

# Economic Crime and Corporate Transparency Act 2023 (ECCTA)

## The key points – what you need to know

ECCTA has introduced significant changes to the UK's legal framework for economic crime and corporate transparency. Organisations must ensure that they remain up to date with these developments and take appropriate actions to ensure compliance with best practice.

### 1. Failure to prevent fraud (FTPF)

From 1 September 2025, large organisations can be held criminally liable if their "associated persons" commit fraud intending to benefit the organisation.

Organisations must ensure that they:

- undertake a scoping exercise to understand who their "associated persons" are;
- have in place reasonable fraud prevention procedures;
- communicate a top-level commitment to tackling fraud and implement training;
- conduct risk assessments and due diligence; and
- monitor and review their procedures.

For more detail on the FTPF offence, please refer to our [separate note](#). The UK government has published guidance on the measures that it expects organisations to implement. UK Finance has also published [sector specific guidance](#) for the finance industry.

### 2. Identification doctrine

ECCTA has changed the basis on which criminal liability can be attributed to an organisation resulting from conduct of individuals in the organisation in relation to certain economic crime related offences. This change came into effect on 26 December 2023.

An organisation can commit an economic crime offence where the relevant conduct is attributable to a "senior manager" – this is any person who plays a significant role in:

- making decisions about how the whole or a substantial part of an organisation's activities are managed or organised; or
- the actual managing or organising of the whole or a substantial part of those activities.

Further changes have been proposed in the Crime and Policing Bill 2024-25 that would extend corporate culpability for the actions of senior managers to all criminal offences.

Organisations should take steps to identify "senior managers" in their business, deliver appropriate training on economic crime issues and ensure sufficient safeguards are in place.

### 3. Enforcement powers

ECCTA introduced amendments intended to assist UK enforcement agencies in conducting investigations and seizing criminal property.

The Serious Fraud Office (SFO) now has powers to compel individuals and corporates to provide information at a pre-investigation stage in relation to fraud and domestic bribery cases. It previously only held these powers at the pre-investigation stage for international bribery cases (see our [previous post](#) on this). This may result in an increase in notices compelling provision of information issued to corporates.

Organisations should ensure that they have reviewed internal policies and training programmes for incident escalation, so that employees know how to respond if such a notice is received.

### 4. Money laundering

ECCTA should reduce the administrative burden on businesses in the regulated sector through the introduction of the following two new exemptions to money laundering offences.

**Customer exits:** Businesses can return up to £1,000 to a customer it suspects of money laundering for the purpose of exiting that customer, without the business needing to file a Defence Against Money Laundering (DAML) Suspicious Activity Report. This should simplify the process of exiting customers where there is a suspicion of money laundering.

**Mixed funds:** Where part of the funds in an account are suspected by a financial institution to be criminal property, but it is not possible to identify which part, transfers from the account are allowed without filing a DAML, where the value left in the account is as much as the amount suspected to be proceeds of crime.

ECCTA also allows organisations in the regulated sector to share customer information between each other for the purpose of investigating economic crime and disappiles civil liability that might arise from that information sharing.

## 5. Companies House

There has been wide-ranging reform of Companies House for companies. Changes continue to be implemented through secondary legislation.

This includes powers for Companies House to check and remove inaccurate information from the register, as well as heightened requirements for companies to provide more information and improve transparency, through measures such as ID verification for directors (to be introduced from spring 2025) and mandatory registration of third-party corporate service providers (from 18 March 2025).

It is an offence to provide misleading or false information to Companies House. Companies need to ensure that they stay up to date with the introduction of these reforms and that they comply in full with updated Companies House requirements.

## 6. Limited partnerships

Changes to limited partnerships are due to take effect from spring 2026. These changes focus on provision of accurate information to Companies House and impose additional transparency requirements. Please see our detailed summary of the changes.

As with Companies House reform for companies, it will be an offence to provide information that is misleading or false.

## 7. Register of overseas entities (ROE)

investigation stage for international bribery cases (see our previous post on this). This may result in an increase in notices compelling provision of information issued to corporates.

Organisations should ensure that they have reviewed internal policies and training programmes for incident escalation, so that employees know how to respond if such a notice is received.

Organisations should review their corporate structures to ensure compliance. Please see our commentary on these developments, together with our summary of specific protection provisions for trust information.

For further advice or guidance in relation to any of these provisions, please do contact a member of our Corporate Crime and Investigations team.

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