and the Government's desire to work together to strengthen and accelerate this package, I want to outline further measures that we have tabled as Government amendments.

New clauses 32 to 40 will amend the Sanctions and Anti-Money Laundering Act 2018 to streamline the current legislation so that we can respond even more swiftly and effectively to sanction oligarchs, individuals and businesses associated with Putin's regime and others like them in the future. New clause 32 will simplify the procedural requirements that can delay the implementation of sanctions. New clauses 33 and 34 are designed to streamline the designation of individuals and entities, allowing us better to respond to fast-moving events. New clause 36 will ensure that the proposed changes in new clauses 33 to 35 will apply to sanctions regulations that are already in place. New clause 37 will remove the requirement for Ministers to review each sanctions regime every year and to review each designation every three years. That will free up vital resource to focus on developing new designations.

Dame Angela Eagle: Will the Minister give way?

Paul Scully: I will—the hon. Lady has been trying so hard.

Dame Angela Eagle: I thank the Minister for giving way finally, but it all counts. He seemed to be saying to colleagues earlier that his attitude to our amendments is that he is willing to discuss them after the Commons stages of the Bill and to do something in the Lords. Is that what he is saying? Is he telling us today that the Government will not accept any more Opposition or Back-Bench amendments and that he will leave it to the House of Lords to change these things? Clearly, if that is going to be his attitude, we need to know.

Paul Scully: I will cover the amendments more fully in my closing remarks, once they have been spoken to. None the less, I want to ensure that the amendments with which I have sympathy do exactly what they are intended to do and that the drafting is right. I am happy to work with colleagues who have tabled them to make sure that we can get that right and to see what more we can do in the other place.

Sammy Wilson (East Antrim) (DUP): Does the Minister accept that many of the amendments have been tabled today because people genuinely want to make the Bill better? There would be no better signal to send from this House tonight than the Government accepting the reasonable amendments, regardless of where they come from, if it is believed that they strengthen the Bill. If we find that they do not do what they are meant to, the opportunity is available to make them do that in the other House. At least that would send a great message from this House tonight that there is widespread support for the Bill and that the Government are listening.

Paul Scully: There are a number of amendments and they do not all do what is intended. On amendments 24 to 26, I respectfully ask the Members concerned not to push them to a vote, but I will happily work with them to see what more we can do in the other place.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): My understanding is that the Government accept amendments 24 to 26 in principle and will work in the Lords to put something in the Bill that delivers what they suggest. Am I correct in that?

Paul Scully: Essentially, yes. We want to make sure that we can work with hon. Members on that. I do not want to accept all those amendments here and now, but I want to make sure that we can get it right in the other place, working with them at that stage.

Mr David Davis (Haltemprice and Howden) (Con): I would like this to be rendered in English for the world at large to understand. If the Minister puts into law in the Lords all the amendments that we proposed, will it not still be the case that nothing can be done to stop a Russian oligarch from moving, selling or transferring his assets, even if we know all about it, until the moment when he is actually sanctioned?

Paul Scully: First, I thought that when I said, “Essentially, yes,” it was a clear, two-word answer to a simple question. I will cover my right hon. Friend's amendments in my closing remarks, but I wanted to speak to the Government amendments at this point. However, his new clause 29 would give a huge amount of powers not just to the Foreign Secretary in relation to Putin's regime, but to future Foreign Secretaries. We need to tread carefully and look at that carefully before the House acts in that way.

Liam Byrne (Birmingham, Hodge Hill) (Lab): We can see that the sanctions regulations will become much stronger, but our sanctions regime is still a long way short of the kind of sanctions that have been imposed on, for example, Iran, whereby we are able to sanction secondary entities trading with sanctioned companies. Does this legislation allow us to enforce Iran-like sanctions on Russia, because ultimately, that is what will be needed?

Paul Scully: I think the right hon. Gentleman comes from a place of supporting the proposal from my right hon. Friend the Member for Haltemprice and Howden (Mr Davis). I do not want delay the Committee in debating the amendments in full before I respond towards the end of the debate.

On the provisions on the register of overseas entities, we will increase the ceiling of criminal penalties for non-compliance from £500 a day to up to £2,500. Again, we have listened to representations from Members across the House. We are increasing the limit to allow for stronger enforcement mechanisms, but, by making it “up to” that amount, we are also making sure that we do not criminalise people who do not have their house in order but who are using these entities for perfectly legitimate reasons.

We are reducing the transition period for existing overseas entities to register their beneficial owners from 18 months to six months. We want to ensure that there is no place for corrupt elites and kleptocrats to hide, but there are many legitimate individuals and businesses

[Paul Scully]

that are likely to be holding property through overseas entities for understandable reasons, such as personal security. As I said, we want to make sure that we can work with people from across the House, including my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), to make that more secure and to see what more we can do to tackle the issues that we face here and now. It is important to remember that once the register is in place, new transactions will be caught on day one.

I am grateful for the engagement of the Scottish Government on part 3 of schedule 4. We are committed to consulting Scottish Ministers on regulations made under that part that contain provisions within the legislative competence of the Scottish Parliament. Similarly, we are committed to consulting Northern Ireland Ministers on regulations made under the similar mechanism for Northern Ireland in clause 32(4), (5) and (6).

7 pm

Sammy Wilson: There should not be any part of the United Kingdom where money can be hidden or moved to be hidden. Will the Minister clarify a point that I was not quite clear about from his response to my hon. Friend the Member for Belfast East (Gavin Robinson) on Second Reading? Does the relevant schedule require a legislative consent motion from the Northern Ireland Assembly, or does its inclusion in the Bill mean that all the registration requirements and so on will apply to Northern Ireland regardless?

Paul Scully: As I say, the Bill touches on devolved matters in Scotland and Northern Ireland in particular. Ideally we would have an LCM, but I do not think that we can achieve one, given the current status and the timescale in which we are trying to formulate these measures. However, we are working with representatives in the Northern Ireland Assembly and the Scottish Government to ensure that we can carry on our positive approach.

Sammy Wilson: Given what has happened in Northern Ireland as a result of the Northern Ireland protocol and so on, will the Minister confirm just for clarity that if a legislative consent motion is not available, that will not mean that this legislation cannot apply in Northern Ireland?

Paul Scully: We will be moving on it so that it does apply in Northern Ireland. It is really important that we get this running so that there is no hiding place in any part of the UK for dirty money. It is important that we all work together on this, and I am really pleased about the positive nature of that work.

In that spirit of working together to strengthen and accelerate this package, I urge all parties to accept our Government amendments. I commend them to the Committee.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): On my own behalf and on behalf of my hon. Friend the Member for Halifax (Holly Lynch), it is a pleasure to speak in support of the amendments tabled in our names and the name of the Leader of the Opposition. I echo the sentiments that the Minister expressed about the horror of what is happening in Ukraine and about the importance of today's debate. We stand in solidarity with the people of Ukraine.

We need the Bill to succeed and to achieve its goals. The Government have dragged their feet on stopping dirty money flowing through our economy. These measures were first promised six years ago, and even now the Bill will be implemented too slowly and with serious loopholes. I thank the Minister for our conversation last week and for tabling amendments that recognise Labour's concerns about the Bill, but key problems remain.

Time is tight, so I will keep my remarks brief on our amendments and our concerns about the Bill. Part 1, "Registration of overseas entities", establishes a public register of beneficial owners of foreign entities that own or buy land in the UK. Far too many corrupt individuals are currently hiding their identity behind a foreign company. Under the Bill, a foreign entity need only annually update its entry on the register. We are concerned that that gives the opportunity to register an entity in a non-controversial individual's name, change the beneficial owner the following day and have 12 months before having to declare the change, by which time property can be sold and money laundered without a record.

The integrity and quality of the data on the register will matter. From the start, the register needs a framework of rules that commands confidence and ensures the completeness and accuracy of information, so our amendments 5 and 6 to clause 7 would require that entries on the register be updated within 14 days of any trigger event, namely the change or removal of a beneficial owner. UK companies have clear obligations to notify Companies House in the days after an ownership change, so why do overseas entities have a year to do the same? Have the Government considered that issue? What measures will they take to address it?

Our amendments 7 and 8 to clause 8 relate to the £500 fine that the Bill would impose on entities that fail to update the register. The idea that such a fine would deter those who fail to comply is frankly ridiculous, so we support Government amendments 45 and 46, which directly replace ours and will raise the fine to at least £2,500 a day.

Our amendments 10 to 12 focus on verification. The Government have accepted Labour's argument that a verification process needs to be established before the register is operational, so they have tabled amendment 49, which we support. It was unacceptable that the register would have become operational without verification regulations. Will the Minister therefore confirm when the secondary legislation that is needed to design that verification process will be published?

Labour has a wider concern that the Government have not yet addressed. The Bill does not stipulate that verification must take place between an application being made and the registrar entering the overseas entity on the register and allocating an overseas entity ID. We are clear that the regulations that the Government introduce must specify that the registrar must take action to verify the registrable beneficial owners before an entity is put on the register; it is not good enough to rely on the compliance of the entity itself. I would be grateful if the Minister confirmed that point.

Our amendments 15 to 17 would shorten the transitional period. We urgently need to close in on Putin's cronies who have illicit money in our economy. This is about not just oligarchs, but money launderers and tax evaders.

We need to know where the money is and who owns what in Britain. Transparency is vital and the register is essential.

The Government have seen some sense and have reduced the transitional period from 18 months to six months, but we are not being unreasonable in saying that it should be 28 days. As my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) said, this legislation was promised by David Cameron in 2016 and began its passage in 2018, so when we say 28 days, we really mean 28 days plus the preceding six years. Six months still provides ample time for criminals to sell properties and find other assets in which to invest—a concern that has rightly been raised by hon. Members, including in today's manuscript amendments. Labour's amendments 15, 16 and 17 to schedules 3 and 4 would reduce the transitional period to 28 days, which in our view would provide enough time for overseas entities to get documents in order, while recognising the need to act urgently.

But that is not enough. It is unacceptable to say that the Bill applies not to all properties owned by overseas entities, but only to those bought after 1999 in England and Wales and after 2014—just eight years ago—in Scotland. It does not matter whether corrupt oligarchs bought property four weeks or four decades ago; the point is that UK property should not be used as a vehicle for money laundering. Under Labour's amendments 9, 13 and 14, all foreign-bought properties would fall within the Bill's scope, regardless of when they were purchased. We recognise that registering properties bought before 1999 in England and Wales or 2014 in Scotland may take more time, for reasons that the Minister has discussed, so our new clause 6 would allow an 18-month transitional period for such properties, but it is important that we make sure that they are included in the scope of the Bill.

I turn to reform of Companies House. Changes to Companies House's regulation are long overdue. It beggars belief that despite how long the issue has been on the agenda, all we have had from the Government in the past week is a White Paper. I know that the Minister knows this is urgent. The legal framework in which Companies House operates needs an overhaul. It has been called for by business, by law enforcement agencies and by civil society. Companies House is a key tool in our fight against economic crime. That is why Labour has tabled new clause 7, which would require that the Secretary of State lay draft legislation on Companies House reform within 28 days of this Act coming into force. I acknowledge the arguments being made by the hon. Member for Glasgow Central (Alison Thewliss) in new clause 4 on some of the areas associated with Companies House reform and verification.

Let me turn briefly to parts 2 and 3 of the Bill, which relate to unexplained wealth orders and the Sanctions and Anti-Money Laundering Act 2018. Since their introduction in January 2018, UWOs have failed to live up to expectations. The Government expected them to be used 20 times a year, but the National Crime Agency has so far obtained only nine, with none in the past two years. We welcome measures to make these orders more effective. Clause 40 grants enforcement agencies the ability to apply for more time to consider the information related to UWOs. The Government have accepted the principle of Labour's new clause 8, which would require an annual update to be made to the

House on the use of UWOs, in their new clause 31. However, these changes on their own will not lead to more effective use of UWOs.

The Prime Minister announced the creation of a combating kleptocracy cell in the NCA, which is welcome. However, money laundering prosecutions have dropped by 38% in the past five years and the NCA's budget has dropped by 4.2% in real terms since 2016. As the Treasury Committee made clear in January, on financial crime there is a "mismatch" between the scale of the problem and the Government's response. We all recall as well the Business Secretary's suggestion that fraud is not a crime affecting most people—he could not be more wrong. Economic crime affects us all, and the Government must match the reforms with adequate resources. So our new clause 30 calls on the Government to create a funding plan that sees enforcement and investigative agencies benefit from the assets seized. The Government have so far failed to adequately resource this vital work, but this new clause would allow for a rebalancing of the risk appetite, which the Government are seeking to address with their cost capping proposal in clauses 46 and 47.

The Government have also accepted, with their amendments 59 to 62 and new clauses 32 and 40, Labour's argument that the designation process under the 2018 Act was not fit for purpose. It cannot be right that the UK is slower at targeting oligarchs who prop up Putin than the EU, where unanimity is required across 27 member states. It is also worth noting that in all four of the NCA's high-profile dirty money cases brought in the past two years, all of those under investigation had entered the UK with a golden visa. We have not tolerated dirty money but courted it. We must amend the Act to remove the barriers that stop the UK keeping pace with allies on Russian sanctions. We are pleased that the Government have agreed with us on that, and we expect to see the raft of promised designations soon.

Finally, important amendments have also been tabled by my hon. Friends the Members for Rhondda (Chris Bryant) and for Walthamstow (Stella Creasy), my right hon. Friend the Member for Barking (Dame Margaret Hodge) and the right hon. Member for Haltemprice and Howden (Mr Davis). I thank colleagues, including my right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne), for their commitment and work on tackling economic crime. We support amendments 26, 27, 37 and 38, new clauses 2 and 9, and new clause 29, among others. They would tighten up the register requirements and enforcement; address the issue of a lack of resources; and strengthen the effectiveness and powers of the registrar.

This Bill is long overdue and we support its passage. We acknowledge that the Government have taken on board a number of our amendments in the past few days, but we know that a lot more needs to be done. I cannot stress enough how important it is that the UK acts now and acts effectively to start to put right our embarrassing reputation as an international soft touch on fraud and money laundering. Putin and those who prop him up should have nowhere to hide, least of all in the UK. I hope that Members from across the House will support us in the proposals we have put forward to improve the Bill.

7.15 pm

Sir Iain Duncan Smith: I am grateful to be called so early in the debate, and I rise to speak to the amendments standing in my name and those of colleagues on both sides of the House. I refer to amendments 24 to 27, and new clause 10. First, let me deal with new clause 10 and then come back to the main issues associated with the other amendments.

New clause 10 is really about the issue of debate in this House and being able to scrutinise properly the nature of what is being done or not being done to those whose ill-gotten gains are being used for purposes they should not be. It would place an obligation on the Government to schedule a debate on the annual sanctions regulations report. I know that the Government argue that that is the responsibility of the House, and of course it is, but it is also important that this provision would be specifically tied to this particular issue. There is a reason for that: it is too easy for Governments to find lots of reasons why they do not end up doing that debate or they schedule it somewhere else and it gets pushed away—I say that having served in Governments myself. The new clause would mean that within 10 days of the report there would have to be a debate. That is important as it opens this up to a proper debate and proper scrutiny. Therefore, I wish that the Government will give it further thought, but I will come to that later on, if necessary.

I return to the key area where I and others have tabled amendments. Amendments 24 to 27 are linked and consequential, but, crucially, they are linked to clause 31. Like others, I had concerns about that clause because it seemed to leave a back door open to any enabler to avoid any requirements for reporting by appealing to the excuse that they did not know that the assets or money they were dealing with had any link to any individual or entity. I draw the Minister's attention to what clause 31 actually says. Subsection (1) uses the words:

“It is an offence for a person knowingly or recklessly”.

So the excuse is, “I didn't know” or, “I'm not acting recklessly, because I didn't know”. It is peculiar that we would want in a Bill a defence that someone may wish to use subsequently if they were in court. This will mean that they will never get to court if they challenge the Government.

Stella Creasy (Walthamstow) (Lab/Co-op) *rose*—

Layla Moran (Oxford West and Abingdon) (LD) *rose*—

Sir Iain Duncan Smith: I will give way first to the hon. Member for Walthamstow (Stella Creasy) and then to the hon. Member for Oxford West and Abingdon (Layla Moran).

Stella Creasy: I thank my neighbour for giving way. Does he agree that many of our constituents will be looking at this and will be bemused, because when it comes to their own tax affairs they do not get the same leeway? They can be penalised for acting both recklessly and carelessly. So if we want to make sure that this legislation is watertight, we should take a lesson from Her Majesty's Revenue and Customs and make sure that we are not giving people a loophole in that way, especially if they are oligarchs.

Sir Iain Duncan Smith: Yes. I take the hon. Lady's point. The point I am making is that we should rightly assume that this is their responsibility—there is no let-out. If they misrepresent their position, they should face the full rigours of the law. It should not be a case that they can defend themselves before—

Sir Robert Buckland (South Swindon) (Con) *rose*—

Sir Iain Duncan Smith: First, I will give way to the hon. Member for Oxford West and Abingdon.

Layla Moran: I was going to make the point that was just made: we should expect oligarchs to abide by the same rules that all the rest of us do.

Sir Iain Duncan Smith: We all have to stop agreeing like this, as it will give the House a bad reputation.

Sir Robert Buckland: My right hon. Friend is making an important point. I have looked at these amendments. Is not the best way to achieve his aim to make this offence a strict liability one, which does not require a state of mind and simply involves a set of facts having been established? There could be a reverse burden, whereby the subject demonstrates that they have not acted unlawfully. Strict liability might be the best way to achieve his aim.

Sir Iain Duncan Smith: I am grateful to my right hon. and learned Friend. I always bow to him in the knowledge of the law, as of course I would. I thought he was an excellent Justice Secretary—I will just slip that one in, gratis, and I am sure he can dine out on it. I agree with him wholeheartedly, because what he says is right. I will come back to the flexibility that is required, but I come to the principle of what we are saying. We are seeking to strike out that little lacuna that results from the words “knowingly or recklessly”. That would make this about the responsibility of the person concerned and that would be it—there would be no let-outs, no issues and no quibbling. This is the key. Everything in the other amendments is relevant to it; they merely backfill various areas, and it is important that they should refer to clause 31. They make it clear that responsibility rests with the individual—the entity, should I say—in this particular case.

Ms Nusrat Ghani (Wealden) (Con): It is important to note that these amendments in my right hon. Friend's name, my name and those of others do not set us apart from is happening in the rest of Europe and in America. America is applying the same principles. Although the Bill closes the front door on much of Putin's dirty money, we must ensure that no back door is open. We should therefore be working in line with our NATO allies, and with many other European colleagues as well.

Sir Iain Duncan Smith: That is exactly correct. All we are doing is asking for the UK to be at the same level as the United States, and I do not think that that is asking too much. I am co-chair of the all-party parliamentary group on Magnitsky sanctions, and this is very much what we are driving at. In fact, I love the idea that an individual who is sanctioned in the United States should be sanctioned here, and that if we sanction individuals the United States should sanction them as well, and

that the same should happen in Europe. We would have this common purpose: there is nowhere for those people to go. They are sanctioned, full stop, and they cannot use their ill-gotten money anywhere.

Anthony Mangnall (Totnes) (Con): Can my right hon. Friend tell me whether his amendment, and the Bill, will address the issue of nominees? That seems to be a way in which someone could get away with it: “I can hand my property to a nominee.” Do the enforcement mechanism and the reference to named individuals enable us to stop them doing that?

Sir Iain Duncan Smith: They should, because the individual has to declare the whole chain. “Not knowing” would be no excuse. It would be the responsibility of individuals to know who those nominees were and to declare them. They could not defend themselves. What my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland) suggested might be a better way of doing this, but my point is that my amendment would nevertheless address it.

Kevin Hollinrake (Thirsk and Malton) (Con): I am not sure that my right hon. Friend is correct. The Bill defines a legal entity as

“a body corporate, partnership or other entity”.

rather than an individual. I am not sure that, in those circumstances, the amendment would cover the individual.

Sir Iain Duncan Smith: It might not, but I think it would, because it covers the information that individuals are asked to declare. It may not cover the sanction on the individual, but it covers the knowledge of who that individual is. If there is a better way to do it, however, I am up for it. That is feasible, and it may be that my right hon. and learned Friend’s way of doing it is a better way.

Dame Margaret Hodge (Barking) (Lab): I think we are all wandering around the same point. May I clarify it? The Minister agreed to look at our amendment 3, which addresses the question of whether this is an entity or an individual, and whether, if it is an entity, that entity can put forward a company provider and thus hide the identity of the owner of the property. The Minister has agreed to look into what could be a loophole in the legislation, and then consult with us on it. I think the point is valid, and I hope that the Minister will look at it and that, between us, we can all close that loophole.

Sir Iain Duncan Smith: I agree that clarity is everything in this instance. The Bill will be going to the other place, and by the time it comes back, we will be looking for those loopholes to be shut down and sorted out.

Robert Jenrick (Newark) (Con): I do not want to sow further confusion, but I think that the point made by our hon. Friend the Member for Totnes (Anthony Mangnall) is critical. Before the Bill passes into law, we need to understand whether a nominee can be the name at the end of the trail. If that is the case, I am afraid that this register will be largely pointless. If I wanted to conceal the ownership of a property, I would simply set up a shell company in the British Virgin Islands through

a nominee, in which case, I am sorry to say, all our efforts today would be for naught. We must resolve that before the Bill completes its passage through both Houses.

Sir Iain Duncan Smith: Let me simply say that the purpose of this debate is to tease out exactly that. I wish that we had less debate on Second Reading and more on the details, but that is water under the bridge, and this is an important factor. In a second—although not quite yet so he need not worry—I will ask my hon. Friend the Minister to explain what he actually plans to do, so that we are clear about that. However, I agree that we need to understand what that relationship is. My assumption was that they come together, but it may not be right, and if it is not right, we will end up back in the courts with delay upon delay and we will never get these people sanctioned.

I know that we must make progress, so I will not go into the details of each amendment, but, as I said earlier, amendments 24 to 27 are connected. We will, I hope, be able to vote on all those amendments, but I am prepared to give some leeway, for the reasons given by the right hon. Member for Barking (Dame Margaret Hodge). Will my hon. Friend the Minister tell me now what his attitude is to amendments 24, 26 and 27?

Paul Scully: I will cover this at the end of the debate, but I should like to work with my right hon. Friend on amendments 24, 25 and 26 to ensure that we can make changes in the other place. However, we want to go further than amendment 27 in the second economic crime Bill.

Sir Iain Duncan Smith: I am grateful to my hon. Friend. I take it from what he has said that he accepts amendments 24, 25 and 26 in principle, and that he will seek in the other place to deliver their meaning through other amendments, so that by the time they return here, this point has been established. May I draw to his attention the debate that we have just had on the definition of whom this provision encompasses? That will be a vital issue, as my hon. Friends have said, but it is not clear. I hope he agrees with me. I will take a nod from him at this point. *Hansard* can register his nod, because that is how it works.

Paul Scully indicated assent.

Sir Iain Duncan Smith: I am grateful.

