

SERIOUS FRAUD OFFICE REPRIEVED – FOR THE TIME BEING

10 June 2011

To our Clients and Friends:

UK government plans to split the Serious Fraud Office's ("SFO") investigative and prosecuting arms have been abandoned. As we reported in previous client updates, the SFO is the lead agency for investigating and prosecuting serious and complex fraud and corruption, including enforcing the UK's new Bribery Act.¹

Theresa May, the Home Secretary, said on 8 June 2011 that the SFO will be "staying as it is," while she denied reports that the SFO was on "12 months' notice." However, the future of the agency remains uncertain.

The current UK government, elected in May 2010, had proposed creating a number of new policing bodies, including an Economic Crime Agency ("ECA") and a National Crime Agency ("NCA"). The ECA would take over some or all of the functions of existing bodies, including the SFO and the Financial Services Authority ("FSA"). But the FSA's successful rebellion against plans to move its enforcement role to the ECA led the government to reconsider plans for the SFO. Ms. May then considered splitting the SFO into two: its prosecutors would be absorbed into the Crown Prosecution Service and its investigators would go to the NCA. This drew severe criticism from the SFO, outside commentators and, reportedly, other members of the government.

That plan has now been abandoned, and the SFO will remain, at least for now, as a standalone agency. While the future of the originally proposed ECA is now uncertain, the government is going ahead with the NCA, which it announced on 8 June will consist of three commands²: the Organised Crime Command, the Border Policing Command and the Economic Crime Command. The Economic Crime Command, the Home Office said, "will maintain an overview

¹ See *The UK Bribery Act 2010: Update on Implementation and Guidance*, <http://www.debevoise.com/newsevents/pubs/publications/detail.aspx?id=c95ed31b-99e7-4d01-b6f6-dd3c1e53ffcd>; UK Serious Fraud Office Releases *Guidelines on Self-Reporting of Overseas Corruption*, <http://www.debevoise.com/newsevents/pubs/publications/detail.aspx?id=7ffd9fba-bb35-4f35-863f-d785ce1fca29>.

² As well as the Child Exploitation and Online Protection Centre.

of the capacity and capability of the specialist agencies which deal with different types of economic crime,” including the SFO.

In the next few months, Ms. May told Parliament, the government would set up the Economic Crime Co-ordinating Board to bring together and improve cooperation between the SFO and other agencies dealing with economic crime. “In due course,” she said, the government would consider “the appropriate relationship” between the SFO, the NCA and the other agencies.

For more on the Bribery Act, including all our previous client updates, please see our website at <http://www.debevoise.com/thebriberyact>.

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Please call us if you have any questions.

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