

PARLIAMENTARY BUREAU

LEGISLATIVE CONSENT MEMORANDUM - ECONOMIC CRIME (TRANSPARENCY AND ENFORCEMENT) BILL (UK LEGISLATION)

Introduction

1. Under Rule 9B.3.5, the Parliamentary Bureau is required to refer any legislative consent memorandum (LCM) that has been lodged with the Parliament to the committee within whose remit the subject matter of the relevant provision falls.

Economic Crime (Transparency and Enforcement) Bill

2. The Economic Crime (Transparency and Enforcement) Bill was introduced in the House of Commons on 1 March 2022.

3. An LCM was lodged by Keith Brown MSP, Cabinet Secretary for Justice and Veterans on 4 March 2022.

4. The Explanatory Notes which accompany the Bill state that the Bill has three main objectives:

- Prevent and combat the use of land in the UK for money laundering purposes by increasing the transparency of beneficial ownership information relating to overseas entities that own land in the UK. The Bill therefore creates a register of the beneficial owners of such entities. The register will be held by Companies House and made public.
- Reform the UK's Unexplained Wealth Order (UWO) regime to enable law enforcement to investigate the origin of property and recover the proceeds of crime. The measures in the Bill aim to strengthen the UK's fight against serious economic crime; to clarify the scope of UWO powers; and to increase and reinforce operational confidence in relation to UWO powers.
- Amend financial sanctions legislation, including the monetary penalty legal test and information sharing powers to help deter and prevent breaches of financial sanction.

5. The LCM sets out that the Bill makes relevant provision requiring consent in relation to the first two of these objectives.

Parliamentary consideration

6. The LCM engages the remit of two committees:

- The LCM was lodged by the Cabinet Secretary for Justice and Veterans. The Bill's provisions relating to Unexplained Wealth Orders relate to the civil recovery of the proceeds of crime. The remit of the Equalities, Human Rights

and Civil Justice Committee includes to consider and report on “*matters relating to civil justice within the responsibility of the Cabinet Secretary for Justice and Veterans*”. The remit of the Equalities, Human Rights and Civil Justice Committee is therefore engaged.

- The register of overseas entities is concerned with land reform. This is the responsibility of the Minister for Environment and Land Reform, who reports to the Cabinet Secretary for Net Zero, Energy and Transport. The remit of the Net Zero, Energy and Transport Committee is “*to consider and report on matters falling within the responsibility of the Cabinet Secretary for Net Zero, Energy and Transport*”. The remit of the Net Zero, Energy and Transport Committee is therefore engaged.

7. We understand that the Bill is proceeding under an expedited timetable at Westminster. The Bureau is therefore being invited to consider suspending Standing Orders so that no lead committee is designated for this LCM.

8. All Commons stages of the Bill are scheduled to take place on 7 March. We understand that Lords stages will be completed within a few days during the week commencing 14 March. Therefore, to ensure that Parliament has considered the LCM before the last amending stage at Westminster, the lead committee would need to consider and report on the LCM during the week commencing 7 March.

9. It would be difficult for either potential lead committee to consider and report on the LCM in this short timeframe. We understand that the Scottish Government intends to seek a debate on this LCM which would provide Members with an alternative means of scrutinising it. The Conveners of both committees have been consulted and are content not to consider the LCM in these circumstances. A draft motion to suspend Rule 9B.3.5 is set out below.

10. We understand that the Delegated Powers and Law Reform (DPLR) Committee intends to consider the LCM in regard to provisions in the Bill conferring powers on the Scottish Ministers to make subordinate legislation at its meeting on Tuesday 8 March. There is no need to suspend any Standing Orders requirements in respect of the DPLR Committee as the rules only require it to “consider” not to “report” (see Rule 9B.3.6).

Recommendation

11. The Bureau is invited to consider recommending to the Parliament by motion that Rule 9B.3.5 be suspended in relation the LCM on the Economic Crime (Transparency and Enforcement) Bill.

12. A draft motion is provided below.

Parliamentary Business Team
4 March 2022

Draft Parliamentary Bureau motion on the Economic Crime (Transparency and Enforcement) Bill (UK Legislation):

Suspension of Standing Orders – That the Parliament agrees that, for the purposes of consideration of the legislative consent memorandum on the Economic Crime (Transparency and Enforcement) Bill, Rule 9B.3.5 of Standing Orders is suspended.