Let me end by saying to my hon. Friend that this legislation is probably one of those great critical junctures at which we finally decide and agree in this place, as a result of an emergency that is going on elsewhere, that our procedures and our laws are wrong, and that we have to make change. When we have to make change, we should not baulk at it; we should make wholesale change, and ensure that what we deliver leaves the next generation clear about where they will be, and clear about the fact that we did not fail them. I therefore ask my hon. Friend to stick to his agreement with us, and when the Bill comes back, we will look to it. Otherwise we will have to amend the Bill, but I take my hon. Friend at his word.

Alison Thewliss (Glasgow Central) (SNP): I want to speak about the amendments and new clauses in my name and those of my colleagues. I refer to amendment 41, new clauses 4 and 21 to 23, and amendments 18 to 23

[Alison Thewliss]

and 40. I have indicated my support for a number of other new clauses and amendments. I dare say that given the cross-party nature of the amendments that were tabled over the weekend, if we had had more time we would have had more names attached to all of them. The Minister would do well to listen to the cross-party calls from Members of both Houses. I have little in common with the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), and I disagree with him vehemently on many issues, but I have signed some of his amendments.

I share the horror felt by my colleagues and my constituents at the news that is coming through from Ukraine. We condemn the flagrant and repeated breaches of the Geneva conventions by Putin and his troops. I thank the people of Glasgow Central who have been raising funds and gathering goods across the constituency, but particularly those at the Hindu mandir, dropping off those goods to help the people fleeing Ukraine. Their sense of humanity has been undoubted, and I hope that it will be met by Ministers—not least the Home Secretary, who disappeared before we could raise further issues with her—because the people of Ukraine deserve our support.

This Bill is patently not enough. The volume of worthy and sensible amendments, and indeed the Government's own amendments, testify to that. Action is long overdue. Stephen Gethins, Professor of International Relations at St Andrews and our former colleague in the House, has said:

“For years we have turned a blind eye to Putin's dirty money, propaganda and influence in our democracy. Those who called out the corruption were badged as anti-Russian when it was the Russians who were Putin's first victims. It is a shame that many are only paying attention to his crimes after such grave events. I hope that real action will be taken. After years of inaction we owe the people of Ukraine and Putin's other victims at least that.”

I agree very much with Stephen Gethins.

The situation we find ourselves in today, legislating in great haste, did not need to happen. This is not new. Putin and his cronies have been shifting their ill-gotten gains through the UK for many years now, unimpeded—and indeed facilitated—by UK Governments of various stripes, while journalists, civil society campaigners and, to their credit, many Members across this House, such as the right hon. Members for Barking (Dame Margaret Hodge) and for Sutton Coldfield (Mr Mitchell), have repeated their calls for action throughout many Bills.

7.30 pm

In recent years, we have had the Sanctions and Anti-Money Laundering Bill, and many of the same calls that are being made today were made at that time. Had the UK Government listened, we might not have needed to be here today in this complete and utter midden. It took the Salisbury attack to happen during the course of that legislation for the UK Government to take action on Magnitsky sanctions. They had the opportunity to do more at that stage to stem the tide of dirty money, but they did not. We had the Registration of Overseas Entity Bill published in draft and sent for scrutiny, but no action has been taken until today. And we are still short of comprehensive measures to close the loopholes and shut the door on the kleptocrats once and for all.

We had the creation of the Office for Professional Body Anti-Money Laundering Supervision, supposedly to tighten up on the facilitators and enablers, but while some, including the banks, flooded the system with suspicious activity reports, others appear to have taken very little responsibility for their actions. That was reflected in the Treasury Committee's report. Under Gordon Brown, we had the creation of the golden visa scheme, which attracted these oligarchs in, gave them a veneer of respectability, treated them with the deference that very few of my hard-working, honest constituents receive from the Home Office and allowed them to buy their seat not only at party fundraisers but at the very heart of British democracy—[*Interruption.*]

Mr Deputy Speaker (Mr Nigel Evans): Order. There are far too many private conversations taking place, and I am finding it difficult to hear the hon. Lady.

Alison Thewliss: Thank you, Mr Deputy Speaker. I was talking about people buying their seats at party fundraisers and at the heart of British democracy. That is something that this House should reflect on. This place needs to take a long hard look at itself and at what it has facilitated, allowed and ignored over the course of many years.

We in the SNP welcome this Bill—how could we not?—but we would argue that it is long overdue and does not go nearly far enough. The UK Government's inaction and prevarication have given the oligarchs a head start to shift their assets, to lawyer up, to step down from companies and boards and to saunter unimpeded to their getaway yachts and go to places that will still have them. Co-ordinated and quick global action, including in the overseas territories, could have made this more difficult, as would action on crypto-assets. The recent Treasury Committee report highlighted the growing role of crypto-assets in economic crime.

We support Labour's calls to cut the registration of overseas entities to four weeks. We all agree that 18 months was ludicrous, but six months still gives people far too long to shift their ill-gotten gains. I would be grateful if Ministers confirmed what they are doing to monitor asset flight, and if they could provide an estimate of how much money has already left. Our amendments 18 to 23 would lower the threshold for beneficial ownership from 25% to 10%. Evidence already points to the threshold being gamed and to people appointing family members and those they can easily control, and the Government need to be aware of that and do more to prevent it.

Anthony Mangnall: I apologise for interrupting the hon. Lady, who is making a brilliant speech. On her point about assets being handed over, where they are being hidden and the chain involved in these activities, does she agree that insurance companies need to be brought into these measures? Insurance companies have a list of every single asset and item in the name of these individuals, yet over the weekend there were reports that insurance companies were seeing people coming off their lists because they were already moving their assets out.

Alison Thewliss: The hon. Gentleman makes an excellent point, and I hope the Minister was listening carefully. We need to use all the levers at our disposal to trace where these assets are going, who is moving them and who is helping them to do that.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I am pleased to see the amendments that would lower the threshold to 10%. In the prelegislative scrutiny of the Registration of Overseas Entities Bill, the Government indicated that they were willing to lower that threshold through secondary legislation. Has the hon. Lady received word from the Government that they will now honour that promise that they made to us only a few years ago?

Alison Thewliss: I have not received that assurance from the Minister, but I would be glad to do so. The hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) and I served on that Bill Committee together, and a lot of the evidence that was given at the time still stands today. Many of the things we were warned about, such as shifting things into trusts, have happened, and the Government need to act on the warnings that they were given.

Turning to schedule 4, the register proposed in the Bill is not as transparent as the Scottish register, which will come into force on 1 April. Transparency International and the Chartered Institute of Taxation have said that the UK Government could learn from Scotland on this. As I say, Scotland's register of persons holding a controlled interest in land in Scotland goes live on 1 April, and I would like to thank Jennifer Henderson, the Keeper of the Registers of Scotland, and her team of experts for taking the time to meet me last week to discuss this.

Transparency International has warned that this Government's proposed register could not be as transparent as Scotland's because the legislation as drafted does not require the disclosure of the ultimate beneficial owner of the property, but rather the disclosure of the beneficial owner of the overseas entity that in turn owns the property. Scotland's register notes, per piece of land, who the beneficial owner of the land is. For example, it notes which companies have land registered to them, and who has significant control of those companies. I am sure that I could draw a diagram that would explain this better than my description, but my understanding is that if a holding company has five or six different pieces of land for three oligarchs, the Scottish register would show which oligarch each piece of land belonged to, but that the register as laid out in this Bill would not. I ask the UK Government to consider taking a lesson from Scotland, to speak to Registers of Scotland and to review changes such as this, so that we can properly understand who owns what.

The Chartered Institute of Taxation said that "if the government's aim is a public register of ownership of land it does not achieve this".

It also said:

"The UK Government may also want to look at the Scottish approach which is to reveal the person who has 'significant influence or control' over the owner or long-lease tenant of land and property in Scotland."

According to the Scottish Government, this means that "it will be possible to look behind every category of entity in Scotland, including overseas entities and trusts, to see who controls land."

Further to this, I would be grateful if the Minister could provide the clarification that the Law Society of Scotland has asked for on the way in which the two registers will interact, on how any disputes will be resolved—including on what is registered and what takes precedence—and

on whether any additional resource will be provided directly from the UK Government to Registers of Scotland so that it can continue this work.

It is vital that Companies House reform does not slip off the agenda. We would have pressed new clause 4 to a vote, had it not been so similar in intention to the official Opposition's new clause 7. It is unfortunate that all we are getting on Companies House will be a White Paper. We have already had extensive consultation on this, and we know the problems. They are obvious, and the Government have no excuse for not acting on them today.

Dame Angela Eagle: Does the hon. Lady share my frustration, which was widely voiced in the Treasury Committee when we were doing our report on economic crime, that although the Government have known what is wrong with Companies House for a very long time, we have had virtually no movement to reform it except for an announcement that there might be enough money to do so in 2024?

Alison Thewliss: The hon. Lady is right. This is entirely inadequate. With every day that passes, more and more guff gets put on to the Companies House register and the less valuable it becomes as a register.

We need finally to introduce verification. It is beyond belief that there is no Government verification scheme. Filing a tax return or applying for a passport or driving licence all require the use of a Government verification scheme. Graham Barrow, a Companies House expert, has pointed out that people need more ID to take out a library book than to set up a company in this country. That is absolutely ridiculous. Verification, when it is brought in, must also apply retrospectively. Companies House must go back through the register and look at all issues that existed in the past, because there is already so much nonsense in the register that needs to be weeded out, not just for reasons of accuracy but because it is being used to defraud people and by companies that are phoenixing. It is being used for all kinds of things that are resulting in people losing out.

Graham Barrow has also suggested that Companies House verification could reduce incorporations by close to 50% while making practically zero difference to corporate commercial activity in the UK. That shows the level of guff in the Companies House register. The examples of failures of accuracy at Companies House are legion. A Global Witness report in 2019 found an address in London where at least two company service providers appeared to host a number of companies apparently controlled by children under the age of two, who not only had access to the profits of the company but also the right to appoint directors and voting rights. That is quite extraordinary. There are some quite prodigious two-year-olds on that register.

It is long past time to act. The SNP's new clause 4 would make Companies House an anti-money laundering supervisor, as it is strange that Companies House is not. That would go some way towards closing the door on those who seek to abuse the system. I wrote to the Government consultation three years ago to say that Companies House must have better and more robust mechanisms to ensure the information it holds relating to beneficial ownership is adequate, accurate and current. That still stands today.

[Alison Thewliss]

There has also been a lack of action on Scottish limited partnerships. When I made my submission to the consultation, no fines had been handed out for non-compliance. Three years and four months later, I am pleased to report that is no longer true. Of the thousands of Scottish limited partnerships that have registered no person of significant control, there has now been a single fine of £210. We can all agree it is not the best deterrent if there is no consequence for not following the rules.

The Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Sutton and Cheam (Paul Scully) spoke earlier of action, but action is not impressive if those who have continually not complied with the rules do not even face a fine. That goes for all the mechanisms in the Bill that levy a fine. If the Government will not actually levy a fine and collect the money, there is little point putting it in the Bill.

SNP new clause 23 would ensure that beneficial owners of Scottish limited partnerships must, at last, be published, which would ensure transparency. Scottish limited partnerships are being used, again and again, in nefarious ways to move money and goods around the world. They have been involved in war crimes, child pornography and arms deals. The loopholes in Scottish limited partnerships and at Companies House have to be closed, as they harm not only individuals who suffer the effects of these crimes but Scotland's reputation. Although they are called Scottish limited partnerships, Scotland plays no part in them. They are an historical arrangement legislated for in this place.

The Scottish Government's crime campus at Gartcosh is doing great co-ordination work on tackling economic crime in Scotland, but much of the legislation and company registration responsibility that holds us back is still held here at Westminster. Our good name must not be tarnished any longer by continued inaction on these reserved matters.

SNP amendment 41 would ensure that reasons are given for any company claiming to have no beneficial owner or person with significant control. At the moment, companies do not have to account for that. They can just say, "We don't have an owner, and we do not know who has significant control." That is not acceptable, particularly when we consider that Scottish limited partnerships possess a separate legal personality allowing them to own assets, to enter into contracts, to sue or be sued, to own property, to borrow money and to issue certain kinds of security. Typically, limited partnerships are not treated as separate legal personalities and are not able to do those things, but Scottish limited partnerships are uniquely different in that way.

Scottish limited partnerships are taxed as though they do not have a separate legal personality, and no tax is payable by the partnership itself. Instead, the tax authorities look through the partnership structure and tax the partners on their share of partnership income and gains, in line with their profit-sharing ratios. Provided that the partnership is not trading in the UK, however, no UK tax will be payable by non-UK-resident partners.

We have known for years that Scottish limited partnerships are a dodge, and that money has gone in and out without taxation. We know they have been used

to launder millions of pounds in dirty money created by illicit business activities. We need to see action finally to put a stop to this.

Unexplained wealth orders have been lauded by the Government in recent weeks as a powerful tool to tackle dirty money, but only nine have been used in four cases since their introduction in 2018. We support improvements to unexplained wealth orders, and we support bringing property held in trust into scope. We hope this will finally allow the National Crime Agency to do more with unexplained wealth orders and make them work.

Tom Keatinge of RUSI explained to the Treasury Committee today that unexplained wealth orders have not survived contact with reality. We can only hope that the reforms will make them more effective and more anchored in reality.

Susan Hawley, the executive director of Spotlight on Corruption, cautioned:

"The focus needs to be on confiscating and seizing assets not just investigating them... Without addressing the serious issues that law enforcement faces from shrinking budgets, decrepit IT systems, to...losing staff to the private sector, the new legislation will not make any difference at all."

7.45 pm

I support the cross-party new clauses 14 and 27 on whistleblowers, tabled by the hon. Member for Thirsk and Malton (Kevin Hollinrake). They are worthy, because a lot of the information we have on economic crime comes from whistleblowers. It does not come from the registers or anything else; it comes from people who are brave enough to blow the whistle, for which we thank them. And we should protect them. I welcome amendments 37 and 38 on SLAPPs, as those seeking to shine a light on corruption should not be silenced by lawyers with deep pockets.

I support all action to improve enforcement. Helena Wood, a senior research fellow at RUSI, said the Government have "vastly underfunded" enforcement agencies, saying that new powers would be pointless without beefing up the NCA and other agencies. I agree with her when she says:

"Law is completely ineffective if no one is around to enforce it."

Hopefully there will be more budget for enforcement.

Finally, I support manuscript amendment 63 tabled by my hon. Friend the Member for Glasgow East (David Linden) to remove from the electoral register those who are found in breach. There ought to be consequences for being sanctioned, and removal from the electoral register could be one of them.

The Government continue to say that donors to the Conservative party are legit, that they are fine, because they are all registered to vote here and they all have the right to donate money, but some of them are able to do so only because they have been given privileged golden visas. They have been fast-tracked to citizenship, ennobled and fêted by the party of Government, which bears some responsibility.

I suggest to the Conservative party that they should return the £2.3 million in donations not to the Putin cronies who gave it to them but to those who have been harmed by Putin and his regime. They should donate it to the Disasters Emergency Committee appeal and use it to support the refugees of Putin's bloody war, because these people deserve nothing less.

Mr David Davis: I will speak solely to cross-party new clause 29. It is a very simple clause with a simple purpose: to make sure that the sanctions we intend against the oligarchs in Putin's regime are actually effective.

I remind the House of a previous occasion when we had great fanfare for action against economic crime. Since we introduced unexplained wealth orders some years ago, we have tried to operate the orders only nine times against four individuals, and they have worked only twice. They failed seven out of nine times. The Government are doing something in this Bill to try to improve the equality of arms between Government lawyers and the multimillion-pounds-a-year lawyers on the other side. The Government have done good work that will help, but it does not address, because it cannot address, the most fundamental problem with unexplained wealth orders because, since 1990, it has been almost impossible to get any trustworthy evidential information out of Russia. The very least that does is slow the process leading to sanctions. The process leading to sanctions will be incredibly difficult and incredibly slow even with this better balance.

The Prime Minister and the Foreign Secretary have confirmed that the Government have—this is a tabloid quote, I am afraid—a “hitlist” of more than 100 oligarchs. So far, 11 days into this conflict, we have sanctioned just 17 individuals, with some very obvious and notable exceptions who we can see and hear redisposing their assets even as we sit here. Press reports have quoted Government sources suggesting that it will take six months to work through the rest of the hitlist. And the rest, as I suspect it will take longer.

Dame Angela Eagle: I am a big supporter of the right hon. Gentleman's new clause. President Zelensky is to address us tomorrow; would it not be good for us to be able to tell him that that new clause was accepted tonight? We would then be able to say that we can crack down much faster.

Mr Davis: It would be good. It would allow us to crack down more effectively; not so much more quickly but more effectively.

What will we see during the months it takes to get people to the legal point at which they are sanctioned? We will see Russians scrambling to sell off their houses, dispose of their businesses and offload their football clubs. In respect of many of the measures, we will know a lot more about it and be much better informed, if none the wiser, with respect to what they are doing. Multimillion-pound car collections will be loaded into jets; anchors will be weighed on superyachts; priceless artworks will be squirrelled away—all to wend their way back to Russia or some other safe haven for these people. By the time our sanctions have taken effect on not all but many of the oligarchs, the horse will have well and truly bolted. Indeed, the background noise is currently the sound of a stampede of horses bolting as the door on the stables creaks shut. That is what we have to put right.

My new clause will help to prevent all that. It will not do everything, because it is only one piece of the repertoire of things we need to do, but it will allow the Government to publish a hitlist—forgive the tabloid term—or a list of individuals who are being considered for sanctions. In the same way as someone may wait on bail before

they face trial, the freedoms of those on the list will be restricted for the period so that they do not flee. Once a person's name appears on the list, their ability to sell, liquidate or transfer out of our jurisdiction their assets—cars, homes, businesses, jets, investments, cash and so on—will be frozen. They will then be unable to sell those assets or move them out of the UK. They will still be able to use them—there will be beneficial advantage to them—but their ability to thwart what we are trying to do today will be restricted.

Given my history in this House, some may be rather surprised that I am willing to see a restriction of a specific human property right—that is what my new clause amounts to and that is quite unusual for me—but we need to take action now; otherwise, any sanctions that the Government seek to impose will be entirely meaningless for a large number of these people. We see Chelsea being sold today and all sorts of actions going on that cannot be helpful to what we are trying to achieve. My new clause would give the Government breathing space—time to go through the legalities of formally sanctioning the oligarchs and pals of Putin who rightly deserve to be the target of sanctions.

Although the Government have identified 100 oligarchs to sanction, other countries have identified more. This is going to be a long war. The sanctions are going to be in place for years, not months. They will have effect only if we move more quickly than the targets.

Kevin Hollinrake: Will my right hon. Friend give way?

Mr Davis: Not for the moment; I am just about to finish the point. To move rapidly is the only way to ensure that our sanctions actually hit Putin where it hurts. I will now give way—I have never not given way in my life.

Kevin Hollinrake: I am most grateful. My right hon. Friend's new clause is very important but, as he would probably concede, a difficulty with it is that we need alongside it transparency in respect of beneficial ownership; otherwise, we will not know who owns the assets. The problem is that the ownership of a lot of the assets is hidden. Does he agree that for his new clause to be truly effective we need a day-one capability to see who owns the assets?

Mr Davis: Yes, I do, but my hon. Friend must bear in mind that the burden in the new clause—the responsibility and requirements—falls on the person who is sanctioned.

Sir Iain Duncan Smith: I was not going to intervene on my right hon. Friend but I have been looking back over the list in his new clause. Does he think there is a slight problem, in that the new clause talks of

“selling any assets they own or...moving any assets they own or have an interest in out of the United Kingdom, or...moving any of their funds out of the United Kingdom”

but it does not cover anything about gifting assets out to an individual who may then transfer them immediately? Does he think that ought to be included in the measure?

Mr Davis: Yes, my right hon. Friend makes a good point. The reason why gifting and transferring to relatives, which is another category, is not in there is because I took—I almost ripped it out of the legislation—the

[Mr David Davis]

legislation that we put in place for Skripal, which also omitted those things. My right hon. Friend is quite right, though, and had my new clause been accepted today, I would have looked to make two changes when the Bill went to the Lords, the first of which would be to do that—to tighten it. The other would be to include a right of appeal if it went on too long the other way round, to balance the human rights issue.

We should bear in mind the fact that the National Crime Agency, for example, has people on police bail. I know of a case in which people have been on police bail for five years and we know nothing about it, so the restriction in my new clause on somebody who faces possible sanction is much less than the restriction the NCA imposes on some people. It is vital that we prevent ultra-wealthy individuals, with their teams of highly paid lawyers, advisers and accountants, from exiting the UK with their ill-gotten gains or hiding them where we cannot find them or get them.

By the way, I am a great believer in the presumption of innocence, but if somebody came out of the old Soviet Union—Russia—in the years between 1990 and 2010 with £1 billion, £2 billion, £3 billion or £4 billion to their name, and they were previously an officer of the Russian state, I do not quite start with the presumption of innocence that I would normally start with. I would start with a requirement on them to explain where that came from. That seems to me to be a reasonable, common-sense modification of my normal “mad-libertarian” interests.

Anthony Mangnall: The presumption of innocence must surely be broad and not subjective in respect of any one individual. My right hon. Friend made the point about people on bail; the whole point is that if someone is on bail, a case has already been presented and built up. I of course understand that my right hon. Friend is trying to get to the point at which the case has been built up. On his new clause, how is the process reversed if someone should not be on the list? How would the Foreign Secretary say they are no longer on the list? There is nothing in my right hon. Friend’s new clause that specifies how that would work.

Mr Davis: My hon. Friend is right. If we put the measure in place, there would be a decision at some point as to whether someone was on the list or no longer on the list—“We’ve decided that you’re not subject to sanction.” That clearly has to be part of the operation. By the way, I am afraid police bail does not quite work the way my hon. Friend thinks it does: in the case that I had in mind, there is no case but they have been on police bail. That is just an example to demonstrate that the idea in my new clause is not an unheard of option.

I see Dame Eleanor is looking at me, so let me finish by saying that if we back new clause 29, we will ensure that our sanctions regime will often have real effect. It is proportionate and simple and it would be effective.

Dame Margaret Hodge: I rise to speak specifically to new clause 2, on the funding of enforcement agencies, but I wish to say a couple of things about the amendments in general. First, I am grateful to the Minister for the Government’s spirit and approach in respect of the amendments. We all want the same thing and are attempting

to find the most effective wording and mechanism to achieve our shared objectives. I hope the Minister sees the amendments on which there are votes tonight as utterly constructive. I assure him that they really do have cross-party support among Back Benchers in the widest possible sense. A lot of people are behind them and I hope that reassures him that we want to help and are not here to cause him problems.

I am grateful for the concessions that the Government have already made on penalties, on the implementation period, on speeding up sanctions—I very much welcome those new clauses—and on the reporting of unexplained wealth orders, which I have been after for a long time. As I have said to the Minister privately, our amendments include drafting amendments. I am glad he is going to talk to us about amendment 3. He will have heard the general concern throughout the House about whether the wording targets the individuals we wish to target. The other amendments are about strengthening the Bill.

