

Managing Tax Evasion Risks under the Criminal Finances Act 2017

The Criminal Finances Act 2017 includes new criminal offences for corporates that fail to prevent their associated persons from facilitating tax evasion.

Associated persons are employees, agents and others who provide services for or on behalf of the corporate.

There is a defence for corporates that maintain reasonable procedures to prevent the facilitation of tax evasion. Our position is as follows.

What is our approach to tax evasion?

We have no tolerance for knowingly facilitating tax evasion. This includes our employees and those who act on behalf of Royal Bank of Scotland Group.

We are firmly committed to complying with all our legal and regulatory obligations. This commitment is driven from the top-level management down throughout the Royal Bank of Scotland Group.

We take a risk-based, proportionate approach to identify and prevent tax evasion and we also maintain procedures to safeguard against our associated persons knowingly facilitating tax evasion.

What do we expect from our customers and suppliers?

We intend to only deal with customers, suppliers and other associated parties who are tax compliant and we will not knowingly facilitate any transactions that seek to circumvent or abuse tax laws. We expect the reasonable assistance of our customers and suppliers with our due diligence.

What have we been doing in anticipation of the new criminal offences under the Criminal Finances Act 2017?

We continue to update our risk assessments across our businesses to assess the risk of our associated persons facilitating tax evasion and the reasonableness of existing prevention procedures. This is an ongoing process and we will continue to strengthen and adapt our prevention procedures as appropriate.

Document classification: Public