

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Seventh Delegated Legislation Committee

## DRAFT CRIME AND COURTS ACT 2013 (DEFERRED PROSECUTION AGREEMENTS) (AMENDMENT OF SPECIFIED OFFENCES) ORDER 2018

*Tuesday 24 April 2018*

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**Saturday 28 April 2018**

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**The Committee consisted of the following Members:**

*Chair:* Ms NADINE DORRIES

- |  |   |
|--|---|
| † Frazer, Lucy ( <i>Parliamentary Under-Secretary of State for Justice</i> ) | † Phillipson, Bridget ( <i>Houghton and Sunderland South</i> ) (Lab)      |
| † Frith, James ( <i>Bury North</i> ) (Lab)                                   | † Qureshi, Yasmin ( <i>Bolton South East</i> ) (Lab)                      |
| † Heaton-Jones, Peter ( <i>North Devon</i> ) (Con)                           | † Reynolds, Emma ( <i>Wolverhampton North East</i> ) (Lab)                |
| † Kinnock, Stephen ( <i>Aberavon</i> ) (Lab)                                 | Russell-Moyle, Lloyd ( <i>Brighton, Kemptown</i> ) (Lab/Co-op)            |
| † Latham, Mrs Pauline ( <i>Mid Derbyshire</i> ) (Con)                        | † Tredinnick, David ( <i>Bosworth</i> ) (Con)                             |
| † Lopez, Julia ( <i>Hornchurch and Upminster</i> ) (Con)                     | † Whittaker, Craig ( <i>Lord Commissioner of Her Majesty's Treasury</i> ) |
| McCarthy, Kerry ( <i>Bristol East</i> ) (Lab)                                |   |
| † Morris, Anne Marie ( <i>Newton Abbot</i> ) (Con)                           | Danielle Nash, Previn Desai, <i>Committee Clerks</i>                      |
| † Morris, James ( <i>Halesowen and Rowley Regis</i> ) (Con)                  |   |
| † Onasanya, Fiona ( <i>Peterborough</i> ) (Lab)                              |   |
| † Pawsey, Mark ( <i>Rugby</i> ) (Con)  | † <b>attended the Committee</b>   |

# Seventh Delegated Legislation Committee

Tuesday 24 April 2018

[NADINE DORRIES *in the Chair*]

## Draft Crime and Courts Act 2013 (Deferred Prosecution Agreements) (Amendment of Specified Offences) Order 2018

2.30 pm

**The Chair:** Before we begin, if any gentleman or anyone else, including ladies, would like to remove their jacket, please go ahead. It is very warm in here. I call the Minister to move the motion.

**The Parliamentary Under-Secretary of State for Justice (Lucy Frazer):** I beg to move,

That the Committee has considered the draft Crime and Courts Act 2013 (Deferred Prosecution Agreements) (Amendment of Specified Offences) Order 2018.

It is a pleasure to serve under your chairmanship, Ms Dorries. The statutory instrument relates to deferred prosecution agreements, which allow prosecutors to reach agreement with corporate entities that could otherwise be prosecuted for certain types of economic crime. The measure has been introduced simply to add extra offences. I say “add”, but we are simply dealing with the fact that the current legislation does not reflect changes made by the Financial Services Act 2012. That Act repeals certain offences and replaces them with new ones in the schedule relating to DPAs. That was a technical oversight, so I hope Committee members are pleased to hear that we should not detain them for long.

It is important to set out the background and identify what DPAs are. A DPA enables a prosecutor to reach agreement with a corporate entity that has committed an economic crime to allow the prosecution to be suspended pending the fulfilment of certain conditions by the company. It will be approved by a court only if

the court is satisfied that it will meet the interests of justice, and if the terms are fair, reasonable and proportionate. The indictment that the company faces is suspended for the duration of the agreement—usually two or three years—and it can be reinstated if the company breaches the agreement. The purpose is to provide punishment such as disgorgement of profits, a financial penalty or steps to improve corporate governance. The entity receives a punishment without the severe consequences of a prosecution, which might result in a company going into liquidation, thus having to lay off innocent workers who have done nothing wrong.

Quite simply, the schedule of crimes in part 2 of schedule 17 of the Crime and Courts Act 2013 includes a reference to section 397 of the Financial Services and Markets Act 2000, which deals with misleading statements, practices and impressions in financial transactions. The provisions were repealed and replaced by the Financial Services Act 2012, which introduced offences that we want to include: misleading statements regarding relevant benchmarks and misleading impressions about the value of investments and interest rates that apply to a transaction. Those offences replace the section 397 offences in the repealed legislation. The statutory instrument seeks to amend part 2 of schedule 17 to the Crime and Courts Act 2013, and I commend it to the Committee.

2.33 pm

**Yasmin Qureshi (Bolton South East) (Lab):** It is a pleasure to serve under your chairmanship, Ms Dorries.

First, I declare an interest as I am a door tenant at 3, Temple Gardens, and I occasionally practise criminal law. It is important to put that on the record. I am not seeking a Division on this matter as the Opposition agree that the measure makes perfect sense. It is important to deal with crime, especially financial crime.

2.34 pm

**Lucy Frazer:** I should probably say that I was a practising barrister—I no longer practise—if that is relevant. I am grateful for the hon. Lady’s indications.

*Question put and agreed to.*

2.34 pm

*Committee rose.*