To talk generally, some of the amendments point to the fact that this is not an economic crime Bill. A range of vital issues have to be addressed in a substantial and substantive economic crime Bill. A lot of people have talked about Companies House and tougher regulation; I would include company formation agents in that. We have talked about other enablers and effective enforcement, which is covered in our amendment. My right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) raised SLAPPs, and issues in respect of whistleblowers and Scottish limited partnership are also important. That all shows that we do need a comprehensive Bill, but I accept that this is a very important first stage.

8 pm

New clause 2 is very narrowly defined, because we had to get it in scope, but what we are talking about is the resourcing of all the enforcement agencies to enable them to meet the objectives of the legislation that we are passing tonight, and of other legislation on the statute book. We are trying to challenge and punish those responsible for economic crime, but if the enforcement is weak, we simply do not achieve our objectives. There is an issue of our having too many enforcement agencies, but that is for another debate at another time and in another place. I genuinely say to the Minister that, under the austerity of the past decade or so, we have hollowed out the resources that are available to our enforcement agencies, and those agencies are now no longer fit for purpose.

In new clause 2, we ask that within 28 days of the Act being passed, the Government publish a report on the funding of enforcement agencies for the purpose of unexplained wealth orders. I would have loved the new clause to go further, but we have kept it within the terms of the Bill.

I could go on about this forever, but if we look at the facts, we see that money laundering prosecutions have dropped by 35% over the past five years, just as money laundering has increased and intensified in the UK economy. Fraud is now the most common crime committed in the UK, with more than 5 million offences, but hardly any are prosecuted. The National Crime Agency has obtained fewer than five prosecutions a year for economic crime offences over the past five years. The number of individuals convicted by the Serious Fraud Office every year is also on a downward trajectory, from 13 in 2016-17

to four in 2020-21. The agency's overall conviction rate has fallen from 86.7% in 2016-17 to 67% in 2020-21, so we are pursuing fewer criminals and we are being less successful in getting convictions.

As a Conservative Member mentioned on Second Reading, the UK spends about £852 million on enforcing economic crime laws. Just to be absolutely clear, that is equivalent to 0.042% of GDP, and that is a generous estimate that I have put together. Even though the most recent estimate that I have seen of the cost of economic crime is around £290 billion, which is well over 10% of GDP, the National Crime Agency has suffered a 4.2% cut in its core budget over the past five years. In contrast, I met a group of anti-financial crime executives working for the banks and they told me that the regulated financial services sector spends—hold your breath—£49.5 billion every year on financial crime compliance. Our £852 million is just too small in comparison.

Others have made a comparison between the UK and the USA. There is a massive difference in the effectiveness of enforcement between what happens here in the UK and what happens in the USA. We see that through all the actions that have been taken on the leaks—for example the FinCEN leaks and others. The Americans are just more aggressive and better resourced. They have a system whereby the agencies can hold back some of the money that they get in fines to fund their work. I think I heard someone ask how we could fund these changes. Well, that is one of the ways. The fines do not all have to go to the Treasury. Some could be held by the enforcement agencies themselves for them to do the work.

Mr John Baron (Basildon and Billericay) (Con): The right hon. Member knows that I am supporting her amendment tonight, but may I suggest that we need to look innovatively at how we fund these agencies? Perhaps they should be taking a share of successful prosecutions. Initially, we need a big increase in funding for these enforcement agencies to get them off the ground and make them fit for purpose, then we can explore longer-term funding solutions.

Dame Margaret Hodge: It always seems to me absurd that it costs £12 to establish a new company in Companies House. Obviously we want to make it easy for new businesses to enter the market, but £12 is absurd. We know that that gets exploited in relation to shell companies, but does it also facilitate economic crime? If we quadrupled that figure to £50, it would still not be a fortune, but we would then have a massive investment that we could put into our enforcement agencies without raising any further money through taxation. There are a whole range of mechanisms that would not have a direct impact on public spending. They may mean that the Treasury gets a little bit less than it thought it would, but they would not have a direct impact on public expenditure and we could employ them to make these enforcement agencies fit for purpose.

Sir Iain Duncan Smith: I wonder whether the right hon. Lady can see some way forward on a point that I made earlier. Europe, the UK and the USA all have separate sanctioning bodies, with the USA way ahead of the pack. If the USA is sanctioning somebody, it surely should be for this Government, or for that matter for European Governments, to argue why they will not

be sanctioning the individual against the evidence that is shared by the USA, rather than why they are looking to sanction the individual here. It seems that, if we are all in this together, it would be far better if we had a much closer set-up, so that we sanctioned people if somebody else had found the evidence and we thought that it was okay.

Dame Margaret Hodge: There are already arrangements for the sharing of information and data, but it is not enough. It is absurd. When I talk to the enforcement agencies and the anti-money laundering people working in the banks, they tell me that they cannot share information. If one bank has information that makes it suspicious about a particular client, it ought to be able to share it around the banking system so that they can all take action. There are pragmatic steps that we could take to share information and knowledge across jurisdictions, from America through to Europe to us, which would massively improve things and actually bring in money.

Let me take one example that came out of the FinCEN files. Standard Chartered Bank is a British bank. In 2019, it was fined by both America and ourselves for poor money laundering controls and other offences, including breaching sanctions in Iran. The British bank was fined £842 million in America, but only £102 million here by the Financial Conduct Authority in the UK. The Americans have got it right. There are lessons that we can learn from them. There are also ways in which we could properly resource all the enforcement agencies. We could perhaps reduce them as well—we do not need all these people. Every time I refer a matter, whether it is for a corrupt or an illegal activity, to one enforcement agency, I am either told that it is the responsibility of another agency or it goes into a big black hole and I never see anything arising out of it again. That situation is completely and totally unacceptable.

Damian Collins (Folkestone and Hythe) (Con): On this point about information sharing, which is so important, we have an established financial system to do that. Does the right hon. Lady share my concern that many people who are affected by these sanctions may use cryptocurrency both to hide money and to move money, and that many of the cryptocurrency exchanges are saying that they will not take enforcement action against, say, Russian nationals, only against named individuals on the sanctions list?

Dame Margaret Hodge: Cryptocurrency has become the new way in which money is laundered. Corrupt and stolen money ends up in the pockets of one individual, and then gets back into the system for them to spend it elsewhere. I completely agree with the hon. Gentleman: it is important that we get our heads around cryptocurrency and that we legislate appropriately to tackle it.

The other way of looking at this issue, and the reason why we have tabled the new clause, is that our law enforcement bodies, while they are not as good as the Americans', bring resources back to the UK through fines. Between 2016 and 2021, the law enforcement bodies brought £3.9 billion back into the UK coffers. If that money had been reinvested, which is one of the ideas for funding the enforcement agencies, it could have brought an extra three quarters of a billion pounds to be spent on enforcement by all those agencies. That is a lot of money, and it would have been effective; it would have had a snowball effect of increasing our budget.

[*Dame Margaret Hodge*]

New clause 2 is there to ensure that we get the enforcement right—that we have not only the powers but the resources we need to make sense of and put into effect the important legislation we are passing today. I hope it will have support right across the Committee; it certainly has support among Back Benchers, and I would love it if the Government accepted it and it became part of the Bill.

The Chairman of Ways and Means (Dame Eleanor Laing): We have a great many amendments to consider this evening, and it would not be right if the people who tabled those amendments did not have the chance to speak to them so that the Committee can be helped to make its decisions on them, so I must appeal for shorter speeches now. I am not complaining, because so far we have had substantial speeches about substantial amendments, but will Members who are supporting amendments rather than speaking to their own amendments please consider making shorter speeches?

Kevin Hollinrake: It is a real pleasure to speak after the right hon. Member for Barking (*Dame Margaret Hodge*). We have worked together on so much, and we have worked on this legislation for a long time.

I will talk about new clause 2 when I come to my comments on whistleblowers, but the main thing I want to talk about is amendment 64. Many hon. Members have spoken about the danger of asset flight. In reality, we know it is happening already; people are not going to wait for this legislation to come into effect to try to hide their money. Whether the transition period is 18 months, six months or 28 days does not really matter, because the individuals in question can move their money around so quickly that much of it will have happened already.

I have supported amendment 16 in the name of the official Opposition, but I would like to think that my manuscript amendment 64, which I am very grateful to Mr Speaker and the Deputy Speakers for selecting, might be more effective. There are some other important amendments that have been tabled, such as new clauses 28 and 29, on freezing orders, but the difficulty with those new clause, as I said in my earlier intervention, is that we cannot freeze something that we do not know exists. That is very difficult to do. We need to look behind the curtain at who owns the assets. That is obviously what this Bill does; it is primarily about transparency and being able to see who owns what.

I am grateful for the support of many people on manuscript amendment 64, including my hon. Friend—he should be right honourable—the Member for Weston-super-Mare (*John Penrose*), the Government's anti-corruption champion. We have worked closely on this, and as soon as we looked at the Bill we thought, "There's something missing here. Clearly, these people are going to move this money around very quickly to make sure it's not touched."

I think this amendment probably does something, although I am not a lawyer—I looked at this over the weekend and I did not have any legal input, so I cannot say it is totally fit for purpose and I am interested to hear what the Minister has to say about it. He has engaged on this issue all the way through and been

willing to discuss with me, as we did yesterday, what we can do to close this potential loophole. The amendment would simply require beneficial ownership to be registered with Companies House, which links into the Land Registry's requirement to ensure that something is properly registered with Companies House before it allows a transfer or a sale to happen. Without the Land Registry doing that, of course, people cannot sell or transfer a piece of land or property.

Lloyd Russell-Moyle: The hon. Gentleman is making a very good speech on the importance of that relationship between the Land Registry and Companies House. Does he agree that the requirement still to pay to access the Land Registry dims the light that is shone, rather than enhancing it, and that making it an open registry, with Companies House as an open registry as well, would aid the process of light-shining?

8.15 pm

Kevin Hollinrake: That is what it will do. It is a public register, of course, so the beneficial owner will be revealed and, if that person is on the sanctioned list, that asset can be frozen. That is how it would work. In the legislation, schedule 3 paragraph 6 requires the Land Registry to do that, and it can prohibit or restrict a transfer or a sale. That is the key to this. The only respect in which the legislation is not currently fit for purpose, in my view, is that that does not take effect for 18 months. If we took those clauses out or changed the timescales so that it came into immediate effect on the commencement date of the legislation—that is, from day one—it would potentially prevent that sale or transfer of assets from one person or entity to another and the moving of those assets around, and thus prevent what we are all concerned about—asset flight.

I know the Minister has responded to this question a couple of times from the Dispatch Box, but I think there is a good chance this particular amendment would pass if pushed to a vote. I would appreciate confirmation from the Minister at the Dispatch Box whether the Government will, as he has indicated they would, table an amendment in the Lords that has a similar effect, so that we have a day one restriction or prohibition on the sale or transfer of assets from one to another. If he is willing to do that—[HON. MEMBERS: "Do it now!"]

The Chairman of Ways and Means (Dame Eleanor Laing): Order. We are not having this—we are getting on with things. Otherwise, people who have something to say will not get a chance to say it. Mr Hollinrake, come on!

Kevin Hollinrake: I was just trying to establish whether this would be done in the Lords if it was not done here tonight, *Dame Eleanor*. Perhaps the Minister will say it later in his summing-up.

Paul Scully indicated assent.

Kevin Hollinrake: He is nodding—thank you very much. *Hansard* have got it on record that he is nodding. That is very important.

I want to mention one other important thing that is often missed. Many hon. Members in all parts of the House have talked about resources, and they are absolutely

right. New clauses 2 and 9 deal with that. There are nowhere near enough resources applied to economic crime: it represents 40% of all crime, but 1% of the resources. For example, last year I think the Office of Financial Sanctions Implementation, one of the bodies charged with enforcement, sanctioned two individuals or companies with collective fines of £85,000. In the US, a similar body levied 87 fines totalling £1.5 billion, because it is properly resourced. That is hugely important.

New clauses 14 and 27 seek to approach the problem in a different way, because they would provide protection for whistleblowers. It is pointless having lots of law enforcement people charging around not knowing where to look. Whistleblowers tell us where to look. Some 43% of all financial crimes are identified through whistleblowers, yet it is something we do not talk about. We do not just need more regulators; we need somebody to point us in the right direction. Regulators will always be watchdogs, never bloodhounds. We need the bloodhounds in the organisations who are willing to speak up if things are going wrong.

Every single economic crime I have dealt with in my work on the banking side of things has come to light as the result of information provided by whistleblowers. On GPT Special Project Management, it was my own constituent Ian Foxley. Airbus paid \$3 billion in fines internationally and £900 million to the UK Treasury, and all that money came as a result of a disclosure from whistleblowers. In every single case you can think of, whether HBOS or the PPI scandal, they were all about whistleblowers. Yet the protection and compensation that we offer whistleblowers in the UK is pretty much non-existent. In the case of Lloyds/HBOS, the FCA itself was guilty of not protecting the whistleblower. Barclays tried to identify the whistleblower in a case within Barclays. Yet very little or nothing is done. So if you are thinking of blowing the whistle, will you do it? My constituent, Ian Foxley, who was involved in the GPT Special Projects case that resulted in £28 million of financial sanctions at Southwark court last year, has been 11 years without a single penny. That man was earning £200,000 a year. Do you think he would step forward next time, or somebody else would do the same? We have to make sure that we protect whistleblowers.

Philip Dunne (Ludlow) (Con): My hon. Friend—by the way, I support enormously what he has been saying about the banking frauds—is making a very important point in relation to whistleblowers in a domestic context. In this context, we are talking about sanctions against people who potentially undermine the law of this country, as we saw in Salisbury, by taking action into their own hands against whistleblowers—trying to take them out. It is entirely appropriate to defend the personal safety of people who undertake whistleblowing.

Kevin Hollinrake: I am grateful for my right hon. Friend's support.

I will press new clauses 14 and 27 to a vote. It is very important that this is included in part 2 of the Bill. We need modernised legislation, an office for the whistleblower, to provide protection, and a compensation regime so that these people are fairly compensated for bringing forward information that leads to prosecution of these crimes. That will lead to resources for the National Crime Agency, the Serious Fraud Office and others. One thing

will lead to another. The US Securities and Exchange Commission, which is hugely successful in imposing fines on financial organisations, was a relatively small organisation before the US's whistleblower legislation came into effect. That is one for later, but now, in this Bill, the change has to be made through amendment 64 or something similar. I would really appreciate the Minister's confirmation that we will do that in the Lords as the Bill progresses.

Stella Creasy: We are all acutely aware of just how important this Bill is. In less than 24 hours, this House will be addressed by President Zelensky, and we all want to be able to look him in the eye knowing that we have done everything we possibly can to help him and his people, and knowing how urgent the situation is—that we are days if not hours away from further atrocities in Kyiv, let alone across the country.

It is in that spirit of the urgency of getting this legislation right and making it as powerful as it can be that many of us have tabled amendments, many of which are cross-party. Sadly, my next-door neighbour, the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), is not in his place. I want to follow up on the conversation about “carelessly or recklessly” by talking about the amendments I have tabled that try to learn from tax legislation. I hope the Minister will take that spirit forward, as he has made the commitment that he is going to bring forward further amendments on this in the other place to look at what we can learn from tax legislation. The difficult truth for all of us, as all these speeches are highlighting, is that if these amendments do not go into the Bill, many of us feel that the legislation will be toothless, and that brings the shame that means that we cannot look President Zelensky in the eye.

I particularly want to draw the Minister's attention to amendments 29, 30, 34 and 31, which are about what we might do instead of having the omission of “carelessly or recklessly”. However, I support the new clause tabled to remove those three words. The amendments recognise what all of us recognise in our day jobs: the difference between tax avoidance and tax evasion; between people acting deliberately and people acting carelessly. Our constituents understand all too well—I am sure we see many cases of this in our casework—that if they have acted carelessly they still face penalties under the law just as if they have acted recklessly. But right now this Bill does not apply the same test to the oligarchs that we are trying to challenge. It does not recognise where somebody may have acted carelessly—although many of us might think that carelessness does not come into it when you are paying that amount of money to the enablers that we are talking about—and might be able to say it was a mistake that they had not declared who the person of significant control would be and who the beneficiaries are. It is clearly a breach of the rules when that happens, but as the Bill currently stands, many, when they are challenged, would no doubt say that it was just an unfortunate accident, what a pity it was and they would put it right. If our constituents cannot get away with that excuse with regard to their tax returns, then certainly an oligarch should not be able to get away with it. We should make sure that we show that we are not just focused on those excuses but that we care about those excuses.

[Stella Creasy]

Since 2016, the Government have made it compulsory for anyone setting up a company to name the individual who actually controls it—the PSC, or person with significant control—but nobody checks the accuracy of the information. As we have said, we could pretty much register companies in everybody else's names in the Chamber and nobody could claim that that was impossible to do. Someone might claim that it was a mistake, but if they are an oligarch, how do we make sure that that person does not do that? The amendments I have tabled also address the nature of the penalty. We have not really talked about that. It is welcome that the Government have increased the penalties, but I still fear that we are talking about people for whom billions of pounds are the standard currency that they are dealing with. Amendment 31 refers to the market value of the properties at stake and the market value of the properties that are not registered. Subsequent amendments recognise the difference between carelessness and recklessness so that if somebody has accidentally not registered a company, the penalty they might face would be lower than if they had deliberately not done it.

All this only works if we also bring in the other part of civil law, which is the balance of probabilities, because, again, our constituents do not get the benefit of the doubt but right now, under the Bill, oligarchs would. The amendments bring in the balance of probabilities to give the law enforcement agencies—I completely support those who are calling for additional resources for them—the ability to go after people on the balance of probabilities: not to have to hope that they have the evidence but to recognise the same test and threshold that we set in civil law with regard to our tax returns. For minor errors such as submitting a late return, there is usually a fixed penalty of a few hundred pounds, but if a tax return is intentionally wrong, or there has been a lack of reasonable care, HMRC levies penalties as a percentage of the tax due—up to 30% for carelessness and up to 70% for deliberate inaccuracy. The Government warn:

“Penalties can apply if your client does not tell HMRC if an assessment is too low. This type of penalty is known as an ‘inaccuracy penalty’ and applies to...taxes and duties”.

I hope the Minister can understand that point and why, with regard to deleting “carelessly or recklessly” we might also want to be clear about where people act with intent and where they act as though they do not care because frankly they have so much money that this is just an occupational surcharge that they may take on. Other amendments that I have tabled reflect that differential. I have also tabled amendment 34 to recognise where an adviser is part of that, because many of us are concerned about those who enable oligarchs to get away with this but would perhaps live in the land of the accidental omission rather than deliberate, reckless omission.

The other amendments I want to flag up to the Minister are about some of the other loopholes. Many of us have spoken about our fear that assets will be taken abroad, taken away or hidden, and particularly the idea that people will hide them among their family members. If we were in a proper Committee, I would say that amendment 39 was a probing amendment to see where the Government are going on this. It talks about connected parties. It is about recognising that

there is a history among these people of registering and hiding assets not just in shell companies but in the names of their family members. Two years ago, the anti-corruption campaign group Global Witness looked at this and found that 4,000 of the people registered as a person of significant control were under the age of two, while one had not even been born yet. At the opposite end of the spectrum, its researchers found that five individuals each controlled more than 6,000 companies. There are more than 4 million companies registered at Companies House. That is a very large haystack in which to hide needles. If those needles happen to be connected to an individual, we should be able to track that fact and acknowledge it through this legislation. According to *The New York Post*, the former owner of Chelsea football club transferred £92 million of New York City property to his ex-wife, Dasha Zhukova, just before the 2018 round of sanctions was announced. Those sanctions were designed to affect people close to Putin and

“to counter and deter malign Russian activities”

that were harming democracy around the globe.

Our counterparts in America have already sanctioned family members alongside oligarchs. The American Treasury announced that Nikolay Petrovich Tokarev, the president of Transneft, has been sanctioned, but so too has his daughter Maiya and his wife Galina. Maiya's real estate empire covers more than £50 million-worth of property in Moscow alone and includes at least three companies, including Katina, which owns prime oceanfront real estate in Croatia. The EU and Canada have also sanctioned this family, and Canada has also designated Galina and Maiya, but as far as I can see, we have not yet sanctioned a single family member. Amendment 39 would make sure we have information about those connected parties. It is not perfect, but I hope that in his response, the Minister will explain how the Government intend to ensure we can avoid oligarchs hiding money not just in shell companies, but with shell relatives.

As part of that effort, I put on record my support for new clauses 29 and 2, which deal with resources and asset freezing. This is not just about bolting the stable door; it is about the people who are now running for their lives. We in this place have ruled out military intervention, as has NATO, because we have rested our hopes on economic sanctions as the way to bring Putin to a halt and stop what he is doing. We have to get this right, because there are people sat in Calais tonight, looking to this Government who have failed to give them a visa. There are people sat in Kyiv tonight, waiting for the air raid sirens to go off, who are asking what we are doing. This legislation is what we are doing, so if we do not make sure it is watertight, we are giving a green light to Putin to carry on. Nobody in this House wants to do that.

8.30 pm

Dr Kieran Mullan (Crewe and Nantwich) (Con): I rise to speak in support of amendment 64. Economic crime is an issue that should always have the attention and concern of this House. It is theft on a grand scale, and often supports criminal networks and enterprises that are guilty of a much wider range of crimes, including violence, trafficking, drug dealing and all manner of actions that leave a trail of human suffering. These crimes may be committed in far-away places or have

been committed in the distant past, which may go some way to explain why, to date, tackling this problem globally has not had the support it needs. However, we are considering this Bill in a changed world, where the human consequences of one major source of this kind of activity are plain for everyone to see.

Putin's corrupt, criminal regime is waging war on the innocent population of Ukraine with absolute barbarity, almost certainly committing numerous war crimes. We have all seen the horrendous images of families lying dead on the street, shelled as they tried to flee during what was supposed to be a ceasefire. We have all seen the reckless assault on nuclear facilities and the apparent use of cluster bombs and indiscriminate weaponry in civilian areas, but we have also all seen the incredible bravery and patriotism of the Ukrainian people, with hundreds of thousands of volunteers from all walks of life picking up arms and fighting and dying for their country.

We can be proud of what we have done to help these people. We were the first country to supply lethal arms to them; we have trained more than 20,000 of their soldiers; and we joined the United States in doing our absolute best to warn the world about what was going to happen, often in the face of strong criticism. While these people are fighting for themselves and their country, they are also fighting for us. They are on the frontline of a battle that will decide whether the world order that has kept us safe for decades is upended. I understand why getting directly involved in this conflict could lead to much wider suffering and conflict, but because we are letting others fight and die on our behalf, it is incumbent on us to do everything else we possibly can to help them.

I want to challenge the impression that people who have heard today's debates in the House and listened to the media may have received: that somehow, London and the UK have been uniquely susceptible to the finance that has been flowing from the Putin regime. This issue predates Putin. The transfer of the wealth of the Russian people to private individuals took place in the 1990s. That was the source of all this money, and every company, Government and individual that has had dealings with Russia since then has been tainted by it.

