



Department for
Business, Energy
& Industrial Strategy

Lord Callanan
Minister for Climate Change and Corporate
Responsibility

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Dear Mel,

Thank you for your letter of 22 September 2020 regarding the recent release of the 'FinCEN files', and apologies for the delay in responding. I welcome your interest in this matter. The Government is clear that criminals should not be able to profit from their illegal activities, and we have taken robust action in recent years to tackle money laundering and terrorist financing.

In reference to your first two questions, I am aware that you have also written to HMRC, the Minister for Security and the Financial Conduct Authority. They will be better placed to respond on those specific points. I welcome however the opportunity to respond to the remaining questions.

Your concerns relating to the Corporate Transparency and Register Reform consultation and its response are my responsibility as Minister for Corporate Responsibility. I appreciate your concern over the delay between the consultation and the response, but I can assure you that our plans for publication of the Government Response were in train well before we had any knowledge of the FinCEN leaks. The reform of Companies House is the most significant reform in over 150 years and is a complex area of law. It is imperative that we get these reforms right. The consultation received over a thousand responses and it was important for the Government to give careful consideration to each of these. I should also add that a number of those officials working on corporate transparency and register reform were mobilised earlier this year to deliver the Corporate Insolvency and Governance Act, as this was a key part of the Government's response to the economic impact of the Covid pandemic.

The proposals seek to strike a good balance between improving transparency and ensuring businesses can function without unnecessary burdens. The new verification requirements for company directors, and greater powers to query submitted information, will be key in strengthening the integrity of the register. The package of reforms is proportionate – allowing us to clamp down on the minority of people who are committing fraud or money laundering, without placing limitations on the vast majority of companies who are complying with the law.

The reforms have been welcomed by those involved in the fight against economic crime, including civil society, industry, and law enforcement. We will continue to work with these and others as we develop the finer detail of our reforms.

I hope this letter serves to reassure you of my commitment to strengthening our corporate transparency regime and the fight against economic crime.

A handwritten signature in blue ink, appearing to read "Martin Callan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lord Callanan