

[Press release: Stop facilitating tax evasion or face criminal prosecution, HMRC tells corporations](#)

Corporations could be prosecuted if they fail to prevent staff from criminally facilitating tax evasion under a new HMRC law that comes into effect this weekend

It is already a crime to evade tax, or deliberately help another person to do so, but on behalf of the majority of taxpayers who pay what is due, the UK government is now taking an even firmer stance on corporate fraud in a move designed to drive a change in corporate culture.

From today, the Criminal Finances Act 2017 introduces two new criminal offences – one applying to the evasion of UK taxes and one applying to the evasion of foreign taxes.

The offences hold corporations and partnerships criminally liable when they fail to prevent their employees, agents, or others who provide services on their behalf from criminally facilitating tax evasion. This is a significant change from existing law under which they can only be found liable for criminally facilitating tax evasion if the most senior members of the organisation – typically the board of directors – are aware of the facilitation.

The Financial Secretary to the Treasury, Mel Stride MP said:

Tax evasion is a crime and takes away from the money we need to fund our vital public services.

The vast majority of businesses play by the rules but we must ensure that those that don't are accountable for their actions.

The new offences will ensure that companies doing business in the UK take reasonable steps to prevent their staff from facilitating tax evasion.

Notes to Editors

1. The new legislation comes into force on 30 September.
2. Where there is evasion of UK taxes, any company based anywhere in the world can be liable, regardless of whether it has a business presence in the UK.
3. Where taxes other than UK taxes are evaded, any company that is (a) incorporated under the law of the UK; (b) carrying out a business or part of a business in the UK; or (c) has staff criminally facilitate

evasion from within the UK, can be liable under the UK criminal law for failing to prevent their staff from criminally facilitating the evasion of foreign taxes.

4. HMRC will be responsible for investigating offences in relation to UK tax. The Serious Fraud Office will be responsible for investigating offences in relation to foreign taxes. HMRC will work closely with the SFO to ensure a robust response to the facilitation of tax evasion.
5. HMRC uses the full range of both criminal and civil powers to investigate tax cheats, and is successful in more than 90% of the prosecutions undertaken. However, work doesn't stop there – HMRC always looks to recover the proceeds from any crime committed.
6. In 2016-17, HMRC collected and protected more than £26 billion of tax that would otherwise have gone unpaid, from those not following the rules.
7. If you know of anyone committing tax fraud, call our 24-hour hotline on 0800 59 5000 and help us stamp it out.
8. The Criminal Finances Act 2017 can be found [here](#).
9. The Government has published guidance on what corporations and partnerships can do to prevent the criminal facilitation of tax evasion. This guidance can be found [here](#).