

Managing Tax Evasion Risks under the Criminal Finances Act 2017



The Criminal Finances Act 2017 introduced 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 appetite for knowingly facilitating tax evasion. This includes by our employees and those who act on behalf of the NatWest Group.

We are committed to complying with all our legal and regulatory obligations. This commitment is driven from senior management down throughout the NatWest Group.

We take a risk-based approach to identifying and preventing tax evasion and we maintain procedures to safeguard against our associated persons from knowingly facilitating tax evasion.

What do we expect from our customers and suppliers?

We intend to only deal with customers, suppliers and other associated persons 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 to demonstrate our commitment to preventing the facilitation of tax evasion?

We have been updating 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.

Automatic Exchange of Information

To combat tax evasion and avoidance, many governments now investigate where their citizens hold overseas assets. The Foreign Account Tax Compliance Act (FATCA) is U.S. legislation. It requires financial institutions outside the U.S. to provide information to the U.S. tax authorities in relation to accounts held by, in control of and on behalf of US Persons. NatWest Group has policies and procedures in place designed to seek to ensure FATCA compliance. The Global Intermediary Identification Number (GIIN) can be found [here](#).

The Common Reporting Standard (CRS) was introduced by the Organisation for Economic Co-operation and Development (OECD) and is a framework for the automatic exchange of information between over 100 jurisdictions. Like FATCA, CRS requires financial institutions to provide information in relation to accounts held by, in control of and on behalf of foreign tax residents to either their local tax authority or directly to foreign tax jurisdictions (dependant on each jurisdiction's own Inter Governmental Agreement). NatWest Group has policies and procedures in place designed to seek to ensure CRS compliance.