

CHECK AGAINST DELIVERY

EMBARGOED UNTIL MAY 21 4:45PM

Thank You

I wanted to begin by thanking you all for being here today.

I would like to thank IPPR and their generous supporters...

...for putting the *progressive* into public policy research.

Especially today for hosting this conference on a /topic...

...that I passionately believe the next Labour government should address.

I know many of you gathered here today...

...the activists and the experts...

...the journalists and the philanthropists...

...have been sounding the alarm on kleptocracy and corruption for years.

But before I address it directly I wanted to say a few words...

...about why defending the rule of law sits at the heart of who I am as a politician...

...and at the heart of a Labour Party led by Keir Starmer KC.

My Heritage

I'm from Tottenham.

Back when I was growing up...

...if you saw a young man who looked like me in a suit...

...they were usually heading either to church or the magistrates.

I saw the poverty and the injustice around me.

At this time of National Front skin-heads and Thatcherite inequality...

...I would get stopped and searched because I was Black.

I saw then how the law...

...could only protect people...

...from crime, from racism, from unfair dismissal...

...when it was fairly and properly enforced.

This realisation, as a skinny teen nervous around the police...

...is how I grew interested in advocacy.

As I grew older I began to see the law...

...as a tool that had advanced progress for minorities through rights throughout the 20th century.

But as I studied my heroes...

...like Martin Luther King...

...I knew there was so much work to do to keep progress on the march.

This is what took me to Harvard Law School.

This is what made me a lawyer...

And this is how advancing the rule of law...

... came to be at the centre of my politics.

As a backbencher, my proudest achievements....

Were to stand up for the victims of the Windrush scandal...

... the Grenfell Tower Fire...

...and working cross-party...

...with David Cameron no less...

...to change a broken justice system with the Lammy Review.

As Shadow Foreign Secretary, as I look out onto the world stage...

... my politics remains rooted in the same sense of justice.

That's why during the war in Gaza when others have stayed quiet for political reasons...

...Labour has always backed the International Court of Justice...

... and the International Criminal Court.

And it is why our Labour party will not talk down international institutions...

...like the UN...

...*instead* will build them up.

The Rule Of Law Betrayed

But friends, the truth is that in 2024 *the rule of law* is in peril.

Over the past fourteen years I have watched a slide in British politics.

From a place of bipartisan support...

...to a country where the party in government...

...the Conservative Party...

...has openly undermined it.

Sometimes breaking the law in a 'specific and limited' way...

...with their Internal Markets legislation.

Other times threatening it in the Northern Ireland Protocol Bill.

Again in the Nationality and Borders Bill.

Again in the Illegal Immigration Bill.

And Again in Economic Activity of Public Bodies Bill.

The whole country watched in horror...

...as Boris Johnson and Rishi Sunak were found...

... to have broken the laws they enforced on the public...

...during the pandemic.

Under this Conservative Party the UK's reputation as a country where the law ruled...

...changed to one whose statute books are openly ignored.

The Problem

And now onto the problem we are addressing here today.

It starts here in London...

...in dark corners of Britain's financial centre.

What happens in London matters...

... because the UK is the largest exporter of financial services in the world.

It matters because financial services provides work...

...worth nearly £70 billion.

It matters because this is an engine upon which our economy depends.

Friends,

Labour will champion the City of London...

Because Britain's financial centre finances...

... both British and global growth.

And except in those dark corners this is a force for good...

And an immense power on the world stage...

But with power comes responsibility...

Because Britain's financial centre operates shapes global finance as a whole.

Friends,

Labour recognises the huge value the City brings.

Labour supports the City and wants it to thrive.

Labour is utterly committed to the competitiveness of the City.

But our competitiveness depends...

... on our reputation for the highest standards.

And when we fail to uphold them, this has enormous consequences.

Not only undermining the future of our global growth engine...

Not only rippling out from Tottenham to Dundee.

But stretching from Africa to Ukraine.

And the truth is friends...

... in those dark corners, the UK's financial system is falling short.

Just last week, the Deputy Foreign Secretary [said](#)...

... that nearly 40% of dirty money...

... is laundered in London, UK Overseas Territories and Crown Dependencies.

