Corporate criminal offence of failure to prevent the criminal facilitation of tax evasion: Criminal Finances Act 2017

Management of taxes

01 September 2017

The CIOT has published an overview of the new offence to help members understand what they need to do to comply. The offence comes into force on 30 September 2017.

The CIOT's overview includes basic information about the corporate criminal offence and some specific material relating to referrals to other firms of advisers and the Code of Practice 9 (COP9) process. It is an introductory note only; members should refer to the government's guidance for more comprehensive information. Draft government guidance can be found on GOV.UK. This is expected to be updated and a final version published before 30 September 2017.

The CIOT's overview contains links to the HMRC guidance where relevant and to Professional Conduct in Relation to Taxation (PCRT). It has been reviewed by HMRC in accordance with section 39(7) of the Criminal Finances Act and can be found on our website at https://tinyurl.com/y7xw4rpx.

The consequences for breaching the Act are severe and include unlimited financial penalties, confiscation orders, serious crime prevention orders, regulatory issues and reputational damage. We recommend therefore that members seek specialist help if they are uncertain about how the offence might apply to their business as this is a complex area which interacts with other penalty legislation.

Further information can also be found on the CIOT's blog which has been written by Jason Collins, a Partner at Pinsent Masons and a member of the CIOT's Working

Group which produced the members’ overview.