I am afraid there is plenty of blame to go around. It was the Labour party that introduced the tier 1 visa, which seems to have been one of the ways in which this country has been exploited. I remind Members that the Prime Minister at the time, Tony Blair, said at an EU-Russia investment conference he chaired that increasing reliance on Russian oil and gas was not something to be concerned about. A number of former Labour Prime Ministers and Members of the Lords have received handsome fees for speaking at Russian investment summits. Furthermore, Labour and Liberal Democrat Members argued against some parts of the original legislation in 2018 as too enabling of Ministers, with the shadow spokesperson saying that it contained excessive powers and was

"not justified by the need for speed".—[*Official Report*, 1 May 2018; Vol. 640, c. 239.]

These oligarchs' property empires are spread around the world, in Paris, New York, the French riviera and Berlin. If Members look at the media, they will see politicians from most of those capital cities identifying that they have been too lax on this issue for many years.

Representatives of America's justice system suggest that billions of pounds-worth of properties are hidden in New York limited liability companies.

As a financial centre of global importance and a high-value property market, it is not surprising that London seems to be a focal point for these oligarchs and their stolen wealth. While I accept things should have happened sooner, I question whether the world would have acted in the same way with us. There would be little point in cracking down on shell property ownership in London if all of it just fled to New York, Berlin and other capitals, so I caution against some of the self-righteousness we have heard from the Opposition.

The whole of the west has been too slow to act, and we can see we are all paying a price for that now. Every time we dealt with this regime's puppets, we strengthened Putin. Every time Europe allowed its energy dependency to grow, we strengthened Putin. Whether it was behind closed doors, or in plain sight when they proceeded with the plans for Nord Stream 2, we know that ultimately that money and those projects date back to a corrupt, criminal regime that stole its funding from the Russian people.

In the end, authoritarian regimes get worse and worse—they always do. They are especially likely to do so in modern times, now that we have a modern surveillance state that makes it very difficult for the people to challenge or dislodge the regime. I welcome this Bill, and I welcome the spirit of the House generally in getting this legislation pushed through, even if at times I feel that people have been using it to make party political points.

I welcome the explanations we had from the Minister on Second Reading about a further Bill being drafted to tackle some of the wider issues, such as false declarations. It is right that we are focusing on the priority we have now, but that is a wider and bigger bit of work. I also draw Ministers' attention to the challenge our enforcement agencies will have, and we must do more to help them. They can expect challenge in the courts. As others have said, the National Crime Agency and the Serious Fraud Office often face an onslaught of uneven legal competition whenever they proceed with any cases, and we can expect agencies such as Companies House to face the same. They can expect those supplying them with information to face legal attacks through the misuse of data protection laws.

We had a debate in this place on lawfare a few weeks ago that discussed strategic lawsuits against public participation, known as SLAPP. Those lawsuits go after not just journalists, but the kind of investigative companies that might help us tackle the huge task of proving who owns what. If we were already considering anti-SLAPP legislation, surely we need to put a rocket under that exercise to see whether there is more we can do. I know that the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) has tabled some amendments in that regard.

Capital flight is a key issue, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) has described, and I welcome the commitments that have been given at the Dispatch Box to ensure that the action we take is not too late, but there have been suggestions that we either shorten the time for registration or, as amendment 64 would do, put in place day one restrictions when it comes to the sale or transfer of assets during

[*Dr Kieran Mullan*]

this transition period. The latter suggestion seems more proportionate and achievable, and I welcome the commitment from the Minister on delivering that.

I accept there may be challenges for Companies House and the Treasury in delivering on ambitious and wide-ranging changes to our approach. I understand that, and I do not say this lightly, but when it comes to making the commitments we should make to deliver on this, the resources we put into this task as a Government should reflect the seriousness of what is happening in Ukraine, with Putin determined to upend the global order. As the Prime Minister has said, we must do everything we can to ensure he fails. If we are asking the Ukrainians to fight and die for their democracy, and if the west has to answer for its role in failing to take action against the Putin regime for many, many years, it is the least we can do.

Chris Bryant (Rhondda) (Lab): I am afraid I thought that was an utterly shabby little speech.

Dr Mullan *rose*—

Chris Bryant: The hon. Member has only just spoken, so no, I am not going to give way. I think that speech was shabby, because it was partisan and completely inaccurate. Actually, many of us across the House were arguing for a very long time—all the way from 2010—for a proper sanctioning regime in this country. I think I personally asked different Prime Ministers 32 times for Magnitsky sanctions, and I was delighted when the Government introduced that legislation in 2018. I worked closely with the right hon. Member for Esher and Walton (Dominic Raab) to try to secure that, and I was delighted when he became the Justice Secretary, because I know he cares about this issue, and I have worked with him on it for many, many years.

Some of us argued for many, many years that it was wrong to have tier 1 visas doled out to people from authoritarian regimes around the world, including China and Russia, without asking any proper questions about where the money had come from that they supposedly had to invest in the UK. The levels were £2 million and £10 million. If someone had £10 million, they could get their permanent right to remain in the UK fast-tracked, and they could end up with UK citizenship. I think that has led to greater corruption of the British state, so it is absolutely disgraceful that an hon. Member should come to the House today and try to blame the Opposition for not introducing legislation when we were not in Government.

Dr Mullan *rose*—

Chris Bryant: No, I will not give way to the hon. Gentleman. I remind him what happened on 1 May 2018 when we debated the remaining stages of the Sanctions and Anti-Money Laundering Act 2018. We voted on whether to introduce—guess what?—an economic crime Bill to bring forward a public register of the ownership of properties. Conservative Members all voted against that and the Opposition voted in favour, so I will not take any lectures from him on that.

I care passionately about the issue because we are facing an absolutely critical moment. None of us elected as MPs in this generation thought that we would see the elected Mayor of a town gunned down by Russian mercenaries when giving out aid in a democratic society, as Yuri Prylypko, Mayor of Hostomel, was today; none of us thought that we would see the Russian Government bombing refugees when there was meant to be a ceasefire; and none of us thought that we would see ceasefires repeatedly ignored day after day, so timeliness is all today. This is not really emergency legislation—it is just long overdue—but it is timely and important. In fact, I suggest that the amendments that the Government have tabled are more important than the material in the original Bill.

What depresses me is how many Putin-related Russian oligarchs and people with large assets in the UK have still yet to condemn the invasion of Ukraine. It is an absolutely deafening silence. It shames all of us that we have sanctioned only 11 oligarchs so far, or perhaps 17 individuals—there are different ways of counting it; it depends who we count as an oligarch—whereas the United States of America and the European Union have done far more.

In the Foreign Affairs Committee this afternoon, the Foreign Secretary tried to blame me for not having done enough. It was all my fault because apparently I had said something that she had to subsequently retract because it turned out that that was not true and I had not said it at all. She has apologised. The point is that everything that we are doing today should have been done in 2018, so we are genuinely frustrated.

We are seeking transparency about who owns what. The Bill does a substantial amount of that, of course, but we also want that to be enforced. There is a major problem that Companies House cannot even question whether the information that it has been provided with is accurate. If someone looks up a director on the Companies House website, it says that it cannot verify whether the information is correct. We want to go that step further and it seems bizarre not to include that in the Bill, which is why there are amendments about that.

We want individuals to be sanctioned. The measure that the Minister has introduced has gone some considerable way to making that easier, but I still do not understand why we made it so difficult in the first place. We also want the seizure of assets. There is not much point in sanctioning people if it will not have any effect. That is also extremely timely and must happen rapidly because of all the things that we have said about asset flight.

My anxiety is that without new clause 29 we are not doing that last part at all. My guess is that if we have to wait for the Government to introduce further legislation, that will not happen until after the Queen's Speech sometime in May, so it will not go through both Houses for another six months. If we leave things that long, we will do exactly what we did in 2014 over Crimea: the moment will have passed and we will forget. Our memories will be short, another issue will come along and Putin will have won.

That is why I have tabled four simple amendments. Amendments 24 and 25 say that when someone registers or updates the register of beneficial ownership, they simply have to say whether any of the individuals that they are referring to are sanctioned individuals. That is important because it means that the people who are

doing the registering have to check whether they are sanctioned individuals. We might think that they would want to do that anyway, but forcing them to do it means that, when they then register incorrectly, they are committing the offence, rather than the sanctioned individual. That is why that is important.

8.45 pm

On amendment 26, of course it is absolutely delightful that the Minister is saying that the Government are going to do all this in the Lords. I have never understood why Ministers do this. Why do Ministers always say, “It’s absolutely fascinating. It’s an absolutely brilliant amendment—I wish I’d thought of it myself—but we’re not going to let it go through today because this is just the elected House. No, we’ve got to go and take it down the corridor to somewhere else, where there are much more intelligent members, who can obviously decide on a much better and more informed basis, and where the Minister can get the credit for having tabled the amendment in the first place”?

All amendment 26 does is remove three words—“knowingly or recklessly”. In the Government’s version, it is an offence knowingly or recklessly to provide false information. Why on earth would we set such a high bar? It is almost impossible, I would have thought, to take that to court and to win. My amendment just takes those three words out. The Minister says he is going to take it to the Lords and he is going to redraft it. What is he going to redraft after taking those three words out? He could just agree it today, and I would wander over and kiss him on the forehead and congratulate him—*[Interruption.]* Oh no, maybe not. Sorry. It would not be in order and it would not be appropriate. I am merely trying to say this: the Minister knows that I am fond of him and I think he is a good man, and I just want him to do the right thing tonight. So if he could just stand up later—we need not tell anybody else: we do not have to tell Downing Street, the Whips Office or anybody else—and say, “We’re going to accept it tonight”, that would be great.

Amendment 27 is important because, as I said earlier, it is daft to have a rule that it is an offence to provide false information if nobody can check whether it is false information. All my amendment 27 does is say that the registrar—Companies House—is able to ask other people, including the people who provided the information, whether it is true information. For that matter, it could go to other Departments of Government and ask whether it is, including the security services. I do not think that that is too much to ask. I am guessing that the Government will end up doing something very similar at some point and, if they do not, frankly, the whole of the rest of the Bill is a waste of space.

With that, I am grateful for the Committee’s attention, but really we need to do all these things in a timely fashion and some of us are just phenomenally frustrated that it has taken us so long to get here.

Sir Robert Neill (Bromley and Chislehurst) (Con): I am afraid that I am now going to reduce the level of excitement by returning to some rather technical and boring but I think important legal details of the Bill, because we all want to make sure that this works in practice. I am concerned that, despite what is in the Bill itself and in a number of the amendments, there still seem to be two important areas of potential loophole.

Can I start with the definition of registrable beneficial owner, largely in schedule 2? The concern that I have, and I am fortified by the briefing I have received from the Law Society of England and Wales—it mirrors the briefing that I suspect the hon. Member for Glasgow Central (Alison Thewliss) had from the Law Society of Scotland—is that there is a gap here, as the impact assessment of the Bill sets out. What has been done here is to take the existing domestic registry of persons of significant control and seek to build on that, which is fair enough, but it does not go far enough.

The problem that we have is this. There is a common misconception that analysing who the person of significant control of an entity is, is the same as analysing who the beneficial owner is. They are not the same and the objective we need to get to is: who is the economic beneficiary?

The position is this. The PSC regime seeks to establish ownership certainly, but only ownership in the context of leading to the control of the relevant entity. It does not seek to establish who the ultimate economic beneficiary of that entity is. So we could have a situation where the register disclosed the ownership of, let us say, a corporate group, but it would not then disclose who in fact are the people behind the corporate group. It might disclose individual named nominees, but it would not then disclose the people on whose behalf the nominees hold the property. There might in fact be no registrable person—no legal entity that holds significant control—so nobody would be shown up in that.

I urge the Minister to pay attention to what the Law Society suggests to get around that and to ensure the economic beneficiaries of the property are captured—the oligarchs and their families; they are the economic beneficiaries we want to get to. The trust and its beneficiaries—this will invariably be in the form of trusts of one kind or another—should also be registrable under regulation 45 or 45ZA of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. That is a mouthful, but it would do the job. The whole point is that then we would be able to capture the beneficiaries. That is missing from the Bill as it stands and I do not think any of the current amendments deal with that point. I hope the Minister, as he is taking things away, will take that away urgently in order to plug the loophole.

That relates to the relationship between the scheme under this Bill and the scheme of the trust registration service because that same set of 2017 money laundering regulations works in conjunction with the trust registration service: that is the body through which entities meet their legal obligation to register under those money laundering regulations. Express trusts are covered by that if they are UK trusts. Non-UK express trusts are obliged to register under the 2017 regulations if they hold UK property, or derive income from a UK asset—again, that is the sort of situation of the oligarchs that we are looking at.

We must be very clear in setting out which overseas trusts are going to be caught by the legislation. Are they under the regulations or under the Bill? If we extend the definition across, we might well cover that. It is also suggested—I think there is merit in this—that guidance should be issued to honest practitioners in this field setting out which entities are in scope of the scheme and

[Sir Robert Neill]

which are out of scope. That has happened in other forms of tax legislation and will be a sensible idea to take away.

The final point I make in relation to that guidance is that that would enable the Secretary of State to give better indication as to interpreting the meaning of “significant influence or control” within legislation. We have got who the beneficial owner is, capturing the economic beneficiaries, and who the person of “significant influence or control” is. We ought to make tally with the PSC regime as far as we possibly can. The logical way to do that is by introducing an amendment to introduce the same provisions we are introducing here into section 790C(7)—I am sorry, again, about the length—of the Companies Act 2006. That would enable us to bring in the equivalent PSC regimes for limited liability partnerships—again there is a gap here, as I read it—unregistered companies, and also Scottish partnerships, which have been referred to by Opposition Members.

Those are gaps that the Law Society has flagged up that could be plugged. There is plenty of time between now and next week to get that worked out. I just say this: the Government have many able lawyers—I worked with some of them when I was a Minister. Specialism in detailed trust law is not necessarily a core Government legal business. The Law Society, both north and south of the border, has access to real expertise in this field, objectively. It has written to say that it would be very happy to work with the Government in helping to fine-tune the legislation. I hope the Government will think about that. Not all wisdom purely comes from within Whitehall and we ought to look to experience in the sector to take that on board.

I hope those suggestions will improve a Bill that is well intended, but we want to nail everything down as much as we can. In that spirit, I hope the Minister will consider them.

Layla Moran: I rise to speak to the amendments in my name: new clause 5 and, in particular, amendment 4, which is supported by the cross-party group that has been trying to get our ducks in a row. The Bill is welcome and timely. It is long overdue and we are all trying to pull in the same direction, but it is a bit of a Swiss cheese Bill. Much in the Bill is good, but there are a lot of loopholes, which we are seeking to close.

I will single out new clause 29 in the name of the right hon. Member for Haltemprice and Howden (Mr Davis) and the amendments relating to clause 31 that were tabled by the hon. Member for Rhondda (Chris Bryant). I heard what the Minister said about “Economic Crime Bill 2”. It sounds like the promise of the good sequel after the film—it is coming and it will be even bigger and better, with bigger stars than the first one—but we all know how sometimes part 2 can be a flop. I sincerely hope that part 2 will come sooner. I remember when the Minister was on his feet claiming that this Bill would wait until the next Session, and here we are debating it now. I welcome that. I wonder whether we might want to try to do that with part 2 and part 3 and get the sequels out as quickly as possible because each one will be pretty meaty and need time.

New clause 5 asks the Government to release the names of those who in the last year have been lobbying the Government against these measures. That is important

because it helps on the SLAPPs amendments, which I wholly support. These people need to now be named and shamed. It is not enough to name the oligarchs; we need to name the PR companies and the lawyers—those who seek to water down or create loopholes in this legislation. I tabled a parliamentary question to the Foreign, Commonwealth and Development Office—it was passed to the Home Office—asking it to provide and publish the names of those who had been doing that. The answer was:

“The information requested could not be obtained without disproportionate cost.”

Forget about the cost—do the Government have the list? If they do, those people deserve to be named and shamed, like in the speech by the hon. Member for Isle of Wight (Bob Seely) the other day. I hope that “Economic Crime Bill 2” will have all the necessary powers to clamp down on that activity.

Amendment 4, like amendment 26, looks small. It is very small; it just deletes a line in clause 18. It relates to the bit of the Bill that talks about exemptions. There are three ways in which an individual can become exempt if the Secretary of State wants them to be. Two of them are reasonable. They are

“in the interests of national security”

and

“for the purposes of preventing or detecting serious crime.”

Absolutely fine. Some people think we should just get rid of them all, but I can live with those. However, the third, in clause 18(1)(b), says that the Government can exempt an individual if satisfied that it is necessary to do so

“in the interests of the economic wellbeing of the United Kingdom”.

These are high net worth individuals. Many of them own companies that potentially employ thousands of people in this country. I do not understand why the Government want to give themselves that headache. Why do they want these enabling lawyers to look at clause 18(1)(b) and say, “I’m going to lobby Government to exempt me under 18(1)(b)”?

It is not just a loophole. People keep talking about horses bolting after the gates have been closed. This is hitching a coach to the horse, putting the oligarchs in it with their lawyers and allowing them to drive their way through the Bill. It makes no sense at all.

Sarah Olney (Richmond Park) (LD): My hon. Friend is making an excellent speech. On the point about horses bolting, I want to mention my new clause 13 on freeports. That issue has come up a number of times in the past few weeks. We have been talking about the National Insurance Contributions Bill, which is the enabling Bill for freeports. It is really important that we include the list of companies that are in freeports; I made that point in the debate on that Bill last week. Currently, someone can hide the fact that they are using a freeport, and there is so much concern that this is an open invitation for money laundering in the UK. While we are still discussing this Bill, before it is passed and before this particular horse has bolted, will the Minister reconsider supporting the amendment that the Lib Dems tabled in the Lords to that particular piece of legislation—

9 pm

The Chairman of Ways and Means (Dame Eleanor Laing): Order. That was a very long intervention and it was too confusing. Was the hon. Lady speaking about something completely different from that which the hon. Member for Oxford West and Abingdon (Layla Moran) was discussing?

Sarah Olney: I was talking about my new clause 13—

The Chairman: It is not the hon. Lady's new clause; it is down as the Liberal Democrats' new clause. Is it the official Liberal Democrat—

Sarah Olney: I beg your pardon, Dame Eleanor. The new clause is in my name, but I apologise for taking too long on my intervention.

The Chairman: We have to be careful not to allow things to be confused at Committee stage. Everyone gets their turn.

Layla Moran: Thank you, Madam Deputy Speaker. I thank my hon. Friend for her intervention. When the Secretary of State for Business, Energy and Industrial Strategy was at the Dispatch Box, he said that he would look closely at that amendment—it was the day before the vote on the National Insurance Contributions Bill—and I urge the Minister to look at that again.

Sir Robert Buckland: I have been listening carefully to the hon. Lady's speech, and she is making an understandable point. My recollection about the phrase "economic wellbeing" is that it appears, for example, as an exemption to the right to privacy in article 8(2) in the European convention on human rights. What we should be looking for is provisions that match the rights acquired under article 1 of the first protocol—namely, rights to property—and clearly, there need to be qualifications on that in circumstances such as these. She is right to probe the Government so that we get language that mirrors, at the very least, convention rights. Does she not agree with that reasonable proposition?

Layla Moran: I thank the right hon. and learned Gentleman for his helpful intervention. I would rather that we deleted these lines now—they cause a lot of problems—and then, when the Bill goes to the Lords, he should by all means have a conversation with the Minister and perhaps it can be tidied up there. My concern is that if this stays in the Bill now, we then end up with too much to do in the Lords. So much is being put off and is waiting for the Lords to have a look at it that we may never get to these things. It is such a small thing, but its impact is huge.

We all want the same thing. Let us not get the enablers to start betting on clause 18(1)(b). Amendment 4 is very simple—it would delete this now. We might have to tidy a few things up in the Lords, but I would be really grateful if the Minister specifically addressed how he will ensure that clause 18(1)(b) does not end up ruining what is otherwise a good Bill that has been made much better by all the amendments that have been tabled, including by the Government.

Liam Byrne: Thank you for calling me to speak, Dame Eleanor. I thank the Minister for his presentation to the House and for the spirit that I thought he

brought to his remarks at the outset. He slightly walked back from some of that consensus, but I make the point to him that many of us across the House think that the Government's approach to tackling economic crime is all holes and no net. We have tried, in 27 pages of amendments, to turn what should be a net into some snares. That is why we cannot understand why the Government are not taking on board some of the smaller, technical drafting amendments that we proposed tonight—and frankly, some of the bigger moves. The Minister has it in his power to drive those through tonight so that by the time the sun rises tomorrow, we would have in our country a much stronger framework for tackling economic crime to take to the other place.

I want to speak to the two amendments in my name—amendments 37 and 38—and weigh in on the debate on amendment 26 and new clauses 2 and 29. Let me start with amendment 26, because I was a Home Office Minister for a couple of years, and I have won and lost many cases as a Home Office Minister. I have to say to the Minister that the failure to remove the words "knowingly or recklessly" from the Bill is frankly the oligarchs' loophole—their "Get out of trouble free" card. I add my plea to those of other hon. Members that we remove those words. Otherwise, frankly, we will stand by and watch the richest people on earth driving a coach and horses through our legislation.

My second point is about new clause 2. As my right hon. Friend the Member for Barking (Dame Margaret Hodge) said, the heart of our problem with sanctioning—our frankly embarrassing performance on it—is that as well as not having the right powers, we just do not have the right resources in place. The fact that the Government took away the title of Minister for Economic Crime tells us everything we need to know about their performance and attitude hitherto.

As my hon. Friend the Member for Rhondda (Chris Bryant) said, the United Kingdom has sanctioned 34 individuals and entities since the extension of the invasion; the EU has sanctioned more than 500. Of the Navalny list of 35 that the hon. Member for Oxford West and Abingdon (Layla Moran) read out in the House the week before last, the UK has sanctioned just eight; the EU has sanctioned 19. However, what really troubles me is the question of resources, because that is obviously the core problem.

When I submitted parliamentary questions to the Foreign Office, the Treasury and the Home Office last week, I was frankly horrified. My question to the Foreign Office, which leads on sanctioning policy, was pretty straightforward: how much money is devoted to sanctioning, and how many civil servants are working on it? The answer from the Under-Secretary of State, the hon. Member for Chelmsford (Vicky Ford), was about 16 lines long and did not mention either how many civil servants are working on sanctioning or how much money is being spent.

An answer to the same question came back from the Minister for Security and Borders. In a way, I admire the number of tropes folded into his answer:

"The National Crime Agency welcomes the announcement on the Combatting Kleptocracy Cell...They have already surged additional officers to support existing efforts and will"—

wait for it—

"move at pace to enhance the unit further".

[Liam Byrne]

I put the same question to the Treasury. The Treasury being the Treasury, it said:

“The staff in post in OFSI was 37.8 FTE...This information can be found in HM Treasury’s Outcome Delivery Plan”.

That is the level of precision that we ask of every Department. Frankly, the silence tells us that all is not well. That is why new clause 2 is so very important.

New clause 29, tabled by the right hon. Member for Haltemprice and Howden (Mr Davis), is incredibly important, but I push the Minister to go further. We need to be able not only to freeze assets, but to seize them. Paragraph 3.1.3 of the UK financial sanctions guidance in December 2020 says that the use of an asset, even when it is frozen, is not prohibited.

