

Unexplained Wealth Orders

Effective 31 January 2018 under the Criminal Finances Act 2017, individuals and corporate bodies will be required to explain how they lawfully acquired property.

What is an Unexplained Wealth Order?

Unexplained Wealth Orders (“UWOs”) extend the UK’s existing civil recovery regime and enable law enforcement agencies to seize and dispose of unlawfully obtained property in certain circumstances.

The UK High Court may grant a UWO *without notice* if it is satisfied that the known income of the person holding the property would have been insufficient for the purposes of lawfully obtaining it. A UWO applies to UK property and non UK property and can be served on a person outside of the jurisdiction.

Who is impacted?

Subject requirements



UWOs affect persons falling into the following categories:

- (1) Politically exposed persons (“PEPs”), including family members or associates of PEPs; or
- (2) Persons where there are reasonable grounds to suspect involvement in serious crime (including fraud, money laundering, tax evasion, sanctions offences, or bribery and corruption). It is enough to simply show a connection to such a person.

Property requirements

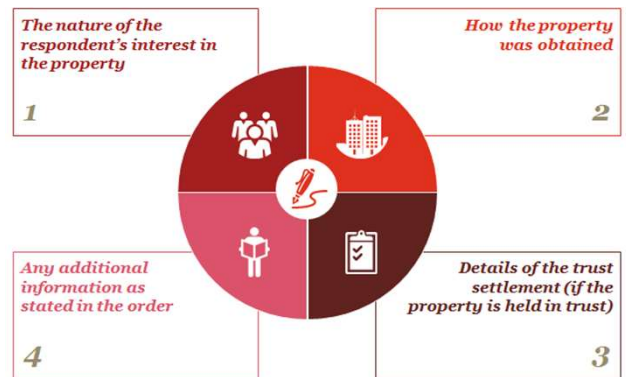


The value of the individual interest in the property specified must be greater than £50,000 (property owned by more than one person can be made subject to a UWO). As well as real estate, the wide definition of property includes assets such as jets, boats, motor vehicles, artwork, jewellery and intangible assets, such as securities and bonds.

Responding to a UWO

The court will require a legal Statement in Response to a UWO. Persons concerned that they may be subject to a UWO should consider in advance the documents which can be produced to explain how property was lawfully obtained. Failure to respond may lead to civil recovery of the property in question, whilst a false and/or misleading statement can result in up to 2 years’ imprisonment, a fine, or both. A simultaneous freezing injunction may also be imposed prohibiting the movement or sale of the property.

A Statement in Response must include the following:



Information sharing

Subsequent use of material contained in a Statement in Response may include referring the evidence to another authority or body to consider criminal or civil action, whether in the UK or elsewhere.

Our experience

Our teams have a wealth of experience in assisting a range of High Net Worth clients, including multi-nationals and PEPs. We provide proactive and flexible support to those at risk of UWOs, including full legal representation where required.



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