The sudden recognition did make me wonder...

... whether Andrew Mitchell realises who has been in charge for the past 14 years.

Because it is under Tory rule that our country has become a money laundering superpower.

The National Crime Agency estimates as much as £90 billion...

... is laundered annually in the UK.

A number higher than the UK's annual defence budget.

And that's not all.

According to Transparency International...

Hundreds of companies based in UK Overseas Territories...

... have contributed to more than £250 billion worth of economic crime worldwide.

Let that sink in.

It is more than the NHS and the Department for Transport's budget combined.

Friends, these statistics are not the result of faceless trends.

But the direct consequence of fourteen years of Conservative misrule.

This is happening, in part, because the government has stopped prosecuting its own laws.

Money laundering prosecutions cratered 44% between 2011 and 2023.

While convictions plummeted by 42%.

This is what happens when the party which rushed to cover up the Russia Report...

...because it didn't want Parliament to know how commonplace Kremlin interference had become...

...takes charge.

The UK stood firm in the Cold War to keep the KGB out.

But under the Conservatives it not only invited their FSB heirs in....

...but offered them professional services.

The finest bankers, lawyers, estate agents and accountants that money could buy.

In the full knowledge they were being used as corruption services.

Often the clients were directly...

... visibly connected to the world's most despicable authoritarian crooks.

Friends, it should never have taken Russian troops...

... making a full-scale invasion into Ukraine...

...for the government to take even the mildest measures to counter Kremlin kleptocrats...

...with its Act on Economic Crime.

Friends,

The Conservative Party turned Britain's capital into a kleptocrat's monopoly board...

...where luxury properties became the bitcoins of kleptocrats...

...driving up house prices for everyone else.

Sitting empty with the lights out...

...as safety deposit boxes for stolen wealth.

Kleptocracy, corruption and money laundering finances crime on British streets.

Drug dealers.

Smuggling gangs.

And even terrorist organisations.

Illicit finance is what powers them all.

In our interconnected world...

...a global financial centre that fails to enforce its own rules...

...is a global financial centre that enables the worst of financial crime.

Undermining its own future...

As the essential British growth engine...

And letting down Ukraine....

Friends,

As Shadow Foreign Secretary...

...I have been proud to work with bipartisan spirit in supporting Ukraine.

That is why, when I went to Kyiv last week with John Healey...

...our message was clear.

There may be a change in government this year...

...but there will be no change...

... in Britain's military, financial, political and diplomatic support for Kyiv.

This year and in the years ahead.

But backing the government's support for Ukraine...

...does not mean we should be silent on where the government's actions...

... have let our Ukrainian friends down.

In Kyiv, politicians and activists asked me why Britain...

...despite all its military support...

...still shielded Russian kleptocrats.

Failing to enforce its sanctions.

Leaving loopholes in its legislation.

And letting London remain the global capital for corrupt wealth.

The easier it is to launder money...

...the easier it is for criminals and kleptocrats...

... to convert these ill-gotten gains into new sources of power.

The easier it is to launder money...

...the stronger we allow these enemies to become.

Britain's role as a corruption services centre...

...has been raised with me in Washington DC...

...just as it has in Africa and the Caribbean.

Our security partners see us not only failing...

...but enabling kleptocrats from Russia and other authoritarian regimes to grow stronger.

And as for our development partners...

...they see us handing aid in one hand.

But offering the loopholes to safely asset strip...

...the very countries we are seeking to develop in the first place.

The consequences of crime are this.

Children without the education they deserve.

Health-care systems stripped to the bone.

Public services undermined and development denied.

The United Nations estimates that some \$88.6 billion...

...is leaving Africa every year.

This is higher than the roughly \$53 billion...

... which Africa receives in aid every year.

Friends,

These are not just not numbers.

Corruption is not a victimless crime.

In Africa, in Eastern Europe, in the Caribbean...

I have met the victims of corruption...

Everyday citizens...

Robbed of the development...

Robbed of the security...

Robbed of the hope...

That belongs to them.

This travesty...

Year in, year out...

Is a vicious cycle...

That we all know...

... only a Labour government will confront.