The Minister will forgive the Opposition for growing frustrated over the years at the economic policy that the Government have pursued, which has created a country of haves, have-nots and have-yachts. He can imagine how frustrated we are that the Government will not even seize the yachts when they belong to oligarchs. Somebody has very kindly shared with me a list of candidates that the Minister might want to consider: the *My Solaris*, owned by Roman Abramovich; the *Eclipse*, which is sailing in the north Atlantic and which the Government would have no means of either seizing or freezing as an asset if it docked at a UK port; the *Valerie*, owned by Sergey Chemezov, which is currently in Barcelona; the *Lady Anastasia*, which is currently in Mallorca in Spain; the *Tango*, which is also in Mallorca; the *Palladium*, which is currently in Barcelona; the *Aurora*, in Barcelona; *Here Comes the Sun*, in Mallorca; *Ice*, in Genoa; the *Ragnar*, in Narvik; *Sailing Yacht A*, owned by Melnichenko—

The Chairman of Ways and Means (Dame Eleanor Laing): Order. I appreciate that the right hon. Gentleman has a long list. It is enlivening proceedings and we are all grateful, but we do not have time. Will he please truncate his speech? Just say, “and 12 more,” or something like that.

Liam Byrne: I am grateful for your guidance, Dame Eleanor, because I think I have made my point: the Government need to take on more power to seize and freeze these assets.

The final point I wish to make is about strategic lawsuits against public participation. We recently had a good debate on lawfare, sponsored by the right hon. Member for Haltemprice and Howden and myself. In amendments 37 and 38, we make proposals that the Government could adopt. I do not wish to press them to a vote tonight, but I would like the Minister to confirm what the Foreign Secretary and the Justice Secretary said in the media on Friday. The Justice Secretary told “BBC Breakfast” that SLAPPs were an “abuse of our system and I’m going to be putting forward proposals to deal with that and to prevent that”.

The Foreign Secretary later told *The Guardian* that she had asked Government lawyers to “find literally any way” to crack down on SLAPPs. I would like this Minister’s confirmation that that is indeed going to happen, not in some consultation response to the Human Rights Act, but as a stand-alone piece of legislation, so that we can live in truth in this country. It is outrageous

that English courts are being used as a means to silence journalists such as Tom Burgis, Carole Cadwalladr and Catherine Belton. I want great books such as “Butler to the World” by Oliver Bullough to be written with the freedom to tell the truth, and at the moment the oligarchs are denying us that freedom. They are launching a war on free speech in English courts, of all places. That scandal has surely got to stop.

I will conclude by saying that it is now clear that what our country needs Russia is a recontainment strategy towards Russia. That will entail a refortification of the NATO frontline to the east; resupplying the Ukrainian forces; and suppressing and repressing the Russian economy. Sanctions do not produce instant results—Presidents Mugabe and Maduro presided over economies in ruin for many years—but this would give us progress.

David Linden (Glasgow East) (SNP): I rise to speak to amendment 63, which stands in my name and those of my colleagues. I am grateful to you, Dame Eleanor, for selecting it as a manuscript amendment, particularly at such short notice. I am not normally a fan of ramming a Bill through in such short order, but I understand the need for speed in this case.

As others said on Second Reading, the Bill is to be broadly welcomed, but it does not go far and fast enough. A much bigger and more wide-ranging debate stems from the Elections Bill, which is currently in the other place, and the eligibility of overseas voters and donors to influence our politics, but I do not think we want to go too far down that rabbit warren this evening. However, clause 38 makes provision for financial penalties to be applied in respect of overseas entities, and I support that.

My amendment seeks to close off a loophole: we could apply significant financial penalties to an individual, yet said individual, even if they lived overseas, would still be able to vote and, more concerning, donate significant sums to UK political parties and influence our elections. I am the first to accept that our focus right now should be on applying the maximum economic sanctions on Russia to alleviate and end the military bombardment that it is subjecting the poor people of Ukraine to. It strikes me as a little bizarre that we can have a debate—and indeed legislate tonight—on the issue of dirty Russian money in these islands, but miss a trick by not also cleaning up our politics of said dirty Russian money. Countless warnings have been sounded on this issue, most notably in the Intelligence and Security Committee’s Russia report, which flagged up the vulnerability of our politics to Putin’s influence in cyber and in funnelling money into some political parties and referendum campaigns.

Cat Smith (Lancaster and Fleetwood) (Lab): The point made earlier by my hon. Friend the Member for Rhondda (Chris Bryant) was that so much of this Bill has been so slow in being forthcoming. There were huge delays in publishing the Russia report. Does the hon. Gentleman share my concerns that, given the report’s findings of Russian influence in British politics, that was another act by a Government who were perhaps benefiting from that?

David Linden: I am grateful to the hon. Lady for that. Even the Minister who is piloting the Elections Bill through in the Commons admitted that she had not

read the Russia report, so it is no surprise that the Government are so ignorant towards it. It is an indisputable, though regrettable, fact that the Conservative party has previously accepted donations from people who have ties to the Kremlin. Such gifts to the party are legally, if not ethically, legitimate, in so far as they are within current electoral law when properly declared. However, lines have been drawn between senior Conservatives and some pretty unsavoury characters.

Sam Tarry (Ilford South) (Lab): Will the hon. Gentleman give way?

David Linden: If I may, I will continue.

The genesis of my amendment comes from the fact that the Bill, as drafted, would make provision for an individual to be found to have committed an offence under part 1 of the Bill. The registrar would be able to impose significant penalties which I—indeed, I assume all of us—would support, but without the inclusion of my amendment 63 in the Bill, that individual would still be permitted to participate in UK democracy and, crucially, to donate money—dirty money—to influence our elections. If we leave this loophole open and unchecked, we will be in a perverse position in which Putin's cronies are still polluting our politics with dirty money, even after they have been sanctioned through the use of the very legislation that we are discussing this evening.

One of the problems of rushing legislation is that we miss many issues that would be found during a proper process of scrutiny by both Houses. As I have said, there is much more than we can do in this regard. I should be interested to hear from the Minister, when he winds up the debate—probably just about now—why the Government would think that this small but important amendment, intended to tie up a loophole, should be rejected tonight. I look forward to his response.

9.15 pm

Hywel Williams (Arfon) (PC): It is both telling and deeply disappointing that it has taken a vicious and horrific conflict to bring us to this point of closing down the London laundromat.

I am speaking on behalf of my party rather than proposing any specific amendments, so I shall be very brief. I welcome amendments 42 to 44, tabled by the right hon. Member for Barking (Dame Margaret Hodge), to toughen penalties for non-compliance with the register. We see this as a necessary precondition to increase the immediate costs of non-compliance with UK law. We will also be supporting the right hon. Member's new clauses 2 and 3.

Past actions, including the much-trumpeted unexplained wealth orders, have done little to dent Russian influence in London, partly owing to the Government's poor resourcing of enforcement agencies. New clause 2 would bring long overdue scrutiny of that significant weakness, and renewed support for our enforcement agencies. As the Russia report made clear, illicit money does not simply flow into London and the UK by its own volition; it is eased in by a wide network of enablers, from bankers to lawyers to estate agents—Russia's little helpers in stashing ill-gotten gains and off-the-shelf influence. That is why we will also be supporting new clause 3, as well as amendment 41, tabled by my SNP colleagues, in order to curb the ability of shell companies and other indirect ownership instruments, as well as their paid

London enablers, to obfuscate ownership structures for their clients. Those measures, along with new clauses 4 and 9, will tighten the massive loophole that prevents us from having a properly resourced, properly empowered and properly directed Companies House.

New clause 21 would help to address the issue of enforcement in Crown dependencies and British overseas territories. My hon. Friend the Member for Ceredigion (Ben Lake) has already raised with the Foreign Secretary the issue of the enforcement of sanctions in overseas territories such as Bermuda, where more than 700 Russian civilian aircraft are registered. We hope that new clause 21 will bring clarity to this long-standing grey area of enforcement.

However, none of this matters if the targets of the Bill are able to make off with their loot in the next few weeks. I therefore urge the Government to work with the Opposition, and to support new clauses 28 and 30 to ensure that the sanctions and the powers work to the maximum possible effect.

Dame Angela Eagle: I support all the amendments that are intended to close loopholes in this long-overdue legislation, narrowing the gap between the Government's rhetoric and the reality of what it is possible for them to do, strengthening the legislation, and ensuring that we have transparency so that we know who owns what, so that people can indeed be sanctioned, and so that their progress across our financial system can be followed in a meaningful way to make sanctions a reality. I also support new clauses 7 and 2, which seek to beef up enforcement.

Today, we in the Treasury Committee heard that the Office of Financial Sanctions Implementation has 37.8 full-time equivalent staff. I put it to the Government that that is not nearly enough for us to make sanctions against Russia workable and effective. We also learned recently that the National Crime Agency had no Russian speakers. I am not sure how it is meant to pursue sanctions against Russia if it does not have anyone with the appropriate language skills to do so. I hope that it will be beefing up its enforcement activities as well.

We understand and support what the Government are trying to do with this legislation. It is long overdue, and we think it needs to be strengthened. The bewildering and fragmented nature of enforcement, and its underfunding, must be put right if we are to get to the stage where we can finally deal with the corruption of our financial system and its infiltration by those authoritarian regimes and kleptocrats who are putting our democracy at risk, and who, even as we are having this debate, are murdering and bombing innocent people in Ukraine and threatening the peace and prosperity of Europe and the world. I hope that the Government will listen and accept a lot of these amendments by the time the Bill comes back to this House in due course.

Kim Johnson (Liverpool, Riverside) (Lab): I rise to speak in support of new clauses 7 and 8, but I want to start by expressing my solidarity with the people of Ukraine, who face unimaginable heartbreak and horror, and particularly to black residents who have been subject to unacceptable levels of racism and brutality. I call on this Government to open our doors and welcome without discrimination all refugees who are fleeing oppression, violence, occupation and war. I applaud the courageous protesters in Russia, at home and across the world who are demonstrating for peace.

[Kim Johnson]

The National Crime Agency estimates that £100 billion of dirty money flows through the UK every single year. This is not a new phenomenon. Since as early as 2016, the Government have been making empty promises for tighter regulations to prevent these illicit activities, but since then, £1.5 billion-worth of property here has been bought by Russian oligarchs accused of corruption with links to the Kremlin. As long ago as 2018, draft legislation was published by this Government for a register of beneficial ownership to consolidate and clarify our legal structures in order to prevent profiteering by way of laundering money through the UK property market, but despite a wealth of evidence pointing to the illicit activities of oligarchs in London and elsewhere in the UK, the Government have done nothing but kick the can into the long grass. Given the almost £2 million received in Russia-linked donations by the Tory party since the current Prime Minister entered No. 10, it seems pretty clear why.

Labour has consistently been on the front foot when it comes to clamping down on oligarchs. Our plan included an oligarch levy to tax secret offshore purchases of UK residential property, the application of the Magnitsky clause to apply sanctions against human rights abuses, and to extend the beneficial ownership register for Crown dependencies and overseas territories. Labour has not just jumped on the bandwagon now that this has become the issue of the day; we have been putting forward detailed plans to tackle this injustice for many years, as my hon. Friend the Member for Rhondda (Chris Bryant) has pointed out. Our amendments today will give this toothless Bill some bite, speeding up action against some of the worst offenders and bringing forward reforms to Companies House that will root out the activities of criminal elites who are legitimising their loot in the UK without scrutiny or repercussions. I hope the Minister will commit today to backing our amendments.

Paul Scully: I thank all hon. Members who have spoken in this important debate for their constructive approach to this important legislation, and for their engagement prior to today as well. Let me quickly whip through as many of the points that have been raised as possible. The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) talked about SLAPPs. The Deputy Prime Minister made a call for evidence on Friday, and it is definitely not just a listening exercise. It is important that we act when we need to act.

Nominees were raised both on Second Reading and in Committee. If nominees are directed by someone else—say, the beneficial owner—the person doing the directing is caught by condition 4 in paragraph 6 of schedule 2 and is therefore a registerable beneficial owner. My hon. Friend the Member for Bromley and Chislehurst (Sir Robert Neill) and the right hon. Member for Barking (Dame Margaret Hodge) both made important points, and I am keen to work with them in the coming days to make sure we do not leave any gaps. We have a common interest in doing so.

The Government tabled the amendments to reduce the transition time from 18 months to six months but, as I said in my closing speech on Second Reading, I see merit in requiring all those selling property to submit a

declaration of their details at the point of transfer of land title during the transition period. In effect that means we will be giving sellers a zero-day transition period. They will have to register ownership, so we will get their ownership details either when they sell or at the end of the transition period.

I am keen to work with my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) to see how far we can go in the other place, because this is difficult to draft. I hope he is satisfied with an invitation to sit down with me in the coming days so that we can give further consideration ahead of finalising the Bill in the Lords. I therefore ask that the other amendments in this area are not pressed.

On new clause 7, tabled by the right hon. and learned Member for Holborn and St Pancras (Keir Starmer), it would serve little purpose to introduce new legislation at the end of this parliamentary Session as it would actively harm the quality of the measures we are introducing in the broader economic crime Bill early in the third Session—I accentuate the word “early.”

We spelled out the Government’s position on the further reforms to increase the reliability of the information on the register and the ability of Companies House to share data in the “Corporate Transparency and Register Reform” White Paper, and the forthcoming economic crime Bill will introduce those measures early in the next Session, but we want to make sure that we get it right because this is the biggest change to Companies House law for nearly 200 years.

On amendments 10 and 11, also tabled by the right hon. and learned Member for Holborn and St Pancras, I point out that the Government tabled amendment 49, which commits to introducing regulations under clause 16 on information verification so that they come into force before any applications for registration may be made under clause 4(1). Amendment 49 achieves in practice what amendments 10 and 11 seek, so I hope those amendments will not be pressed.

The hon. Member for Glasgow Central (Alison Thewliss) talked about Companies House reform and verification, which is something we are introducing. People with anti-money laundering expertise will look at this within Companies House.

I think I have highlighted my intentions regarding amendments 24 and 25, which obviously seek to add to the list of statements an overseas entity must provide to the registrar when applying for registration or when complying with the updated duty. I see the merit of the proposals made by the hon. Member for Rhondda (Chris Bryant), and we take these matters seriously. As I said, we will look further at these proposals and we will work together to make sure we can do this in the other place.

I heard the hon. Gentleman’s protestations that amendment 26 takes out three words. However, it is our opinion that removing those three words may have unintended consequences. It is not quite as easy as simply taking out those three words. I would like to work with him to make sure that, if there are any unintended consequences, we can have something that gets the drafting absolutely correct. I therefore ask him not to press the amendment, in the spirit of unity in this House on standing together to make sure we have the strong measures we all want in the Bill.

Chris Bryant: The more we can present a united front—particularly tomorrow—the better, so I will of course not press the amendment.

Paul Scully: I am grateful for the spirit the hon. Gentleman shows.

Let me turn to new clause 29, tabled by my right hon. Friend the Member for Haltemprice and Howden (Mr Davis). I thank him for his innovative suggestion to provide a power for the Secretary of State aimed at the prevention of asset flight prior to the formal imposition of sanctions. Members will have seen that since my right hon. Friend tabled his new clause we have expanded the Bill with new provisions from the Foreign, Commonwealth and Development Office. Those additional measures aim to ensure that we can respond even more effectively to world events using sanctions.

We strongly support measures to ensure that sanctions are effective. The Government amendments will ensure that we can go further and faster to make new sanctions designations. It is hoped that our amendments will go a significant way towards dealing with the kinds of situation that my right hon. Friend may have in mind. I remind the House that the register is not a seizure mechanism in itself. Law enforcement agencies already have the powers to seize property if there is evidence of wrongdoing. Such powers underpinned the restraining, freezing or seizure of more than £979 million-worth of assets in 2020-21. We have swiftly implemented the strongest set of economic sanctions ever imposed against a G20 country.

I see the intent behind amendments 3 and 40, the latter of which would have no effect as the Bill already provides that a beneficial owner must register as a trustee of a trust if they are one. Amendment 3 would not have the effect that we believe is sought, but I can see the potential merit in such an amendment and assure the House that we will look further at the intent behind the proposal to see whether there is a workable alternative.

I thank the right hon. Member for Barking for tabling new clause 2, which seeks to place an obligation on the Secretary of State to provide additional reporting on the funding of enforcement agencies. The NCA and enforcement agencies like it have a duty to be open and transparent in their deployment of public funds. The agencies publish annual reports on their expenditure that can be found online. The Government have developed a sustainable funding model that demonstrates our commitment to tackling economic crime. The combination of this year's spending review settlement and the private sector contributions through the levy will provide around £400 million of funding in respect of economic crime over the spending review period. Since 2006-07, just under £1.2 billion-worth of assets recovered under the Proceeds of Crime Act 2002 have been returned to law enforcement agencies, prosecutors and the courts to fund further asset-recovery capability or work that protects the public from harm.

New clause 4, tabled by the hon. Member for Glasgow Central, would make the registrar of companies the AML supervisor of overseas entities. We believe that is unnecessary as the Bill already requires the verification of registerable beneficial owners and the managing officers of overseas entities. We expect that that will be

done by a UK anti-money laundering supervised professional so believe that such supervision is already in place.

On amendment 4, the Bill currently enables the Secretary of State to exempt a person from the requirement to register in three circumstances. The circumstances outlined in the Bill have been carefully considered to provide clarity and flexibility for unforeseeable but legitimate scenarios. Given that the register's key objectives are to improve transparency and combat money laundering, the exemptions will be used carefully for evidenced and legitimate reasons.

I thank everybody who has been involved in the Bill. The process has been done at such pace but we are determined to use the next few days to get this absolutely right.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

9.34 pm

Six hours having elapsed since the commencement of proceedings on the allocation of time motion, the debate was interrupted (Order, this day).

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No.83D).

Clauses 2 to 7 ordered to stand part of the Bill.

Clause 8

FAILURE TO COMPLY WITH UPDATING DUTY

Amendments made: 45, page 5, line 31, leave out “£500 and one-tenth” and insert “£2,500 and one half”.

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 8(1) in England and Wales.

Amendment 46, page 5, line 35, leave out “one-tenth” and insert “one half”.

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 8(1) in Scotland or Northern Ireland.

Amendment 47, page 6, line 1, leave out “£500 and one-tenth” and insert “£2,500 and one half”.

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 8(4) in England and Wales.

Amendment 48, page 6, line 4, leave out “one-tenth” and insert “one half”.—(*Paul Scully.*)

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 8(4) in Scotland or Northern Ireland.

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 to 15 ordered to stand part of the Bill.

Clause 16

VERIFICATION OF REGISTRABLE BENEFICIAL OWNERS AND MANAGING OFFICERS

Amendment made: 49, page 10, line 34, at end insert—

“(2A) The first regulations under this section must be made so as to come into force before any applications may be made under section 4(1).”—(*Paul Scully.*)

This amendment requires regulations under clause 16 to be made before applications may be made for registration in the register of overseas entities.

Clause 16, as amended, ordered to stand part of the Bill.

Clauses 17 to 25 ordered to stand part of the Bill.

Clause 26

RESOLVING INCONSISTENCIES IN THE REGISTER

Amendments made: 50, page 16, line 11, leave out “£500 and one-tenth” and insert “£2,500 and one half”.

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 26(3) in England and Wales.

Amendment 51, page 16, line 15, leave out “one-tenth” and insert “one half”.—(Paul Scully.)

This amendment raises the maximum daily default fine for continued contravention of an offence under clause 26(3) in Scotland or Northern Ireland.

Clause 26, as amended, ordered to stand part of the Bill.

Clauses 27 to 50 ordered to stand part of the Bill.

Clause 51

SHARING OF INFORMATION

Amendment made: 59, page 32, line 11, leave out—“Sanctions and Anti-Money Laundering Act 2018” and insert “2018 Act”..—(Paul Scully.)

This amendment is for consistency with the other provisions of new Chapter 2 of Part 3 expected to be formed by the new clauses relating to the Sanctions and Anti-Money Laundering Act 2018 (see NC32 to NC40) and clause 51.

Clause 51, as amended, ordered to stand part of the Bill.

Clause 52 ordered to stand part of the Bill.

Clause 53

EXTENT

Amendments made: 52, on page 32, line 36, leave out “(2) and (3)” and insert “(2) to (3)”.

This amendment is consequential on Amendment 53.

Amendment 53, on page 33, line 3, at end insert—

“(2A) In Part 2, section (Annual reports on use of unexplained wealth orders: England and Wales) extends to England and Wales only.”

This amendment provides that NC31 is to extend to England and Wales only.

Amendment 54, on page 33, line 4, leave out “Parts 2 and 3” and insert

“the rest of Part 2 and by Part 3”.—(Paul Scully.)

This amendment is consequential on Amendment 53.

Clause 53, as amended, ordered to stand part of the Bill.

Clause 54

COMMENCEMENT

Amendments made: 60, on page 33, line 9, at beginning insert “Chapter 1 of”.

This amendment is consequential on the formation of new Chapter 2 of Part 3 (see the explanatory statement for Amendment 59).

Amendment 61, on page 33, line 11, leave out “This Part comes” and insert—

“Chapter 2 of Part 3 and this Part come”.

This amendment provides for new Chapter 2 of Part 3 to come into force on Royal Assent. This would also alter the commencement of clause 51.

Amendment 62, on page 33, line 15, after “The” insert—

“Secretary of State or the”—(Paul Scully.)

This amendment enables either the Treasury or the Secretary of State to make transitional or savings provision in connection with the coming into force of the provisions of Part 3.

Clause 54, as amended, ordered to stand part of the Bill.

Clause 55 ordered to stand part of the Bill.

New Clause 31

ANNUAL REPORTS ON USE OF UNEXPLAINED WEALTH ORDERS: ENGLAND AND WALES

“After section 362I of the Proceeds of Crime Act 2002 insert—

“362IA Annual reports

(1) The Secretary of State must prepare and publish a report in respect of each relevant period setting out—

(a) the number of unexplained wealth orders made by the High Court in England and Wales during that period, and

(b) the number of applications made to that Court by enforcement authorities for such an order during that period.

(2) Each of the following is a “relevant period”—

(a) the period of 12 months beginning with the day on which section (Annual reports on use of unexplained wealth orders: England and Wales) of the Economic Crime (Transparency and Enforcement) Act 2022 comes into force;

(b) each subsequent period of 12 months.

(3) A report under this section must be prepared and published within the period of 4 months beginning with the end of the relevant period to which the report relates.

(4) The Secretary of State must lay a copy of each report prepared under this section before Parliament.”—(Paul Scully.)

This new Clause requires the Secretary of State to prepare reports for each 12 month period setting out how many unexplained wealth orders have been made in England and Wales in that period and how many orders were applied for in that period.

Brought up, and added to the Bill.

New Clause 32

STREAMLINING PROCESS OF MAKING SANCTIONS REGULATIONS

“(1) The Sanctions and Anti-Money Laundering Act 2018 (referred to in this Chapter as the “2018 Act”) is amended as follows.

(2) In section 1 (power to make sanctions regulations) omit subsection (4).

(3) Omit section 2 (additional requirements for regulations for a purpose within section 1(2)).

