



HAPPY NEW YEAR FROM HMRC

JANUARY 2017

Back in Spring 2016, we published our update on [HMRC's plans for tackling offshore tax evasion](#). At that time we anticipated the introduction of new offshore tax evader sanctioning powers in 2017.

On **1 January 2017** (yes, really) HM Treasury published [New Year brings in new penalties for enablers of offshore tax evasion](#).

We would remind our readers that HMRC now has power to impose civil penalties on accountants, bankers, lawyers and other enabling advisors of offshore tax evasion. Corporates and individuals who take deliberate action to help others evade paying tax may be fined up to 100% of the tax they helped to evade or £3,000 (whichever is the higher). This is in addition to being publicly named and shamed.

The other HMRC offering we brought to readers' attention last year was the corporate criminal offence of failing to prevent the facilitation of tax evasion. It is now clear that this is likely to be brought into force in 2017. Of note is the new requirement to correct past tax evasion – anyone who has failed to do so by **30 September 2018** will face tough new penalties. An amnesty from HMRC delivered with a big stick or retrospective tax collection powers?

HMRC will also be consulting on a new requirement that businesses and individuals who create complex offshore financial arrangements that *bear the hallmarks of enabling tax evasion* should notify them to HMRC. This is entirely consistent with the logic pursued by HMRC that the onus should be shifted away from the authorities to prove tax evasion towards the (potential) perpetrator coming clean if there is a *possibility* of engaging in tax evasion. As always the devil is in the detail.

We await HMRC's next instalment with interest.

WE ARE OFFSHORE LAW

BVI // Cayman // Guernsey // Jersey // London





FOR MORE INFORMATION PLEASE CONTACT:



NIN RITCHIE

Senior Associate // Guernsey

t: +44 (0) 1481 734273 // e: nin.ritchie@collascrill.com

WE ARE OFFSHORE LAW

BVI // Cayman // Guernsey // Jersey // London

