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For immediate release

UK corporate liability regime ‘not fit for purpose in the 21st century’

- **Big business should be prosecuted for corruption and human rights abuses, say NGOs**

Criminal law reform is needed if Theresa May is to deliver on her ambition of getting tough on irresponsible behaviour in big business, a group of NGOs have said ahead of a House of Lords debate on tomorrow (9 March).

Organisations including Amnesty International, Corruption Watch, CORE Coalition and Traidcraft are [calling](#) for criminal law reform to enable prosecutors to go after large firms accused of involvement in global corruption and human rights abuses.

Under current laws, proposed prosecutions must pass the so-called ‘directing mind’ test, with proof needed that senior board level executives intended misconduct to occur. The Law Commission has said this makes it ‘impossibly difficult’ to prosecute large firms.

The Crown Prosecution Service has [publicly acknowledged](#) that corporate liability laws prevented the prosecution of News Group Newspapers in the phone hacking scandal. Meanwhile, the Serious Fraud Office has not brought charges against any banks in relation to the LIBOR or Foreign Exchange (FOREX) rate-rigging scandals. Fines imposed in the US for both these scandals were 84% higher than those imposed in the UK mainly because the US was able to impose criminal as well as regulatory sanctions.

The call for reform comes ahead of a House of Lords debate on the Criminal Finances Bill. Under pressure from campaigners, the government is using the bill to create a new corporate offence of ‘failure to prevent tax evasion’. MPs including Sir Edward Garnier, Catherine McKinnell and Nigel Mills tabled amendments to the bill in the Commons to have this extended to ‘failure to prevent economic crime’.

According to campaigners, this doesn’t go far enough. **Sue Hawley, Director of Policy at Corruption Watch said**, “The UK’s corporate liability regime will remain fundamentally flawed until large firms can be held to account as easily as smaller firms. Introducing a failure to prevent offence alongside changes to the identification doctrine would create a corporate liability regime genuinely fit for the 21st century.”

Human rights groups are hopeful that legal reform will also lead to British companies being prosecuted for serious human rights abuses in their global operations. “If the government is serious about getting tough on irresponsible behaviour in big business, it must deal with

problems of corporate impunity for human rights abuses internationally,” said **Marilyn Croser**, **Director of CORE**, the NGO network on corporate accountability.

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For further information contact:

Susan Hawley, Director of Policy, Corruption Watch: Spjhawley@gmail.com / 07940 827605

Ayesha Carmouche, Advocacy and Communication Manager, Core Coalition: ayesha@corporate-responsibility.org / 0203 752 5712

For more information on Corruption Watch UK see: <http://www.cw-uk.org/>

For more information on the CORE Coalition see: <http://corporate-responsibility.org/>