(4) In section 45 (revocation and amendment of regulations under section 1)—

- (a) in subsection (2)—
 - (i) omit the “and” at the end of paragraph (a);
 - (ii) omit paragraph (b);
- (b) omit subsections (3) to (5);
- (c) in subsection (6) omit “, section 2”.—(*Paul Scully.*)

This new clause and NC33 to NC40 would form a new Chapter 2 in Part 3 of the Bill and would make provision (a) streamlining the process by which an appropriate Minister can make designations for the purposes of sanctions regulations, (b) amending provision relating to reviews and reports and (c) making connected provision.

Brought up, and added to the Bill.

New Clause 33

URGENT DESIGNATION OF PERSONS BY NAME

“(1) Section 11 of the 2018 Act (designation of a person by name under a designation power) is amended in accordance with subsections (2) to (6).

(2) After subsection (1) insert—

“(1A) The regulations must contain provision for the Minister to be able to choose whether to designate a person under—

- (a) the standard procedure, or
- (b) the urgent procedure.”

(3) For subsection (2) substitute—

“(2) The regulations must provide that under the standard procedure the Minister is prohibited from designating a person by name except where condition A is met.

(2A) Condition A is that the Minister has reasonable grounds to suspect that that person is an involved person (see subsection (3)).”

(2B) The regulations must provide that under the urgent procedure—

- (a) the Minister may designate a person by name where condition A is not met, but conditions B and C are met, and
- (b) the designation ceases to have effect at the end of the period of 56 days beginning with the day following the designation unless, within that period, the Minister certifies that—
 - (i) condition A is met, or
 - (ii) conditions B and C continue to be met.

(2C) The regulations must provide that, under the urgent procedure, in a case where the Minister makes a certification under subsection (2B)(b)(ii), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in subsection (2B)(b), unless within that period the Minister certifies that condition A is met.

(2D) Condition B is that relevant provision (whenever made) applies to, or in relation to, the person under the law of—

- (a) the United States of America;
- (b) the European Union;
- (c) Australia;
- (d) Canada;
- (e) any other country specified for the purposes of this paragraph in regulations made by an appropriate Minister.

(2E) Condition C is that the Minister considers that it is in the public interest to make designations under the urgent procedure.

(2F) For the purposes of condition B, relevant provision is provision that the Minister considers—

- (a) corresponds, or is similar, to the type of sanction or sanctions in the regulations under section 1, or
- (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in the regulations under section 1.”

(4) In subsection (7), after “by name” insert “under the standard procedure”.

(5) After subsection (7) insert—

“(7A) The regulations must, in relation to any case where the Minister designates a person by name under the urgent procedure, require the information given under the provision made under section 10(3) to include a statement—

- (a) that the designation is made under the urgent procedure,
- (b) identifying the relevant provision by reference to which the Minister considers that condition B is met in relation to the person, and
- (c) setting out why the Minister considers that condition C is met.

(7B) The regulations must also provide that, in relation to any case where the Minister designates a person by name under the urgent procedure, the Minister must, after the end of the period mentioned in subsection (2B)(b), or if the Minister has made a certification under subsection (2B)(b)(ii) the period mentioned in subsection (2C), but otherwise without delay—

- (a) in a case where the designation ceases to have effect, take such steps as are reasonably practicable to inform the person that the designation has ceased to have effect, or
- (b) in any other case, take such steps as are reasonably practicable to give the designated person a statement of reasons.”

(6) In subsection (8)—

(a) for “subsection (7)” substitute “subsections (7) and (7A)”;

(b) for “which have led the Minister to make the designation” substitute “—

(a) in the case of a designation under the standard procedure, which have led the Minister to make the designation, and

“(b) in the case of a designation under the urgent procedure, as a result of which the designation does not cease to have effect at the end of the period mentioned in subsection (2B)(b) or (2C) (as the case may be).”

(7) In section 22 (power to vary or revoke designation made under regulations), in subsection (4), in paragraph (a)—

- (a) for “11(2)” substitute “11”;
- (b) omit the words in brackets.”—(*Paul Scully.*)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 34

URGENT DESIGNATION OF PERSONS BY DESCRIPTION

“(1) Section 12 of the 2018 Act (designation by persons by description under a designation power) is amended in accordance with subsections (2) to (9).

(2) After subsection (1) insert—

“(1A) The regulations must contain provision for the Minister to be able to choose whether to provide that persons of a specified description are designated persons under either—

- (a) the standard procedure, or
- (b) the urgent procedure.”

(3) For subsection (2) substitute—

“(2) The regulations must contain provision which prohibits the exercise of that power under the standard procedure except where conditions A and C are met.

(4) Omit subsection (4).

(5) In subsection (5) omit paragraph (b) (and the “and” before it).

(6) After subsection (5) insert—

“(5A) The regulations must provide that under the urgent procedure—

- (a) the Minister may provide that persons of a specified description are designated persons where condition C is not met, but conditions A, D and E are met, and
- (b) the persons cease to be designated persons at the end of the period of 56 days beginning with the day following the day on which the persons became designated persons unless, within that period, the Minister certifies that—
 - (i) conditions A and C are met, or
 - (ii) conditions A, D and E continue to be met.

(5B) The regulations must also provide that, under the urgent procedure, in a case where the Minister makes a certification under subsection (5A)(b)(ii), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in subsection (5A)(b), unless within that period the Minister certifies that conditions A and C are met.

(5C) Condition D is that the description of persons specified is of persons (or some persons) to which, or in relation to which, relevant provision (whenever made) applies under the law of—

- (a) the United States of America;
- (b) the European Union;
- (c) Australia;
- (d) Canada;
- (e) any other country specified for the purposes of this paragraph in regulations made by an appropriate Minister.

(5D) Condition E is that the Minister considers that it is in the public interest to provide that persons of a specified description are designated persons under the urgent procedure.

(5E) For the purposes of condition D, relevant provision is provision that the Minister considers—

- (a) corresponds, or is similar, to the type of sanction or sanctions in the regulations under section 1, or
- (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in the regulations under section 1.”

(7) In subsection (7), after “designated persons” insert “under the standard procedure”.

(8) After subsection (7) insert—

“(7A) The regulations must, in relation to any case where the Minister provides that persons of a specified description are designated persons under the urgent procedure, require the information given under the provision made under section 10(3) to include a statement—

- (a) that the provision is made under the urgent procedure,
- (b) identifying the relevant provision by reference to which the Minister considers that condition D is met in relation to persons of the specified description, and
- (c) setting out why the Minister considers that condition E is met.

(7B) The regulations must provide that, in relation to any case where the Minister provides that persons of a specified description are designated persons under the urgent procedure, the Minister must, after the end of the period mentioned in subsection (5A)(b), or if the Minister has made a certification under subsection (5A)(b)(ii) the period mentioned in subsection (5B), but otherwise without delay—

- (a) in a case where the persons cease to be designated persons, take such steps as are reasonably practicable to inform the persons that they have ceased to be designated persons, or
- (b) in any other case, take such steps as are reasonably practicable to give each designated person a statement of reasons.”

(9) In subsection (8)—

- (a) for “subsection (7)” substitute “subsections (7) and (7A)”;

(b) for the words from “which have led” to the end substitute “—

(a) in the case of a designation under the standard procedure, which have led the Minister to make the provision designating persons of that description, and

“(b) in the case of a designation under the urgent procedure, as a result of which the persons do not cease to be designated persons at the end of the period mentioned in subsection (5A)(b) or (5B) (as the case may be).”

(10) In section 22 (power to vary or revoke designation made under regulations), in subsection (4), in paragraph (b)—

- (a) for “12(2)” substitute “12”;
- (b) omit the words in brackets.”—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 35

SPECIFIED SHIPS

“In section 14 of the 2018 Act (“specified ships”), in subsection (6), omit paragraph (b) (and the “and” before it).”—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 36

EXISTING SANCTIONS REGULATIONS

“(1) Any pre-commencement regulations which authorise an appropriate Minister to designate persons by name (see section 11 of the 2018 Act) have effect, and for the purposes of anything done on or after the day on which this Act is passed are deemed to have always had effect, as if the regulations contain the provision required to be included as a result of the amendments made by section (Urgent designation of persons by name).

(2) Any pre-commencement regulations which grant a power to an appropriate Minister to provide that persons of a specified description are designated persons (see section 12 of the 2018 Act) have effect, and for the purposes of anything done on or after the day on which this Act is passed are deemed to have always had effect, as if the regulations contain the provision required to be included as a result of the amendments made by section (Urgent designation of persons by description).

(3) Pre-commencement regulations have effect, and for the purposes of anything done on or after the day on which this Act is passed are deemed to have always had effect, as if the regulations do not include any provision required to be included by the following provisions—

- (a) section 11(2)(b) of the 2018 Act (which is now omitted by virtue of the amendment made by section (Urgent designation of persons by name)(3));
- (b) section 12(2) of the 2018 Act to the extent that that subsection related to provisions repealed by section (Urgent designation of persons by description)(4) or (5);
- (c) provision repealed by section (Specified ships).

(4) In this section, “pre-commencement regulations” means regulations under Part 1 of the 2018 Act made before the day on which this Act is passed.”—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 37

REMOVAL OF REVIEWS

“(1) Omit the following provisions of the 2018 Act—

- (a) section 24 (periodic review of certain designations);

- (b) section 28 (periodic review where ships are specified);
- (c) section 30 (review of regulations under section 1).

(2) In section 33 of the 2018 Act (procedure for requests to, and reviews by, appropriate Minister)—

- (a) in the heading, omit “, and reviews by.”;
- (b) in subsection (1) omit “or a review under section 24, 28 or 30”.

(3) In section 45 of the 2018 Act (revocation and amendment of regulations under section 1), in subsection (6) omit “and section 30”.—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 38

REMOVAL OF REPORTING REQUIREMENTS

“(1) Omit the following provisions of the 2018 Act—

- (a) section 18 (report in respect of offences in regulations);
- (b) section 32 (periodic reports on exercise of power to make regulations under section 1);
- (c) section 46 (report where regulations for a purpose within section 1(2) are amended).

(2) In section 57 of the 2018 Act (duties to lay certain reports before Parliament: further provision)—

- (a) omit subsections (1) and (2);
- (b) in subsection (3), for “a reporting provision” substitute “paragraph 21(2) of Schedule 2 (duty to lay report)”;
- (c) in subsection (4), for “a reporting provision” substitute “paragraph 21(2) of Schedule 2”;
- (d) in subsection (5), for “the reporting provision in question”

substitute “paragraph 21(2) of Schedule 2”.—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

New Clause 39

COURT REVIEWS: RESTRICTIONS REGARDING DAMAGES

“(1) In section 39 of the 2018 Act (court reviews: further provision)—

- (a) in subsection (2) omit paragraph (a) (and the “or” after it);
- (b) after subsection (2) insert—

“(2A) Damages permitted by subsection (2) must not exceed such amount as may be specified in, or calculated in accordance with, regulations made by an appropriate Minister for the purposes of this subsection.”

(2) In section 55 (regulations: procedure), in subsection (5), after paragraph (a) insert—

“(aa) section 39(2A).”.

(3) The amendments made by this section apply in relation to proceedings to which section 39(2) of the 2018 Act applies that are commenced on or after 4 March 2022.”—(*Paul Scully*.)

See the explanatory statement for NC32.

Brought up, and added to the Bill.

Manuscript amendment 63, in clause 38, page 21, line 12, insert—

“(f) disqualifying the person from the electoral roll.”

Government manuscript new clause 41

CONSEQUENTIAL PROVISION

“(1) An appropriate Minister (within the meaning of the 2018 Act) may by regulations make provision that the Minister considers to be consequential on this Chapter amending—

- (a) Part 1 or 3 of the 2018 Act, or
- (b) regulations made under Part 1 of that Act.

(2) A statutory instrument containing (whether alone or with other provision) regulations under this section that amend or repeal any provision of Part 1 or 3 of the 2018 Act is subject to the affirmative resolution procedure.

(3) Any other statutory instrument containing regulations under this section is subject to the negative resolution procedure.”—(*Paul Scully*.)

This new clause would appear instead of NC40. It is substantially the same as NC40 but refers in subsection (2) to Part 3 of the Sanctions and Anti-Money Laundering Act 2018 as well as to Part 1. This new clause would therefore allow an appropriate Minister to make consequential amendments to Parts 1 and 3 of the 2018 Act and regulations made under Part 1 of that Act; and amendments to Parts 1 and 3 would be subject to the affirmative resolution procedure (whereas in NC40 only amendments to Part 1 would be subject to that procedure and amendments to Part 3 would be subject to negative resolution).

Brought up, and added to the Bill.

New Clause 2

REPORT ON FUNDING OF ENFORCEMENT AGENCIES

“Within 28 days of this Act being passed, the Secretary of State must publish and lay before Parliament a report on the funding of enforcement agencies in connection with the provisions of Part 2 of this Act.”—(*Dame Margaret Hodge*.)

This new clause would require the Secretary of State to publish and lay before Parliament a report on the funding of enforcement agencies in connection with the reforms to unexplained wealth orders, as provided for in Part 2 of the Bill.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 229, Noes 303.

Division No. 206]

[9.38 pm

AYES

Abrahams, Debbie
Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan
Barker, Paula
Baron, Mr John
Beckett, rh Margaret
Begum, Apsana
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Ms Lyn

Bryant, Chris
Burgon, Richard
Byrne, Ian
Byrne, rh Liam
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Charalambous, Bambos
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Crawley, Angela
Creasy, Stella
Cruddas, Jon
Cummins, Judith
Daby, Janet
Davey, rh Ed
David, Wayne
Davies, Geraint
Davies-Jones, Alex

Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Donaldson, rh Sir Jeffrey M.
 Doogan, Dave
 Doughty, Stephen
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollobone, Mr Philip
 Hopkins, Rachel
 Hosie, rh Stewart
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz (*Proxy vote cast by Mr McFadden*)
 Khan, Afzal
 Kinnock, Stephen

Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, rh Dr Julian
 Linden, David
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Miliband, rh Edward
 Mishra, Navendu
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owen, Sarah
 Paisley, Ian
 Peacock, Stephanie
 Pennycook, Matthew
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim

Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stringer, Graham
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Stephen

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Allan, Lucy
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Jake
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Conor
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy
 Cartlidge, James
 Cash, Sir William

Tugendhat, Tom
 Twigg, Derek
 Twist, Liz
 Wakeford, Christian
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Mary Glindon and
 Taiwo Owatemi**

NOES

Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dorries, rh Ms Nadine
 Double, Steve
 Dowden, rh Oliver
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben

Fabricant, Michael
 Farris, Laura
 Fell, Simon (*Proxy vote cast by Christopher Pincher*)
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Holden, Mr Richard
 Hollinrake, Kevin
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David
 Jones, Andrew
 Jones, Mr Marcus
 Jupp, Simon
 Kearns, Alicia
 Keegan, Gillian
 Knight, Julian
 Kruger, Danny
 Kwarteng, rh Kwasi
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Loder, Chris
 Logan, Mark
 Lopez, Julia
 Lopresti, Jack
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherylyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Karl
 McPartland, Stephen
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Murray, Mrs Sheryll
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela

Robertson, Mr Laurence
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Shapps, rh Grant
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Sir Bill
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Jeremy
 Young, Jacob
 Zahawi, rh Nadhim
Tellers for the Noes:
Scott Mann and
Gareth Johnson

Question accordingly negated.

New Clause 7

38A FURTHER REFORMS TO COMPANIES HOUSE

“(1) Not later than 28 days from when Part 1 of this Act comes into force, the Secretary of State must publish draft legislation for the purpose of making further reforms to Companies House, including to support the effective functioning of the register of overseas entities.

(2) The draft legislation must include—

- (a) new powers for the registrar to aid the verification of foreign entities applying for registration as set out in section 4 of this Act;
- (b) new powers for the registrar to better share data with enforcement agencies; and
- (c) reforms that will improve the quality and veracity of the information on the register.”—(*Jonathan Reynolds.*)

This new clause would compel the Secretary of State to publish draft legislation on reforms to Companies House, including reforms that would support the operation of the Act.

Brought up.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 225, Noes 306.

Division No. 207]

[9.54 pm

AYES

Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Beckett, rh Margaret
 Begum, Apsana
 Benn, rh Hilary
 Betts, Mr Clive
 Black, Mhairi

Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Charalambous, Bambos
 Cherry, Joanna
 Clark, Feryal
 Cooper, Daisy
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Crawley, Angela
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Donaldson, rh Sir Jeffrey M.
 Doogan, Dave
 Doughty, Stephen
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Furniss, Gill
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hopkins, Rachel
 Hosie, rh Stewart
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz (*Proxy vote cast by Mr Pat McFadden*)
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Miliband, rh Edward
 Mishra, Navendu
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin

Nichols, Charlotte
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owen, Sarah
 Paisley, Ian
 Peacock, Stephanie
 Pennycook, Matthew
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Siddiq, Tulip

Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stringer, Graham
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Stephen
 Twigg, Derek
 Twist, Liz
 Wakeford, Christian
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Mary Glindon and
 Taiwo Owatemi**

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Allan, Lucy
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Jake
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Conor
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey

Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinene, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dorries, rh Ms Nadine
 Double, Steve
 Dowden, rh Oliver
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon (*Proxy vote cast by Christopher Pincher*)
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alistair
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkinson, Mark
 Jenkyns, Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David
 Jones, Andrew
 Jones, Mr Marcus
 Jupp, Simon
 Kearns, Alicia
 Keegan, Gillian
 Knight, Julian
 Kruger, Danny
 Kwarteng, rh Kwasi
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Loder, Chris
 Logan, Mark
 Lopez, Julia
 Lopresti, Jack
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie

Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Murray, Mrs Sheryll
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richardson, Angela
 Robertson, Mr Laurence
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Shapps, rh Grant
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, Tom
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Sir Bill
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Jeremy
 Young, Jacob
 Zahawi, rh Nadhim
Tellers for the Noes:
Scott Mann and
Gareth Johnson

Question accordingly negated.

New Clause 29

ASSET FREEZING IN RESPECT OF INDIVIDUALS CONSIDERED FOR SANCTIONS

“(1) The Secretary of State may by notice publish the name of a person being considered as a subject for sanctions.

(2) A person in respect of whom a notice has been published under subsection (1) is immediately subject to the provisions of this section.

(3) A person in respect of whom a notice has been published under subsection (1) is prohibited from—

- (a) selling any assets they own or have an interest in,
- (b) moving any assets they own or have an interest in out of the United Kingdom, or
- (c) moving any of their funds out of the United Kingdom.

(4) ‘Assets’ in subsection (3)(a) or (b) includes (but is not limited to)—

- (a) land;
- (b) houses, flats or other private accommodation;

- (c) commercial, industrial, agricultural and other buildings, premises or property;
- (d) businesses;
- (e) personal possessions, works of art, jewellery or collectibles with an individual value of more than £500;
- (f) motor vehicles;
- (g) yachts or boats; and
- (h) aircraft.

(5) ‘Funds’ in subsection (3)(c) means financial assets and economic benefits of any kind, including (but not limited to)—

- (a) gold, cash, cheques, claims on money, drafts, money orders and other payment instruments;
- (b) deposits with relevant institutions or other persons, balances on accounts, debts and debt obligations;
- (c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;
- (d) interest, dividends or other income on or value accruing from or generated by assets;
- (e) credit, rights of set-off, guarantees, performance bonds or other financial commitments;
- (f) letters of credit, bills of lading, bills of sale; and
- (g) documents providing evidence of an interest in funds or financial resources.

(6) A person who breaches any prohibition under this section commits an offence.

(7) A person who engages in an activity knowing or intending that it will enable or facilitate the commission by another person of an offence under paragraph (6) commits an offence.

(8) A person guilty of an offence under subsection (6) is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both;
- (b) on summary conviction—
 - (i) to imprisonment for a term not exceeding six months; or
 - (ii) to a fine which in Scotland or Northern Ireland may not exceed the statutory maximum, or to both.

(9) A person guilty of an offence under subsection (7) is liable on summary conviction—

- (a) to imprisonment for a term not exceeding six months; or
- (b) to a fine which in Scotland or Northern Ireland may not exceed level 5 on the standard scale,

or to both.”—(*Mr David Davis.*)

This new clause would prevent individuals whom the Secretary of State has named as being considered as a subject for sanctions from selling their assets or moving funds or assets out of the UK.

Brought up.

Question put, That the clause be added to the Bill.

The Committee proceeded to a Division.

The Second Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. I understand that some pass readers in the No Lobby are not working, so we are extending the time by which people are able to vote by another two minutes. [HON. MEMBERS: “No!”] That is right—the No Lobby.

The Committee having divided: Ayes 234, Noes 300.

Division No. 208]

[10.8 pm

AYES

Abrahams, Debbie	Allin-Khan, Dr Rosena
Ali, Rushanara	Amesbury, Mike
Ali, Tahir	Anderson, Fleur

Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Baron, Mr John
 Beckett, rh Margaret
 Begum, Apsana
 Benn, rh Hilary
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bone, Mr Peter
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Charalambous, Bambos
 Cherry, Joanna
 Clark, Feryal
 Cooper, Daisy
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Crawley, Angela
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 Davis, rh Mr David
 Day, Martyn
 De Cordova, Marsha
 Debonnaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Djanogly, Mr Jonathan
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Donaldson, rh Sir Jeffrey M.
 Doogan, Dave
 Doughty, Stephen
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen

Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollobone, Mr Philip
 Hopkins, Rachel
 Hosie, rh Stewart
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz (*Proxy vote cast by Mr Pat McFadden*)
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, rh Dr Julian
 Linden, David
 Lloyd, Tony
 Long Bailey, Rebecca
 Loughton, Tim
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McCartney, Jason
 McDonagh, Siobhain
 McDonald, Andy

McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Miliband, rh Edward
 Mishra, Navendu
 Moran, Layla
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owen, Sarah
 Paisley, Ian
 Peacock, Stephanie
 Pennycook, Matthew
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd

Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stringer, Graham
 Sturdy, Julian
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Stephen
 Twigg, Derek
 Twist, Liz
 Wakeford, Christian
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Wilson, rh Sammy
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Mary Glindon and
 Taiwo Owatemi**

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Allan, Lucy
 Anderson, Lee
 Anderson, Stuart
 Ansell, Caroline
 Argar, Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Jake

Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Conor
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam

Caulfield, Maria
 Chalk, Alex
 Chishtli, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinéage, Dame Caroline
 Dines, Miss Sarah
 Docherty, Leo
 Dorries, rh Ms Nadine
 Double, Steve
 Dowden, rh Oliver
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon (*Proxy vote cast
 by Christopher Pincher*)
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, John
 Goodwill, rh Sir Robert

Gove, rh Michael
 Graham, Richard
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Holden, Mr Richard
 Hollinrake, Kevin
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David
 Jones, Andrew
 Jones, Mr Marcus
 Jupp, Simon
 Kearns, Alicia
 Keegan, Gillian
 Knight, Julian
 Kruger, Danny
 Kwarteng, rh Kwasi
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Loder, Chris
 Logan, Mark
 Lopez, Julia
 Lopresti, Jack
 Mackinlay, Craig
 Mackrory, Cherylyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony

Marson, Julie
Mayhew, Jerome
Maynard, Paul
McCartney, Karl
McPartland, Stephen
McVey, rh Esther
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, rh Amanda
Mills, Nigel
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrisey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Murray, Mrs Sheryll
Neill, Sir Robert
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Parish, Neil
Patel, rh Priti
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, rh Mark
Pursglove, Tom
Quince, Will
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richardson, Angela
Robertson, Mr Laurence
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob

Shapps, rh Grant
Shelbrooke, rh Alec
Simmonds, David
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Streeter, Sir Gary
Stuart, Graham
Sunak, rh Rishi
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Tugendhat, Tom
Vara, Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Walker, Sir Charles
Walker, Mr Robin
Warman, Matt
Watling, Giles
Webb, Suzanne
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Sir Bill
Williams, Craig
Williamson, rh Sir Gavin
Wood, Mike
Wright, rh Jeremy
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Noes:
Scott Mann and
Gareth Johnson

Question accordingly negated.
Schedules 1 and 2 agreed to.

