

News**PARTNERS QUOTED IN 'THOMSON REUTERS REGULATORY INTELLIGENCE' ON CRIMINAL LIABILITY IN FIRMS**

Jul 19, 2023

Partners Polly James and David Rundle were quoted July 17 by *Thomson Reuters Regulatory Intelligence* (subscription required) on firm liability for manager misconduct, and the need for firms to review their processes for scrutinizing appointees and existing staff. An amendment to the Economic Crime and Corporate Transparency Bill (ECCTB) will make it easier to convict corporate bodies and partnerships of specified economic crimes committed by senior managers. "The change in the law will certainly make it easier for authorities to prosecute corporates for economic crime," Polly said. "As it stands, the common law identification doctrine, through which the acts of individuals can be attributed to companies, is limited to the acts of persons who are the controlling mind and will of a company. The definition of 'senior manager' under the Bill is wider." The ECCTB also creates a corporate offence of failing to prevent fraud, similar to existing offences of failing to prevent bribery or tax evasion. It will operate differently to the "attribution of liability" clause, David noted. "The failure to prevent fraud offence is entirely distinct," he said. "The company is not criminally liable for the underlying fraud, but it is liable for failing to prevent [fraud] by not having reasonable procedures in place. The company itself has the burden of proving that its procedures were reasonable."

RELATED CAPABILITIES

- Financial Regulation Compliance & Investigations

MEET THE TEAM



Polly James

London

polly.james@bclplaw.com

+44 (0) 20 3400 3158



David Rundle

London

david.rundle@bclplaw.com

+44 (0) 20 3400 4027

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.