

Jennifer Haslett
HMRC Centre for Offshore Evasion Strategy
Room 1C/26
100 Parliament Street
London
SW1A 2BQ

15 July 2016

Dear Ms Haslett

Tacking Tax Evasion: Legislation and guidance for a corporate offence of failure to prevent the criminal facilitation of tax evasion.

Whilst we welcome the opportunity to comment on HMRC's consultation document on 'Tacking Tax Evasion', we are concerned that there is a risk the current volume of consultations are overburdening the process, and is beginning to undermine the ability of business to contribute effectively to important issues.

Who we are

The 100 Group of Finance Directors represents the views of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent around 90% of the market capitalisation of the UK FTSE 100 Index, and in 2015 paid, or generated, taxes equivalent to 14% of total UK Government receipts. Our aim is to contribute positively to the development of UK and international policy and practice on matters that affect our businesses, including taxation, financial reporting, corporate governance and capital market regulation.

Our views

We support appropriate and proportionate action to tackle tax evasion. However, we have some concerns about certain aspects of the proposed legalisation and guidance. We have not responded to the questions in the consultation but we highlight our key concerns below:

- **This legislation adds to the volume of "failure to prevent" legislation already published and soon to be published.** It would be less burdensome for companies if government consider all these important measures more holistically, potentially bringing them all together into one strategy and one piece of legislation. More alignment with pre-existing methodologies (such as anti-money laundering / bribery) would be helpful as they offer more guidance on what 'adequate procedures' look like. Conveniently this would reduce the need for businesses to reinvent the wheel with new training/procedures.
- **Issuing wide reaching legislation under an accelerated timetable of 8-10 months.** It is unrealistic to ask diverse multinational companies to implement this wide reaching legislation in such a short time frame. The current timetable may result in companies rushing the implementation process undermining the overall aim of the legislation. As a minimum, a staged approach to meeting the requirements of the legislation would be more appropriate.
- **Parts of the scope needs to be carefully considered to ensure there are no unintended consequences.** Disproportionate requirements to tackle tax evasion will damage the competitiveness of UK companies through increasing compliance costs

and increasing business risk. We recommend further consideration and consultation on the key issues raised before the legislation is finalised. For example, we believe:

- The term 'associated person' needs to be clearly defined and restricted to where companies exercise control.
- The guidance should not be seen as an alternative to getting the legislation right particularly in the articulation of a criminal offence.
- The implementation of the overseas tax fraud element should be delayed, allowing time for companies to implement the main offence, before extending it wider.

Please do get in touch if you wish to discuss this further with me and the Committee.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A Bonfield', written over a circular stamp or watermark.

Andrew Bonfield
Chairman, Taxation Committee

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