Schedule 3

LAND OWNERSHIP AND TRANSACTIONS: ENGLAND AND WALES

Amendments made: 55, page 48, line 20, leave out “18 months” and insert “6 months”.

This amendment reduces the transitional period within which certain overseas entities are required to apply for registration as an overseas entity. The period is reduced from 18 months to 6 months.

Amendment 56, page 49, line 11, leave out “18 months” and insert “6 months”. —(*Paul Scully.*)

The Land Registrar is required to enter a restriction prohibiting certain dealings in land by an unregistered overseas entity. In the Bill as introduced the restriction does not take effect for the first 18 months after the provisions come into force. This amendment reduces the period to 6 months.

Schedule 3, as amended, agreed to.

Schedule 4

LAND OWNERSHIP AND TRANSACTIONS: SCOTLAND

Amendments made: 57, page 57, line 24, leave out “18 months” and insert “6 months”.

This amendment reduces the transitional period under Part 2 of Schedule 4 to the Bill.

Amendment 58, page 57, line 33, leave out from “of” to end of line and insert “6 months beginning with the day on which Part 2 of this Schedule comes into force”. —(*Paul Scully.*)

This amendment changes the sunset period for the power in Part 3 of Schedule 4. Instead of the power being switched off 18 months after the Act is passed it would be switched off 6 months after Part 2 of Schedule 4 comes into force. This chimes with the definition of “transitional period” in Part 2 of Schedule 4.

Schedule 4, as amended, agreed to.

Schedule 5 agreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill, as amended in the Committee, considered.

Bill read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ENVIRONMENTAL PROTECTION

That the draft Genetically Modified Organisms (Deliberate Release) (Amendment) (England) Regulations 2022, which were laid before this House on 20 January, be approved.—(*Scott Mann.*)

Hon. Members: Object.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (DEVOLUTION)

That the draft European Union (Withdrawal) Act 2018 (Repeal of EU Restrictions in Devolution Legislation, etc.) Regulations 2022, which were laid before this House on 25 January, be approved.—(*Scott Mann.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft Social Security (Scotland) Act 2018 (Disability Assistance and Information- Sharing) (Consequential Provision and Modifications) Order 2022, which was laid before this House on 31 January, be approved.—(*Scott Mann.*)

Question agreed to.

DIGITAL, CULTURE, MEDIA AND SPORT

Ordered,

That Alex Davies-Jones be discharged from the Digital, Culture, Media and Sport Committee and Dr Rupa Huq be added.—*(Bill Wiggin, on behalf of the Committee of Selection.)*

HOME AFFAIRS

Ordered,

That Andrew Gwynne be discharged from the Home Affairs Committee and Carolyn Harris be added.—*(Bill Wiggin, on behalf of the Committee of Selection.)*

Delivery Charges: Scotland

Motion made, and Question proposed, That the House do now adjourn.—*(Scott Mann.)*

10.25 pm

Douglas Ross (Moray) (Con): I am delighted to have secured tonight's Adjournment debate on an important topic for my Moray constituents. The Minister has already put in a great shift at the Dispatch Box today, and I apologise for delaying him further. However, in my article in *The Northern Scot* this week explaining to my constituents that I was having this Adjournment debate, I said that hopefully we would get to it quicker than last Monday's, which started at 1.07 am, so we have done a little better already.

If the Minister wants to blame anyone for being here at this hour, he should blame the Treasury. I originally secured this debate on the use of red diesel at ploughing matches, but I am very pleased that the Minister, who was perhaps worried about what might come out in an Adjournment debate, agreed to change excise notice 75 to ensure that ploughing matches in Moray, across Scotland and in the rest of the UK will no longer be subject to the potential change. I am delighted that we got that without an Adjournment debate—no pressure, Minister, but I now expect everything I ask for this evening to be delivered.

Alberto Costa (South Leicestershire) (Con): I congratulate my hon. Friend on securing this debate. He talks about blaming someone for our being here at this time of the evening. May I ask his view? This is an important debate affecting the good people of Scotland, yet on the Opposition Benches I see no hon. Member from the nationalist party. Does that not demonstrate to the people of Scotland that the important topic that he is raising is simply being ignored by nationalist MPs?

Douglas Ross: Well, that is for others to decide, but I am grateful to my hon. Friend, who is a fellow member of the Select Committee on Scottish Affairs.

Before my hon. Friend and I joined the Committee, it had looked at this issue. I have also secured Westminster Hall debates on it, including one that the Minister responded to 15 months ago, and I have raised it at Prime Minister's questions. I know that it concerns Members across the House and our constituents, particularly those of us in the north of Scotland and the highlands and islands, and I make no apology for raising it again.

The surcharges on the delivery of products bought by people in Moray and across many parts of Scotland are punitive and unfair and have been going on far too long. Businesses and couriers are treating my constituents and the people affected with utter contempt. It is completely wrong, and something must be done. To put into perspective how many people the issue affects, a Scottish Parliament briefing paper suggests that 440,000 people in Scotland live in areas affected by the surcharges. To put that into context, the same report says that 87% of adults in the United Kingdom buy online. That figure rose as high as 95% during the pandemic. That means that a big number of shoppers—95% of 440,000 people—are being punished not for what they want to buy, but because of where they want to buy from.

[Douglas Ross]

It is absolutely wrong that the issue is raised time and again, but no action seems to be taken by the businesses or the couriers to deal with the problem. The Scottish Parliament Information Centre's report says that the additional cost of delivery charges in commonly affected areas, compared with the rest of Scotland, is £45 million. That is £45 million that someone has to pay because they live in Moray, Inverness or one of many areas north of Perth—not the cost of the products, but the cost to deliver them.

I would like to give some examples from my constituency, and one from slightly further afield, that I have been dealing with as the local MP. I have made it very clear that I want constituents to tell me when they have faced such problems, because I want to stop them. The only way we will stop them is by highlighting the injustice, highlighting the unfairness of the system and trying to get some action. I am glad that some action has been taken. The Advertising Standards Authority has issued several enforcement notices in cases that I have referred to it and in many others. Indeed, the Minister and I discussed that in our previous debate, but let me give just a few examples.

A constituent in Mosstodloch purchased a wallet with no delivery charge advertised, yet when it came to the checkout online £15 was added. The ASA issued an enforcement notice on that company, because it had advertised no additional charges to mainland United Kingdom. A Findhorn resident tried to order a battery for a strimmer and was told it would be £30 to deliver to the IV36 postcode, which was almost more than the cost of the battery itself. Another constituent in Dyke was quoted £15 to order a tap for his motor home, even though free UK delivery was advertised. Dyke, in Moray, is part of the UK. How do these companies not get it? Why do they think that somehow we are cut off? We are not—we are part of the mainland UK. Therefore, if they advertise “free delivery to mainland UK”, whether for a tap for someone's motor home or for something else, the person deserves to get free delivery to mainland UK. A constituent from Forres ordered goods worth £89 and the company was offering free delivery on orders over £40. She put in her IV36 postcode and the delivery charge rose to £117. So from free delivery for purchases of over £40, for her purchase of £89 it then became £117. Unfortunately, on this one, the ASA stated that because the company did not say that the free delivery applied to the whole of the UK, it was not able to take action. I would be interested to hear the Minister's thoughts on that. Free delivery was being advertised, but just because the company did not say it was to the whole of the UK it got away with it.

Another constituent from Findhorn had ordered £155-worth of specialist pipe insulation. Normal delivery was going to be £9.95, but they entered their IV36 postcode and an additional £40 was added, taking the total delivery cost to £50. In this case, the ASA did issue an enforcement notice, and I am pleased to say that the constituent got a full refund from the company. It accepted that it had done wrong in this case, even though it applied the charge in the first place. Another constituent put in an order for some garden equipment and although free UK mainland delivery was advertised, they were asked to pay a surcharge of £24 for “Scottish highlands”. We are not in the Scottish highlands. There is a Highland

Council region, and Aberdeenshire and Aberdeen regions. Moray is a region on its own, yet we are again lumped in with the highlands. Finally, a product was ordered by one of my constituents in Elgin and they were told that the delivery charge was going to be £149.95. They then changed the address to that of a relative in Rothes, which is about 10 miles from Elgin and has an AB postcode, and there was no delivery charge whatsoever. So by travelling 10 miles within Moray one can go from a charge of almost £150 for delivery to having no charge at all. That just highlights issues with both businesses and couriers; they each try to blame each other, but they are both as guilty as each other and are imposing these charges when there is no good reason to do so.

I was looking at the debate that the Minister and I held in Westminster Hall some time ago, when we spoke about how companies must at least be up front. We might not like the small print but if they are up front about things, in some cases we have to accept it. I do not accept it, but they are also not being up front. Another constituent in Elgin bought a bed for £435 and the order went through and was completed, but several days later she was contacted to say, “Actually, we have looked at your address and there is going to be a £70 surcharge for delivery.” That happened days after the purchase had been accepted by the company and agreed with my constituent. They believed that they were going to pay a certain amount, only then to get a phone call or an email to say, “Actually, we've found out where you live, we think it is too far away and we are going to put on another £70.” That is indefensible on the part of these companies and couriers; I am sure the Minister would agree on that, and so something must be done about it.

I also said I would give one example from outwith my constituency, and I could have chosen literally hundreds. However, the example that I gave in a previous Westminster Hall debate—even previous to the one that I had with the Minister, because I have raised this issue a number of times before—was that it would sometimes be cheaper for me to buy an item in London, and instead of paying a charge to some company for it to be delivered to Scotland, pay for a seat for the gift I had bought, or some other parcel, on my easyJet flight.

That is no longer the best example that I could give. A resident of Inverness, Jim Oliver, was seeking to help his mother-in-law, who was trying to purchase a gardening tool online. The cost of the gardening tool was £40, but she was going to be charged £2,000 for delivery. [Interruption.] Oh, it gets worse! It gets a lot worse than that. Jim decided to try himself. He typed in the same product name, and the delivery charge came out, not more expensive than buying a seat on the easyJet flight to get it up to Inverness, but more expensive than the world's most expensive footballer. They could have bought Neymar for less. The delivery charge for a £40 product came in at £2,001.997.

That was clearly a computer glitch, but I also want to highlight the fact that these companies just do not care. They literally do not care about their customers in parts of Scotland if they allow their system to say, “We will charge you more than the cost of Neymar to deliver this product to Inverness.” That demonstrates the contempt in which a number of these businesses hold our area, and the fact that they have got away with it for so long allows them to continue in the same vein.

I must give credit to the Advertising Standards Authority for the work that it does in this area. It has seriously tried to tackle the issue, and has been extremely diligent in pursuing cases that I have put to it. It has tried to deal with them by means of enforcement notices—I have given examples in which that has not been possible—but what is an enforcement notice? What does it do? It is a slap on the wrist. Enforcement notices are clearly not stopping other companies following similar practices, they are clearly not acting as a deterrent, and people in Moray and other parts of the north of Scotland are being treated completely differently from people elsewhere in Scotland and the United Kingdom as a whole. We need tougher enforcement from the ASA, and I think we should consider what further powers we could give it to take far stronger action.

I decided to return to that debate in Westminster Hall and remind myself of the points that the Minister raised in his response. I wonder if he can update us on some of the issues. Back then, he said:

“The consumer protection partnership chaired by officials in my Department continues to work on the issues.”

Can he tell us what work the partnership is doing, and what proposals it has advanced to him or to other Ministers? He also noted that

“Ofcom will be undertaking a review of its future regulatory framework for post”

—and, presumably, other items—

“over the next year.”—[*Official Report*, 9 December 2020; Vol. 685, c. 453WH.]

That will have reached a conclusion by now. I do not know whether there have been any delays as a result of the pandemic, but can the Minister tell us what the outcome was of Ofcom’s review?

In the past the Minister and his predecessors have been averse to the idea of legislating in this area, but does he accept that the longer we debate the issue—the more times I return to it, or it is raised by Members from my part or other parts of Scotland—while the current measures are not dealing with the problem, the more important it is to consider legislation? Why do 440,000 constituents in the far north and many other parts of mainland Scotland have to live with this day in day out, week in week out, year after year? For these prices are going up year after year. We read in parliamentary briefings that the cost for many parts of Scotland is going up and up. It was £45 million in 2021; what will it be in 2022 or 2023 if this continues?

Will the Minister seriously consider potential legislation? In the more immediate term, will he agree to meet me and some of the big companies involved—the couriers and some of the other companies that are most guilty of adding excessive charges for constituents in Moray and many other parts of the highlands and the north? We need to get these companies round the table and explain to them that the problems they are causing and the issues that this causes for local representatives and the Government have to be dealt with. At the moment, they seem to be continuing as if nothing is wrong, although, as I have tried to explain tonight, things are continuing to go wrong. We need a meeting with them and the Minister, sitting round the table, to hear their responses to these concerns and to the cases that I and other elected Members put to them. If they think that they are in the right, we need to hear the reasoning behind

that, but if they accept, as I hope they will, that they are in the wrong for imposing these excessive charges, we need to hear what they will do about it. I hope that the Minister’s office will help to bring these people round the table and help to deal with the situation before it is allowed just to go on and on.

This is simply unacceptable. It was unacceptable when I raised it in 2017 in my maiden speech, it was unacceptable when I raised it with the former Prime Minister at Prime Minister’s questions, it was unacceptable when I raised it with the Minister’s predecessor in Westminster Hall and it was unacceptable when I raised it with this Minister in Westminster Hall. It is still unacceptable now, as I raise it in this Chamber in March 2022, that my constituents are forced to pay these excessive charges simply because of where they live. This is a postcode lottery. It is no longer acceptable to treat people in Moray and many parts of the country so differently from their friends and relatives in other parts of Scotland or the United Kingdom.

The time for action has long passed. It has not come quickly enough, and we now need firm action from the Government to deal with this issue. Once and for all, we need to deal with the problem that many people have faced for far too long. I hope that, in responding to this debate, the Minister can update us on any actions taken since this was previously raised in this House, tell us what more can be done and give some hope to the people of Moray as they look to the year ahead. It is never too early to mention Christmas, and people will already be thinking about purchases for the year ahead and going into Christmas—[*Interruption.*] Well, it probably is too early to mention Christmas, but genuinely, people look at purchases and are deterred from buying them, not because they do not want or need the product but because they are unwilling to pay these extortionate costs. The people of Moray and the people of the highlands and islands are watching with interest tonight to see what hope the Minister and his Department can give them that this long-running problem will soon be just a bad and distant memory and that we can look forward to a future when Moray and other parts of Scotland are not affected by these extortionate costs.

Mr Deputy Speaker (Mr Nigel Evans): I wish you all a merry Christmas, and I call the Minister.

10.42 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): Thank you, Mr Deputy Speaker. I congratulate my hon. Friend the Member for Moray (Douglas Ross) on securing today’s really important debate. He is right to say that we have had a long day and we have debated some really important global events and our response to them. None the less, he is absolutely right, at this hour or any hour, to speak up for his constituents who, when they see the situation in Ukraine and Russia, and even the situation of property in London and the sanctions that we are looking at in London and elsewhere, feel distant from them. They are worried about the ongoing cost of delivery from places that they see at a distance in the UK. Those delivery companies clearly feel that Moray is distant from them, but we are one UK and we have to ensure that we are shrinking this country, because we are one community.

[Paul Scully]

I congratulate my hon. Friend on his continued championing of his constituents' cause. It clearly continues to be an important issue for his constituents, and I know that other Members have raised similar issues. I have a lot of sympathy for their concern that consumers in some parts of Scotland are charged differently from consumers in other parts of the UK. I also recognise that similar issues exist for some consumers in Northern Ireland. I am pleased to be able to take part in this debate and outline what has happened since the previous Westminster Hall debate, which was secured by my hon. Friend in December 2020.

It is not unreasonable for a business to seek to recover its costs, and the Government recognise that delivery costs can be higher when reaching some parts of the UK, but any delivery surcharges applied should be based on real costs such as the additional cost of longer transportation, and clearly not on the cost of Neymar, as my hon. Friend described. The Government strongly encourage businesses, as far as possible, to provide consumers with a range of affordable delivery options. Thanks to the Government's universal service obligation, which is implemented by Royal Mail, retailers across the UK have access to parcel delivery at uniform rates. The Government's aim is to secure sustainable, efficient, affordable and universal postal services, which ensures everybody, including small retailers, has access to affordable, consistently priced postal services for deliveries across the UK.

Royal Mail, through the universal service obligation, must deliver parcels weighing up to 20 kg five days a week at uniform rates throughout the UK, but, of course, the delivery operator chosen by the retailer is a commercial choice for that retailer. The Government believe that businesses should be free to choose partners and make the contractual arrangements that best fit their commercial needs. At the same time, as my hon. Friend said, consumers need transparent information on any delivery charges and restrictions so that they can choose the supplier that best meets their requirements.

Consumer protection laws require costs, including delivery charges, to be transparent. Retailers are therefore required to be up front about their charges, including on where they deliver, what they charge and when any premiums may apply. That way consumers know exactly where they stand and can decide accordingly whether to proceed with a purchase with that retailer or whether to look elsewhere.

For retailers to take advantage of the considerable opportunities of online sales, particularly given the rise of online shopping, they will need to take heed of the needs of consumers in all parts of the country by developing delivery solutions to realise the sales potential in those areas and taking advantage of the universal service obligation, where appropriate.

David Duguid (Banff and Buchan) (Con): I congratulate my hon. Friend the Member for Moray (Douglas Ross), my constituency neighbour, on bringing this important issue to the House. Does the Minister agree there is an issue not just for customers who are looking for things to be delivered to their homes and businesses in the north of Scotland but for the businesses across the UK

that are missing out on achieving that custom simply because they are shutting themselves to those with an IV or AB postcode?

Paul Scully: My hon. Friend makes a good point. Businesses need to be competitive and open but, by choosing the wrong delivery partner, they are missing out on great consumers across Great Britain and Northern Ireland. As we have heard, there are remote parts of Northern Ireland and Moray, too. It is important that we are inclusive not just to tick a box but because it is the right thing to do and the practical and economic thing to do, too.

The [deliverylaw.uk](https://www.deliverylaw.uk) website established by Highland Council trading standards provides advice on delivery charges for consumers and businesses. Any consumer who believes those rules are being breached should report it through [deliverylaw.uk](https://www.deliverylaw.uk) so that incidents are recorded and appropriate enforcement action can be taken.

Furthermore, the Competition and Markets Authority and the Advertising Standards Authority have undertaken a significant volume of enforcement work to ensure compliance with transparency on charges and restrictions. The ASA issues enforcement notices to online retailers where parcel surcharging practices are raised, and it has achieved a compliance rate of over 95%. My hon. Friend the Member for Moray described one of the 5%, where, because of the way it was phrased, the ASA let them get away with it.

The CMA continues to issue advisory notices to the major retail platforms and has published guidance to retailers that sell via these platforms. It continues to work through primary authorities to ensure improvements in this area. The Chartered Trading Standards Institute has also produced a good practice guide on delivery charges, which is available on its business companion website and sets out clearly how businesses should comply with consumer law.

On legal compliance, our enforcement partners are continuing to take action where issues of non-compliance are brought to their attention. As guidance is freely available to all businesses, large or small, through both the business companion website and [deliverylaw.uk](https://www.deliverylaw.uk), there is no excuse for businesses not to comply with their legal responsibilities.

As we have heard, in November 2020, the postal sector regulator, Ofcom, published updated information on how the parcels market was operating, as part of its annual postal service monitoring update. Ofcom found that operators take different approaches to the pricing of parcel delivery services. Some vary their prices by location, but others do not, so businesses have options.

Of the subset of suppliers that vary their delivery prices by location, some use a binary standard charge and an out-of-area charge and some set different prices for different areas. In other cases, the prices charged for parcel delivery are bespoke. Operators may start with a standard rate but will often negotiate charges on a bespoke basis with individual retailers.

As I have outlined in previous debates on this issue, some major retailers, including Argos and Wayfair, have taken positive steps and vastly improved their delivery services by removing surcharges for most customers in the Scottish highlands and islands. The parcel delivery market is competitive and the steps taken by suppliers to remove delivery surcharges will put downward pressure on other charges from other suppliers.

Ofcom is reviewing its future regulatory framework and consulting on its proposals. The consultation was launched on 9 December 2021 and closed on 3 March. Once responses have been considered, Ofcom will issue a statement in the summer of 2022-23—so in the next financial year.

In its review, Ofcom found that the parcels market is generally working well overall and that competition is driving benefits for consumers, but the evidence suggested that some problems for consumers still need to be addressed. Those problems relate to the handling of consumer complaints and contact-handling processes, as well as the fact that disabled consumers' needs are not being met and they are more likely to experience detriment. Ofcom is therefore consulting on its proposal to issue guidance on how complaints should be handled and to require parcel operators to have in place policies that better meet the needs of disabled customers.

Ofcom is also examining improvements in respect of the accessibility and convenience of parcel services, including the expansion of pick-up and drop-off locations and the improvement of consumer control, such as through the ability for consumers to nominate delivery windows and specify delivery preferences. On geographical variations, or surcharging, Ofcom does not propose any new regulation at this stage but will continue to engage with stakeholders and policy makers.

Douglas Ross: The Minister will understand how disappointing that is. Ofcom has to treat this issue seriously. He has mentioned competition a lot. It seems that these businesses, and many of the couriers, do not really care about the north of Scotland and are quite happy to leave it to other people. That is a cost issue, but a significant proportion of Scotland's population—and part of the UK population—continues to be affected by the issue and the response from Ofcom makes it look like the couriers do not care and nor does the regulator.

Paul Scully: I appreciate and understand my hon. Friend's view. Ofcom will continue to look at this issue and will undoubtedly continue to push on it. I assure him and other Members that the Government will continue to monitor the issue of the fairness of charges through the work of the Consumer Protection Partnership, which he mentioned. The partnership has a dedicated working group that includes consumer advocates, trading standards and Government representatives who focus on the issue. The group includes the Scottish Government, who have their own fair delivery action plan, and continues to engage with stakeholders to better understand the drivers of charging. It is also considering whether there are initiatives that could help to improve or drive down delivery costs to rural and remote communities. That work could include, for example, looking at infrastructure, but as such issues are devolved they are for the Scottish Government and the Scottish Parliament to consider.

