

# Press release: New measures to tackle international money laundering

- Package of transparency and anti-corruption measures to address the abuse of Scottish Limited Partnerships that has been linked to money laundering
- Measures will bring greater transparency and more stringent checks to those registering a Limited Partnership
- Annual filing requirements will ensure Companies House has accurate information on all UK limited partnerships

Measures to increase transparency and prevent abuse of limited partnerships, which some criminals have used to launder dirty money through the UK were unveiled today (10 December), as the government published its response to the consultation on the reform of Limited Partnership law.

Scottish Limited Partnerships (SLPs) and Limited Partnerships (LPs) are used by thousands of legitimate British businesses, particularly the private equity and pensions industry, which invest more than £30 billion a year in the UK. However, there are concerns that they are being abused by criminals following large-scale money laundering scandals.

Business Minister Kelly Tolhurst said:

The UK has always had world leading corporate standards making us a dependable place to invest and start and grow a business. We are committed to continually enhancing our business environment and as part of that we constantly keep under review our governance arrangements – making sure that people have confidence in our corporate standards.

These proposals will increase transparency, by ensuring these arrangements can still be used legitimately to invest by pension funds and investors while preventing abuse.

The UK is taking strong action in the international fight against money laundering and today's proposals will increase best practice amongst businesses.

New filing requirements for all Limited Partnerships will make them more transparent with their information, preventing their abuse while enabling investors to continue to use them legitimately and invest in the UK. The key proposals are:

- those registering Limited Partnerships must demonstrate they are

registered with an official anti-money laundering supervised agent, such as an accountant or a lawyer, or an overseas equivalent;

- the Limited Partnership must demonstrate an ongoing link to the UK, for example by keeping its principal place of business in the UK;
- all Limited Partnerships must submit a confirmation statement at least every 12 months to Companies House to ensure their information is accurate and up to date;
- Companies House will be given powers to strike off dissolved Limited Partnerships and Limited Partnerships which are not carrying on business.

The proposed reforms will apply to all Limited Partnerships in the UK. In addition to requirements that are in place for Scotland, the reforms will also include new reporting requirements for Limited Partnerships in England, Wales and Northern Ireland. This will confirm that the information they have placed on the register is up to date and correct.

Last year, the government introduced laws requiring SLPs to report their beneficial owner and make their ownership structure more transparent, seeing an 80% reduction in the number registered and today's reforms seek to raise standards further.

UK Government Minister Lord Duncan said:

The UK Government continues to take the abuse of Scottish Limited Partnerships very seriously and will do everything necessary to crack down on crime lords exploiting them to launder dirty money.

This latest package will deliver greater transparency and more stringent checks. It builds on measures we've already brought in to close loopholes in their use while ensuring legitimate companies can continue to choose SLPs as a way to invest in the UK. The interest and protection of citizens is of the utmost importance to the UK Government and these reforms will ensure Scotland and the rest of the UK remains a great place to work and invest in.

Today's announcement comes ahead of a broader package of reforms to Companies House to ensure it is fit for the future and continues to contribute to the UK's business environment – the best place to start and grow a business. The Department for Business, Energy and Industrial Strategy plans to consult on these reforms in the new year.

The UK is already taking a leading role on the world stage to improve corporate transparency and was recognised by NGO Transparency International as one of only four G20 countries with the highest rating for cracking down on anonymous companies.

The UK has worked to improve transparency and tackle money laundering through:

- introducing draft laws this summer for a world-first public register which will require overseas companies that own or buy property in the UK to provide details of their ultimate owners;
- making the UK's company register public in 2015, making it one of the most open and transparency company registers in the world – viewed two billion times last year – meaning company information is under constant scrutiny;
- introducing a register of People of Significant Control in 2016, which now includes 4.6 million names. The register was expanded in 2017 to include Scottish Limited Partnerships;
- launching the government's new Serious and Organised Crime Strategy on 1 November, investing at least £48m in 2019/20 in law enforcement capabilities to tackle illicit finance and enhance our response to serious and organised crime.

1. Limited Partnerships are formed by at least two partners, one of which must be a general partner – who is liable for any debts incurred – and one limited Partner – who has limited liability but cannot play a role in how the partnership is run. Scottish Limited Partnerships differ to Limited Partnerships elsewhere in the UK as they have legal personality, which allows the partnerships itself to enter into contracts, take on debts or own property. In a Limited Partnership in England and Wales or Northern Ireland a limited partnership cannot do this in its own name, it is done in the name of the partners.
2. In July 2018, the government laid draft laws setting out that foreign companies and other legal entities owning UK properties will be required to reveal their ultimate owners on the [world's first public register of overseas entities' beneficial ownership](#)