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THE PROCEEDS OF CORRUPTION

The primary objective of the Society for Advanced Legal Studies is to promote collaboration between academics, practitioners and those involved in the administration of justice in conducting legal research, in the hope of improving the formulation and operation of the law. In furtherance of this, the Executive Committee of the Society has established a number of expert working groups. The working groups' reports have been published by the Society and copies sent to interested parties, including members of the Government: extracts from the Report on Parallel Proceedings published by the Financial Regulation Working Group are carried in this issue (see p. 18).

The most recent is the report of a working group sitting under the joint chairmanship of Vice-Chancellor Scott and The Rt Hon Lord Steel of Aikwood. This very substantial report addresses the legal and other issues that may arise when financial intermediaries receive or assist in the handling of wealth which is related to corruption committed overseas. The report, which is available from the Society, examines not only the prospect of liability under the criminal law, for such offences as money laundering and handling, but also the civil law. It also looks in detail at the regulatory and compliance issues that may arise as well as the impact of foreign laws. The impact of enforcement and in particular requests from overseas authorities for assistance are also discussed.

In the context of the civil law, the report considers not only how actions to recover corrupt payments may be initiated and funded, but also what assistance may be obtained in identifying and tracing such assets. While the civil law has demonstrated considerable vitality in recent years in helping to ensure that corrupt officials are not allowed to retain the benefits of their illegal acts, litigation is a luxury that few developing countries are in a position to afford. Consequently, the report contains interesting suggestions as to how such proceedings might be financed and prosecuted. The interest that The Rt Hon Clare Short MP, the Secretary of State for International Development, has already indicated in the work of this group and in its deliberations is particularly heartening. Indeed, she has agreed to give a keynote speech at a conference organised under the auspices of the Society at the Senate House of the University of London, on Thursday 24 February 2000, on the report and its recommendations.

The working group focused its attention on the proceeds of 'grand corruption' – that is to say acts of corruption on the part of those who hold high political office or who are clearly in positions of considerable influence in their societies. Many of the cases that have come before the courts, in one form or another, have involved former heads of state or heads of government. If we impose on those who handle other peoples' wealth obligations to satisfy themselves, as far as is reasonable in the circumstances, that they are not handling the proceeds of drug trafficking and other serious crimes, surely we can justify a similar obligation in regard to the proceeds of corruption, where whole communities have been economically raped and countries despoiled.

Professor Barry Rider