To conclude, the legislative framework is robust and provides the appropriate protections for consumers. The Government remain committed to ensuring that the universal service obligation, including the delivery of parcels at a single charge rate throughout the UK, remains affordable and accessible to all users. My priority is the continued enforcement of the law to ensure that customers are not surprised by delivery charges and are able to make choices based on clear information. In that way, consumer decisions will apply competitive pressures that can drive down delivery charges to the benefit of all.

I am happy to meet my hon. Friend and representatives of the industries. I thank him again for his contribution to the debate and look forward to meeting him soon.

Question put and agreed to.

10.53 pm

House adjourned.

Written Statements

Monday 7 March 2022

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Industrial Development Act 1982: Covid-19

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lee Rowley): I am tabling this statement for the benefit of hon. Members, to bring to their attention spend under the Industrial Development Act 1982. In addition to the obligation to report on spend under the Industrial Development Act annually, the Coronavirus Act 2020 created a new quarterly reporting requirement for spend that has been designated as coronavirus-related under the Coronavirus Act. This statement fulfils that purpose.

The statement also includes a report of the movement in contingent liability during the quarter. Hon. Members will wish to note that measures such as local authority grants, the coronavirus job retention scheme and self-employed income support scheme, and tax measures such as the suspension of business rates, are not provided under the Industrial Development Act 1982 and hence are not included below.

This report covers the third quarter of 2021, from 1 July to 30 September 2021, in accordance with the Coronavirus Act.

The written ministerial statement covering the second quarter of 2021 was published on 15 November 2021.

Spend under the Coronavirus Act 2020

Under the Coronavirus Act 2020, there is a requirement to lay before Parliament details of the amount of assistance designated as coronavirus-related provided in each relevant quarter. In the period from 1 July to 30 September 2021, the following expenditures were incurred:

Actual expenditure of assistance provided by Her Majesty's Government from 1 July to 30 September 2021	£345,600,487
Actual expenditure of assistance provided by Her Majesty's Government from 25 March 2020	£3,617,960,250

Expenditure by Department

Actual expenditure of assistance from 1 July to 30 September 2021 provided by:

Department for Business, Energy and Industrial Strategy	£319,134,569
Department for Environment, Food and Rural Affairs	£1,190,054
Department for Transport	£25,275,864

Contingent liability under the Coronavirus Act 2020

Contingent liability of assistance provided by the Secretary of State from 1 July to 30 September 2021	£2,353,852,730
All contingent liability of assistance provided by the Secretary of State from 25 March 2020	£72,677,811,019

[HCWS661]

DIGITAL, CULTURE, MEDIA AND SPORT

Mobile Coverage: 5G Deployment

The Minister for Media, Data and Digital Infrastructure (Julia Lopez): Now more than ever, reliable digital connectivity is essential for people and businesses. We have committed to extending mobile geographical coverage across the UK. In order to improve coverage in rural parts of the country, the Government have agreed a £1 billion shared rural network deal with the UK's mobile network operators to extend 4G mobile geographical coverage to 95% of the UK by the end of the programme. We also want to ensure that people and businesses right across the country can realise the full benefits of 5G as soon as possible. Through our £200 million 5G testbeds and trials programme, we are already seeing the benefits 5G can bring to manufacturing, farming, transport networks and healthcare.

In order to realise these ambitions, it is essential that the planning system can effectively support the deployment of new mobile infrastructure, as well as network upgrades. The Department for Digital, Culture, Media and Sport, and the Department for Levelling Up, Housing and Communities—formerly the Ministry of Housing, Communities and Local Government—have been consulting on proposed changes to permitted development rights for electronic communications infrastructure in England. Following an initial consultation in 2019 on the principle of the reforms, we published a technical consultation last year on implementing the proposed changes.

Having reviewed the responses to the consultation, we believe that the proposed changes will have a positive impact on the Government's ambitions for the deployment of 5G and extending mobile coverage. In considering the reforms, we have sought to ensure that we find the correct balance between facilitating improved connectivity, minimising impact in protected landscapes and ensuring that the appropriate environmental protections are in place.

The Minister for Housing, my right hon. Friend the Member for Pudsey (Stuart Andrew), and I can announce that today the Government have published their response to the consultation, which sets out that we will make the following changes to permitted development rights:

Enable the deployment of small equipment cabinets on article 2(3) land—such as national parks, conservation areas and areas of outstanding natural beauty—and allow greater flexibility for installing equipment cabinets in existing compounds, without requiring prior approval from the planning authority, while retaining prior approval for cabinets over 2.5 cubic metres;

Allow for the strengthening of existing masts by permitting limited increases in the width of existing ground-based masts without the need for prior approval, and greater increases subject to prior approval, on all land. Also allow for limited increases to the height of existing ground-based masts without the need for prior approval outside of article 2(3) land, with greater increases on all land, up to specified limits, subject to prior approval;

Enable the deployment of building-based masts by permitting these in closer proximity to a highway subject to prior approval outside of article 2(3) land. Permit smaller masts to be installed on buildings without the need for prior approval outside of article 2(3) land; and

Enable taller new ground-based masts to be deployed—up to 25 metres on article 2(3) land and 30 metres on unprotected land, subject to approval from the planning authority.

To balance these freedoms, we will introduce new planning conditions that will require operators to minimise the impact of all new development, especially for more sensitive areas, as far as possible. We will also make changes to the procedure for safeguarding aerodromes and defence assets, and technical changes to the definition of small cell systems. Following the consultation, we have decided not to allow any new ground-based masts to be installed without the prior approval of the planning authority.

Improved mobile connectivity, especially 5G, will ultimately bring benefits to all communities and businesses throughout the country in support of our levelling-up agenda. The reforms will provide operators with the flexibility they require to upgrade existing sites in England for 5G delivery, enhance coverage and meet the growing demands for network capacity. They will also reduce the time, cost and uncertainty involved in upgrading mobile network infrastructure as well as encourage the use of existing infrastructure and promote site sharing to reduce the impacts of new deployment.

Alongside the Government response, we have also published a new code of practice for wireless network development in England. This will provide updated guidance to ensure the impact of new and upgraded mobile infrastructure is minimised and that appropriate engagement takes place with local communities.

In order to make these changes, we will shortly make amendments to part 16 of schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015, as amended, through secondary legislation.

As planning law is a devolved matter, the legislative changes will apply to England only, but we will continue to work closely with the devolved Administrations to ensure that the planning regime continues to support the deployment of mobile infrastructure across the United Kingdom.

[HCWS662]

HOME DEPARTMENT

Police and Crime Commissioner Review: Part 2

The Secretary of State for the Home Department (Priti Patel): Today, I am pleased to set out to the House a package of measures in support of this Government's manifesto commitment to expand and strengthen the role of our directly elected police and crime commissioners (PCCs), and those mayors with PCC functions, including the findings from the second part of our internal review into the role of PCCs.

Our two-part review will ensure PCCs can focus more sharply on local crime fighting, with stronger accountability to those they serve. As set out in the Government's beating crime plan, PCCs allow the public's voice to be heard on local policing and crime matters and hold chief constables to account for delivering what communities need. As such, PCCs continue to play a critical role in reducing crime and reoffending.

Part 1 of the review focused on making it easier for the public to hold their PCC to account for their record on delivering the safer streets that they deserve. In March 2021, I announced a package of reforms that will ultimately help people judge their PCC at the ballot box and we are making good progress in bringing about these important changes.

Today, I want to update the House on two specific measures from part 1, before I turn to our conclusions from part 2.

The first gets to the heart of equipping our PCCs with the right tools and powers to work with their partners to tackle crime and anti-social behaviour. Our targeted consultation last year found broad support for "levelling up" PCCs by providing them with a wider functional power of competence so they have parity with the equivalent powers held by fire and rescue authorities and most mayoral combined authorities. By equipping PCCs with this new power, we will make it easier for them to act creatively to reduce crime and to make better use of police resources.

Secondly, I pledged to consult on changes to the Policing Protocol Order. This is a document that sets out the roles and responsibilities of various people involved in policing, such as PCCs, chief constables and police and crime panels. I am therefore launching a targeted, stakeholder consultation to seek views from our policing partners on how we can refresh this document to provide a "brighter line" on the boundaries of operational independence and to better reflect my role as Home Secretary. If we are going to deliver on our shared mission to cut crime, it is essential that all those involved in policing understand their respective roles.

Having focused in part 1 on strengthening their role, we wanted to use the second part of our review to ensure that PCCs have the information, levers and tools to help cut crime, drugs misuse and anti-social behaviour. After almost a decade since their introduction, it is time to focus on the "and crime" part of the PCC role.

I will now give an overview of our part 2 conclusions. All our recommendations are set out in full as an annex (Annex A) and the attachment can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2022-03-07/HCWS664/>.

To cement PCCs' role in offender management: PCCs are held locally accountable for reducing crime, but to carry out their duties effectively, we must give them the levers to work across their local criminal justice system. We will create a new statutory duty to lock in collaborative working between PCCs and the Probation Service. This step, in conjunction with the other measures we will bring forward, will help align the work of PCCs and local probation services around their shared goal to break the chain of reoffending.

To improve the way PCCs work in partnership with others to fight crime and support victims: We need to see all public safety partners playing their full part in the fight against crime. It is essential that PCCs can bring local agencies together to tackle the issues that blight their communities—like drugs misuse, anti-social behaviour and neighbourhood crime. We will provide PCCs with the tools to do this by strengthening the guidance that underpins their role in convening partners to fight

crime and drugs misuse, in line with Dame Carol Black's independent review on drugs. We will also give PCCs a central role on local criminal justice boards, support their work on violence reduction units and clarify the local crime prevention landscape through an in-depth review of community safety partnerships in England and Wales. Of course, PCCs continue to play a vital role in supporting victims of crime. The Ministry of Justice Victims' Bill consultation considered how to expand and strengthen PCCs' role in relation to oversight of victims' experiences in the criminal justice system and commissioning support services, and so it was not examined within part 2 of the PCC review, but the work is complementary and aligned. The consultation closed in February, and the Government will introduce the Victims' Bill as soon as possible.

To improve public confidence in policing: PCCs play an important role as the voice of victims and use their levers to tackle the issues raised by complainants. To do this well, PCCs must visibly hold the police to account on behalf of their whole community and use their role to help uphold police legitimacy. We will support PCCs by clarifying our expectations in this regard and work with the Association of Police and Crime Commissioners and the College of Policing to ensure PCCs have access to the best possible evidence about what helps foster local confidence in policing.

To improve PCC's access to criminal justice data: Without sharing information on a timely basis, local crime fighting activity cannot be delivered in a joined-up way. Local partners often deal with the same cohorts of offenders, but throughout the review, we heard that sharing data can be difficult and inconsistent. We therefore propose to take steps to support a more data-confident culture by issuing new central guidance, supported by examples of local good practice and bolstering the ability of PCCs to more confidently use this information. These steps will help PCCs to better understand how effectively and efficiently their police force is operating within the wider criminal justice landscape.

If we are to strengthen and expand the role of PCCs in this way, this must be balanced by robust accountability to the public. We are taking further steps to strengthen the checks and balances on PCCs.

To help ensure there is effective local scrutiny: We want to see police and crime panels acting as critical friends, helping the public to understand how their PCC is doing on the issues that matter to them. The review found that independent members on panels were important, bringing relevant skills, expertise and greater diversity; so we will focus on improving their recruitment and retention. We will also look at whether a regional model of panel support could improve the professionalism, quality and consistency of the support provided to panels.

To help ensure the public can complain about their PCC if needed and trust that their complaint will be handled fairly and consistently: Police and Crime Commissioners are elected representatives, held to account to the public via the ballot box. The Home Office will further consider the processes for how complaints of criminal misconduct are handled, and the scope to align a new code of conduct with the regime for mayors and

councillors in local government. This will also consider how to address the problems of vexatious and political motivated complaints, especially those which stem from disagreements with the political views of the commissioner, or complaints which are nothing to do with policing.

The public, rightly, expect PCCs to behave appropriately and act with integrity. That is why there is already a high bar in place for PCC conduct. Having explored the options for introducing recall, the review has not recommended doing so, given the stringent disqualification rules in place for PCCs. I will keep this matter under review.

Now that this two-part review has concluded, my Department will work with our partners to deliver the recommendations, including legislating where necessary, and when parliamentary time allows.

I would like to put on the record my thanks to the advisory group which supported this review, comprising senior external stakeholders with expertise in the policing and criminal justice sector.

I am confident that, as a package, our recommendations will better equip PCCs to reduce crime and protect the public, solidify their position within the criminal justice system and make it easier for the public to hold PCCs to account.

[HCWS664]

JUSTICE

New Prisons

The Minister of State, Ministry of Justice (Victoria Atkins): The Parliamentary Under-Secretary of State for Justice, my noble Friend Lord Wolfson of Tredegar, has made the following written statement:

I am pleased to provide an update today on our progress in delivering the biggest prison building programme in over a century. We are committed to delivering 20,000 new prison places to meet demand, cut crime and keep the public safe. These new prison places will create a more secure and modern estate, providing a productive environment to reform prisoners.

HMP Five Wells

The first prisoners arrived at HMP Five Wells on 4 February and the prison was officially opened by the Deputy Prime Minister, Dominic Raab, yesterday, marking the completion of the first prison in our programme of six new prisons.

HMP Five Wells, in Wellingborough, is a purpose-built category C resettlement men's prison, designed to house around 1,700 men over seven houseblocks, supported by six ancillary buildings. It is built on the site of the former HMP Wellingborough, a category C prison that was closed 10 years ago.

HMP Five Wells is the first of its design to be built, based on work that brought together the lessons of previous prison builds, practical prison expertise of both staff and prisoners, academia, and international expertise. The new prison's design has a focus on safety and security and is equipped with security measures that contribute to cutting crime. The prison is designed to facilitate education and skills development, providing an environment to better equip and support prisoners on release and to reduce reoffending.

Naming and operator of the new prison at Glen Parva

I can announce today that, following public consultation and a meeting of local representatives, the new prison at Glen Parva will be named HMP Fosse Way. I am grateful for the submissions received by the public to name the new prison. The name HMP Fosse Way has strong links to Leicestershire and reflects the history of the local area—the Fosse Way is a Roman road that runs through Leicestershire and is reflected in the name of a number of local institutions.

I can also announce today that, following a rigorous evaluation process, Serco has been successful in its bid to provide prison operator services at HMP Fosse Way. This is another important milestone in our ambitious programme of new prisons. HMP Fosse Way will also be a category C resettlement prison holding around 1,700 men.

Glen Parva's construction continues to boost Leicestershire's economy and create hundreds of jobs. As of December 2021, 30% of the on-site workforce were from the local area and over £96 million has been spent locally. We have also invested over £400,000 in recruitment and skills training. Our contract with Serco will provide further economic benefit by providing over 600 long-term jobs once the prison is operational. This significant investment in the local community supports the Government's ambition to level up the UK's economy.

Four new prisons

Today I am pleased to announce that one of the four additional new prisons will be run by HMPPS. This, added to the expansion of the existing public sector estate, will mean that over half of all the additional capacity planned in the coming years will be run by the public sector. This reaffirms our commitment to a balanced approach to custodial services which includes a mix of public, voluntary and private sector involvement.

The three other new prisons will be operated by the private sector, which we are confident will provide a high-quality and value-for-money service. As with the competitions for HMP Five Wells and the new prison at Glen Parva, bidding operators for the three new prisons will compete for the contract and HMPPS will continue to provide a "public sector benchmark" against which bids will be rigorously assessed. If bids do not meet our expectations in terms of quality and cost, HMPPS will manage the new prisons.

These milestones are a significant step forward in our ambitious programme to deliver a future-proof and fit-for-purpose prison estate, with the capacity needed to meet demand, house prisoners safely and securely, and reduce reoffending.

[HCWS663]

Petitions

Monday 7 March 2022

OBSERVATIONS

HEALTH AND SOCIAL CARE

Breast cancer screening in Fleetwood

The petition of the residents of the constituency of Lancaster and Fleetwood in Lancashire,

Declares that the mobile breast cancer screening unit in Fleetwood should be reinstated because access to breast screening is life-saving and the loss of the mobile screening van in Fleetwood makes accessing this service more difficult, more expensive and more time consuming for residents. The petitioners therefore request the House of Commons to urge the Department of Health and Social Care to work with the local health providers to enable fairer access to the service for all women.

And the petitioners remain, etc.—[Presented by Cat Smith, *Official Report*, 17 January 2022; Vol. 707, c. 168.]

[P002705]

Observations from the Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield):

The Government are aware that the rotations of mobile breast screening units (MBSUs) in the Fleetwood area have ceased due to the change in appointment system to the NHS breast screening programme. This has been introduced as part of the recovery of screening services following the first wave of the covid-19 pandemic.

The Government believe that NHS breast screening programme providers, with support from NHS England and NHS Improvement regional offices, are best placed to make decisions on commissioning services for their communities. As services recover and MBSU rotations begin to normalise, the providers will aim to resume the MBSUs on a more regular basis in Fleetwood.

NHS England and NHS Improvement are aware of the situation in Fleetwood and are working with local providers to ensure that individuals who are unable to attend screening due to distance and cost are supported. Providers are also considering whether a shuttle bus for areas such as Fleetwood would help improve access and uptake, and are reviewing planning data to determine whether an MBSU can be located in Fleetwood for a period of time in the near future.

HOME DEPARTMENT

Stalking advocates

The petition of residents of the United Kingdom,

Notes that the 2019/20 Crime Survey for England and Wales estimated that 3.6% of adults aged 16-74 experienced stalking in the last year, equivalent to an estimated 1.5 million victims, 977,000 women and 526,000 men; declares that stalking advocates for victims of stalking are invaluable due to the specialist independent support, advice and advocacy that they provide; further that stalking advocates provide victims with a main point of contact and support throughout their journey; further

that additional funding for stalking advocates to work with victims of stalking would help support victims; further that increased support would prevent unnecessary distress and suffering of victims and their families; and further that additional support should also be given to police to allow cases to be investigated more thoroughly, possibly preventing threats to life.

The petitioners therefore request that the House of Commons urge the Government to consider the concerns of the petitioners and take immediate action to reallocate funds to provide additional funding for stalking advocates in order to support victims of stalking.

And the petitioners remain, etc.—[Presented by Mr Toby Perkins, *Official Report*, 31 January 2022; Vol. 708, c. 114.]

[P002710]

Observations from The Parliamentary Under-Secretary of State for the Home Department (Rachel Maclean):

The Government are deeply saddened by the tragic and senseless death of Gracie Spinks, and pay tribute to the organisers of and signatories to this petition and to the hon. Member for Chesterfield for his campaigning on this issue. The Government take the issue of stalking extremely seriously and tackling stalking is a key part of the Tackling Violence Against Women and Girls Strategy (VAWG), which was published in July last year.

As was set out during the Westminster Hall Debate on this issue, on 31 January 2022, the Government have provided additional funding to stalking charities to help support victims, including funding specifically for advocacy over the past two years. The Government awarded £97,000 of funding to Paladin National Stalking Advocacy Service to help provide additional Independent Stalking Advocacy Caseworkers—who provide support, advice and advocacy to victims—between April 2020 and March 2021. Furthermore, the Government have tripled funding to the Suzy Lamplugh Trust, who run the National Stalking Helpline, to £155,000 this financial year. This funding has enabled them, amongst other things, to expand their advocacy support, and between July and December 2021 they used it to provide advocacy to 29 people who are particularly vulnerable or whose cases were particularly complex.

In 2021-22, the Ministry of Justice will have provided just under £150.5 million for victim and witness support services. This includes an extra £51 million to increase support for sexual violence and domestic abuse victims; the latter can include stalking that takes place in a domestic abuse context, for example, where the stalker is a former partner or a family member of the victim. Police and Crime Commissioners (PCCs) are also free to fund Independent Stalking Advocacy Caseworkers from their core un-ringfenced budgets.

The Government have published a total police funding settlement of up to £16.9 billion in 2022-23, an increase of £1.1 billion when compared with 2021-22. Furthermore, the Tackling VAWG Strategy confirmed that the Government had launched a £11.1 million fund for PCCs to bid to run programmes to address the behaviour of perpetrators of stalking and domestic abuse. Since the publication of the Strategy, eight police and crime commissioners have been awarded funding to provide programmes for stalking perpetrators, in order to reduce

the risk of perpetrators committing further offences. The project run by Merseyside PCC which the Government are funding includes the provision of support by Paladin-trained independent stalking advocacy caseworkers to the participants' victims.

The Government also made a commitment in the Tackling VAWG Strategy to work with the police in order to make sure they are making proper use of stalking protection orders. These orders enable early police intervention, pre-conviction, to address stalking behaviours before they become deep-rooted or escalate and have the flexibility to impose both restrictions and positive requirements on the perpetrator. The Minister for Safeguarding wrote last year to all chief constables whose forces had applied for fewer stalking protection orders than might have been expected, to encourage them to always consider applying for a stalking protection order in stalking cases. The Government are working closely with the National Police Chiefs' Council's stalking lead to ensure that these orders are being used appropriately and to establish best practice.

The Government recently ran a consultation about a new Victims' Bill, including questions about advocacy services, which can include advocacy for victims of stalking. This consultation closed on 3 February and we are looking closely at the responses received.

The Government understand that it is vital that the police are provided with the correct materials and training to deal with stalking cases appropriately. To ensure the police are confident in identifying stalking cases, in 2019 the College of Policing released a set of new advice products on stalking for police first responders, call handlers and investigators. These make clear, for example, the key differences between stalking and harassment. Additionally, each of the 43 police forces has a single point of contact (SPOC) for stalking and harassment, who can advise and support officers on stalking cases. Regular training opportunities delivered by Paladin National Stalking Advocacy Service and Suzy Lamplugh Trust are offered to the stalking SPOCs in order to ensure that these officers have the latest information on stalking.

Ministerial Correction

Monday 7 March 2022

HEALTH AND SOCIAL CARE

Access to NHS Dentistry

The following is an extract from the Westminster Hall debate on Access to NHS Dentistry on 10 February 2022.

Maria Caulfield: I place on record my thanks to dental teams up and down the country. Urgent appointments went back to pre-pandemic levels in December 2020, but with only 85% of activity allowed the backlogs will only grow.

[Official Report, 10 February 2022, Vol. 708, c. 485WH.]

Letter of correspondence from the Under-Secretary of State for Health and Social Care, the hon. Member for Lewes (Maria Caulfield).

An error has been identified in my response to the Westminster Hall debate on Access to NHS Dentistry.

The correct response should have been:

Maria Caulfield: I place on record my thanks to dental teams up and down the country. Urgent appointments went back to pre-pandemic levels in December 2020, but with **the quarter four threshold set at 85% of activity**, the backlogs will only grow.

ORAL ANSWERS

Monday 7 March 2022

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Monday 7 March 2022

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Breast cancer screening in Fleetwood	1P	Stalking advocates	1P

MINISTERIAL CORRECTION

Monday 7 March 2022

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Access to NHS Dentistry	1MC

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Monday 14 March 2022**

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