Friends,

Let us finally be honest.

Britain is part of that problem.

Britain's regime are giving with one hand...

...but turning a blind eye to theft with the other.

Because whilst I passionately believe...

Especially as a son of the Caribbean...

That our Overseas Territories contribute hugely...

... not only in people to people ties...

... when it comes to our economy...

... and by making critical contributions to our global role...

... in oceanic and environmental protection...

And have all too often been forgotten by Whitehall...

Britain and its global family...

...represent 31.5% of the global architecture that facilitates corporate tax haven jurisdictions.

Now, we all know...

That many of the UK's cherished overseas territories...

... are not involved in financial services...

... and real progress has been made...

... including on cooperation with law enforcement...

... and coming off blacklists...:

But we must go further and faster...

As it remains the case...

... that three out of four of the offshore jurisdictions with the highest risk of involvement with international corruption ...

...are UK Overseas Territories.

This is a contradiction that cuts into our credibility.

We must be honest about this...

And we must solve it...

... *together*.

Sanctions Evasion

But this is a problem that starts in Westminster...

Friends I was proud when both parties voted, in Parliament, to sanction Russia.

This should have been a vote to end Londongrad once and for all.

To enforce the rule of law.

But it is with a heavy heart as a lawyer and a friend of Ukraine...

...this Conservative government has shown itself either unwilling.

Or incapable of enforcing its own sanctions regime.

There have still been zero convictions for sanctions evasion in the UK since 2009.

There have still been zero fines issued for breaching financial sanctions put in place since February 2022.

The UK Office of Financial Sanctions Implementation has only named and shamed one firm for financial sanctions breaches.

Wise Payments for allowing the withdrawal of £250 from a bank account.

This would be *comic*...

...if it was not so dire..

Friends, the statistics on trade sanctions are almost as woeful.

HMRC has only levied nine fines since the invasion...

...totalling a mere £3.35m for breaches of that regime and export controls.

There are apartments in Mayfair owned by Russian kleptocrats...

...now worth more than that.

Flagrant abuses of the UK sanctions regime are staring us in the face.

Are we supposed to believe the 18 times increase...

...in UK car exports to Russia's neighbouring Azerbaijan since the invasion...

...is not because of sanctions evasion?

This is not unique.

British exports to Kyrgyzstan have surged more than ten times since the invasion.

Overall, UK exports of Russia sanctioned items...

...to Armenia, Kyrgyzstan, Georgia and Uzbekistan have surged by over 500%...

This trade is not harmless.

It includes items the British government has sanctioned...

...because we know they are used by the Russian war machine.

Drone, plane and helicopter parts...

...data processing machines and radio navigational guides.

These have deadly consequences for Ukrainians.

When I was in Washington DC the week before last...

... my friends on the Hill raised these issues with me.

The US is showing what can be done.

Its Office of Foreign Assets Control has levied \$1.54 billion in fines...

... for sanctions breaches in 2023 alone — with more than 40% relating to Russia.

The US Task Force KleptoCapture has seized over \$700m...

... mostly related to Russia-related sanctions evasion and charged over seventy individuals.

Meanwhile here in the UK...

...despite the UK freezing £22.7 billion of sanctioned assets...

...held by individuals and entities...

...a grand total of zero pounds....

...have been seized as a result of sanctions evasion enforcement.

Friends, it is time to take action.

And as I told my friends in Ukraine, a Labour government will.

The Enablers

To complete this task, it is important to understand a simple fact.

There are men in suits behind every crime.

Every time a kleptocrat launders money or evades sanctions...

...through British territory...

...they are enabled by hired help.

It's not just in the mafia movies that the attorney knows where the darkest secrets lie.

Every time a money laundering scheme succeeds in British territory....

...there was an enabler behind it.

An incorporation agent...

...a banker, a lawyer, an accountant...

For example, take the almost \$1 billion that was laundered from Moldova...

...equivalent to an eighth of that country's GDP.

That passed through a gritty ex-council flat in Pilton, Scotland.

It was registered and incorporated here in the UK.

Or the mysterious terraced house in Enfield...

...that was the address of a mysterious company...

