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Section 250 of the Crime and Policing Act 2026: Corporate Criminal Liability in the UK Now Reaches Senior Managers

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Key takeaways

- **Wider corporate liability.** Section 250 of the Crime and Policing Act 2026, in force since 29 June 2026, makes a company or partnership criminally liable for offences committed by a senior manager acting within the actual or apparent scope of their authority.
- **A functional senior manager test.** The test turns on a significant role in making decisions about, or actually managing, the whole or a substantial part of the organisation's activities, not on job title. It may capture senior finance, human resources, compliance or operations managers.
- **An additional route, with a broad reach.** Section 250 extends the ECCTA approach, previously limited to specified economic crimes, to criminal offences generally, and sits alongside the common law identification doctrine. It also applies to partnerships, including certain overseas partnerships, and to bodies corporate incorporated outside the UK, save where all the conduct takes place outside the UK and the organisation would not itself be liable for it.
- **No reasonable procedures defence.** A company may be prosecuted even where the board was unaware of the conduct. Compliance systems cannot operate as a defence to attribution, but they remain essential and may be relevant to prosecutorial decisions and the public interest.

Section 250 of the Crime and Policing Act 2026 (CPA) introduces an important change to the law of corporate criminal liability. This provision, which came into force on 29 June 2026, significantly widens the circumstances in which a company or partnership can be held criminally liable for offences committed by individuals within its senior management structure. It is therefore essential that organisations identify those who comprise its senior management for the purposes of this new regime. This is particularly important given the Serious Fraud Office's (SFO) updated Corporate Cooperation Guidance, published on 13 October 2026, which confirms that, absent exceptional circumstances, a company that promptly self-reports and fully cooperates will be invited to negotiate a

deferred prosecution agreement. Organisations that can quickly identify and escalate potential wrongdoing by senior managers will be better placed to benefit from this.

The limitations of the previous law

Historically, the successful prosecution of a company for a criminal offence usually necessitated identifying an individual who represented the company's 'directing mind and will'. The acts and state of mind of that individual could then be attributed to the corporate entity. However, in recent decades, this requirement became increasingly challenging as businesses grew in size and complexity. Decision-making responsibilities were frequently distributed between different departments, functions and levels of management, making it difficult to identify a single individual whose conduct and knowledge could be attributed to the company. Consequently, organisations could escape criminal liability even where serious wrongdoing had occurred within their management structures.

Whilst the Economic Crime and Corporate Transparency Act 2023 (ECCTA) sought to address this problem in relation to specified economic crimes by introducing a statutory attribution test based on the conduct of a senior manager, section 250 of the CPA now extends that approach to criminal offences generally.

What does section 250 provide?

Section 250(1) provides that where a senior manager of a body corporate or partnership, acting within the actual or apparent scope of their authority, commits an offence under the law of England and Wales, Scotland or Northern Ireland, the organisation also commits that offence.

The definition of 'senior manager' is therefore central to the new regime. An individual qualifies where they play a significant role in:

- making decisions about how the whole or a substantial part of the organisation's activities are managed or organised; or
- actually managing or organising the whole or a substantial part of those activities.

Importantly, the test is functional rather than dependent upon job title or formal position. It is not confined to directors, board members or individuals at the very top of an organisation. It may encompass senior functional managers, including those responsible for finance, human resources, compliance or operations, provided their responsibilities satisfy the statutory test. According to guidance issued by the Home Office on 30 September 2026, this will better reflect “modern company structures where directing minds are spread across different functions of a business".

Nor is it necessary for the organisation to have authorised the criminal conduct itself. The relevant question is whether the senior manager was acting within the actual or apparent scope of their authority. For example, a finance director who commits fraud through the preparation or approval of financial statements may expose the company to liability because those activities fall within the ordinary scope of that individual's responsibilities.

The provision also applies to partnerships, including certain overseas partnerships, and to bodies corporate incorporated outside the UK. There is, however, an important territorial exception: an organisation will not be liable under section 250 where all the conduct constituting the offence takes place outside the UK and the organisation would not itself be liable if it had undertaken that conduct.

Notably, section 250 does not abolish the common law identification doctrine. Rather, it creates an additional statutory route to corporate criminal liability. It also replaces the corresponding, more limited provisions in ECCTA referred to above.

The practical consequences for businesses

The implications are considerable. A company may now face prosecution because of the conduct of a senior manager even where the board was unaware of the wrongdoing and had not expressly authorised it. Individual and corporate liability can arise simultaneously, with the company facing a criminal conviction and potentially a substantial or, in appropriate cases, an unlimited fine.

Unlike certain failure-to-prevent offences, section 250 does not provide a statutory defence based on demonstrating that the organisation had reasonable prevention procedures in place. Effective compliance systems, therefore, cannot simply operate as a defence to attribution. Nevertheless, they remain essential in preventing misconduct and may be relevant to prosecutorial decisions and the public interest.

Section 250 should prompt organisations to examine their governance arrangements, delegated authorities and compliance frameworks. In particular, businesses should identify which individuals fall within the statutory definition of senior manager, ensure that responsibilities and reporting lines are clearly documented, and provide appropriate training on the criminal risks associated with their roles. These steps are especially important in light of the SFO's emphasis on prompt self-reporting; the SFO has made clear that a failure to report suspected offending within a reasonable time is a factor in favour of prosecution. Robust governance arrangements will help ensure that suspected misconduct by senior managers is identified quickly and that an informed decision on self-reporting can be made.

CONTACTS

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