TOUGH NEW SANCTIONS FOR OFFSHORE TAX EVADERS

Tax evaders are set to face tough sanctions under new plans unveiled by HMRC.

The proposals will mean that those who do not come forward and pay outstanding taxes arising from offshore investments and accounts, could face even tougher penalties **of up to three times the tax they try to evade**, and increase their risk of potential criminal charges.

From October 2016, HMRC will start to receive an unprecedented amount of data on those with offshore accounts in the Crown Dependencies and Overseas Territories - one year ahead of even more data coming in from across the globe, when The Common Reporting Standard comes into force.

Alongside these changes, HMRC will open its Worldwide Disclosure Facility (WDF) from the 5 September 2016. The WDF, announced at Budget 2015, allows those with outstanding tax to pay to put their affairs in order, but unlike previous disclosure facilities, it will offer no special terms. For further details on the WDF, please refer to our factsheet.

HMRC has been clear that not paying tax by failing to disclose your offshore income and investments is illegal. In 2014-15 HMRC brought in £2.6bn from tackling tax evasion and avoidance and since 2010 has raised more than £2.5bn from offshore evasion initiatives alone.

This action builds on the wide range of measures introduced by the government to toughen sanctions for all those involved in offshore tax evasion. This includes a new criminal offence for tax evasion, increased civil sanctions for offshore tax evaders, and civil sanctions for those who enable offshore evasion.