...which sent over \$1 billion worth of electronics to Russia after the invasion.

Someone created that British corporate entity.

These are the enablers.

They must face the full force of the law.

Friends, this is not an attack on those working hard in professional services...

...for whom I have nothing but admiration.

The proudest day of my young life was when I told my mother...

...part of that great Windrush Generation...

... *I'm a lawyer now.*

I believe in our professions.

I believe not just the vast majority of them do honest work...

... I believe almost all of them do.

I just don't believe in crime.

I believe in the rule of law.

And I don't believe it is right that despite the mountains of evidence...

...zero law firms have been prosecuted for criminal breaches of anti-money laundering rules.

I am against this poisoning of honest professions..

Where despite the explosion in sanctions...

...the number and value of fines fell by around a third between 2021 and 2023.

I am against the culture of impunity.

We must call time on it.

What Will Labour Do

A Labour government led by Keir Starmer.

A former international human rights lawyer.

...and Director of the Crown Prosecution Services...

...will enforce the rule of law.

This must be a systemic approach.

Joining up the dots between the foreign and the domestic...

...and demonstrating what a government of team players...

...working across departments with my colleagues Rachel Reeves and Yvette Cooper...

...can achieve.

We will start internationally by hosting a summit of allies and international financial centres...

...to launch a sustained initiative to tackle dirty money.

Driving a powerful agenda on tackling corruption and money laundering.

This will start by taking coordinated action against enablers and kleptocrats.

In partnership with the private sector.

And striving to close down the architecture...

... managed by financial centres that facilitates enablers and kleptocrats.

We will use this moment to push for concrete steps internationally.

Creating best practice for regulation and supervision on anti-money laundering...

And on the corporate transparency of trusts.

In today's world almost all public policy problems are data problems.

That is why we will seek to establish a live-streamed global data exchange...

...on beneficial ownership of corporate structures...

...including trusts and trust like arrangements to ensure frictionless investigations.

Finally bringing in effective information sharing on dirty money.

But that is not all.

At such a summit Labour will seek...

...action plans to coordinate national security strategies, enforcement...

...along with key regulations with regular reporting requirements...

...to end the regulatory and enforcement asymmetries...

...through which illicit finance creeps.

And we will use Britain's diplomatic leverage...

...to push for the creation of an international anti-corruption court.

To prosecute the most egregious acts of international corruption.

This will only be the start of a sustained campaign.

Taking action where the Tories would not.

And we will work with our global British family...

... the specific UK overseas territories...

... which are yet to take the full swathe of actions necessary...

...to develop a clear time bound action plan in government...

... working in partnership with their peoples, legislatures and governments...

...to bring them all into full compliance with transparency requirements.

And crucially we will act domestically...

...without which there will be no results and no credibility.

Leading a crackdown on enablers...

...by ensuring the UK's sanctions regime...

...across all thematic and country regimes...

...consistently and specifically targets professional enablers.

We will launch a new whistleblower reward scheme...

...to incentivise and encourage sources to step forward.

This builds on the success of such policies in the United States.

And we will explore appropriate mechanisms to ban...

...professional enablers from entering the UK.

Showing that they are not welcome here.

But this is not all.

With Labour the loopholes will close.

We will move to stop UK trusts...

...from being used for illicit activity by widening registration requirements.

Part of an action-plan to bring in crucially needed fuller transparency...

...around trust ownership of UK property.

This will end a discrepancy, which has made a mockery of the existing regime.

Conclusion

Friends,

When I say the Overseas Territories are family to me...

Especially those in the Caribbean...

I mean, because...

If I have the privilege to serve as Foreign Secretary...

...I will be the first to trace his lineage to Africa through the Atlantic slave trade.

Modern Britain, this tells me, is a story of progress.

A country made great by its courageous campaigners...

...who have advanced the great cause of progress.

Hand in hand with our movement and those who came before...

...from one generation to the next.

In the past, together, we have ended so many historic injustices...

...through the steady march forward of the rule law.

I believe in this Britain...

And in its ability to right wrongs...

And make the world a better place.

Tackling corruption, at home and abroad, will be part of our mission.

We will not be put off.

Or look the other way.

Thank you.