

# CORPORATE CRIMINAL OFFENCE UPDATE



As readers will be aware by now, the Criminal Finance Act 2017 introduced wide ranging legislation relating to the “corporate offences of failure to prevent facilitation of tax evasion” or the Corporate Criminal Offence (“CCO”) as it has come to be known.

Businesses that have been waiting to see how HMRC approach the CCO, before deciding how to engage with their CCO obligations, will be interested to see that HMRC recently confirmed (in a Freedom of Information release), that it is currently **investigating 30 companies in relation to the CCO**. This includes nine active enquiries and 21 further potential enquires in relation to the failure to prevent tax evasion.

HMRC has confirmed that its investigations span 10 different industries and include companies of all sizes. Therefore reiterating the fact that **these rules apply to all businesses**; and not just large multinationals.

**Enquiries can be intrusive**, including searches by HMRC officers and Court demands for documents.

Failure by a business operating in the UK to take reasonable steps to comply with this legislation can expose the business to **criminal prosecution, which could lead to unlimited fines, trading sanctions and significant reputational damage**.

## How can we help?

The only defence available under the CCO is for a business to be able to demonstrate that it has taken reasonable steps to prevent tax evasion or the facilitation of tax evasion.

Our Business Tax specialists have assisted a wide range of businesses to comply with their requirements under this legislation. They would be happy to discuss how your business should respond to this legislation.

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# BUSINESS TAX ALERT

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