



STEAMSHIP MUTUAL

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Criminal Finances Act Notice

March 2018

Criminal Finances Act 2017 – Extension of corporate accountability – General Guidance to Members

The UK Criminal Finances Act 2017 (the Act) came into force on 30 September 2017 as part of the UK Government's crackdown on economic crime and the pursuit of corporate accountability. This note summarises the effect of this new Act and how it may affect the Club, its Members and agents.

The Act updates the Terrorism Act 2000 and Proceeds of Crime Act 2002 and extends the investigative powers of the relevant law enforcement agencies in tackling corporate corruption, money laundering and terrorist financing.

The Act introduces two new corporate criminal offences, namely failure to prevent the facilitation of UK tax evasion (the UK offence, section 45) and failure to prevent facilitation of foreign tax evasion (the foreign offence, section 46). These new offences are similar to the offence of failure to prevent bribery under section 7 of the Bribery Act 2010.

The Club and its Managers will commit an offence under the Act if they fail to prevent the facilitation of tax evasion (in the UK or elsewhere) by an employee, an agent acting for the Club or a Member or their broker whether or not the Club or Managers benefit from the tax evasion concerned.

The territorial scope of the new offences is very wide and the Club is required to show that it has reasonable prevention procedures in place.

Our Members, their brokers and agents operate multi-nationally and will often have bank accounts located in a country other than where the payee is based. However, we are advised that where this is the case the Club must make enquiries in order to minimise the risk that the foreign offence described above is committed. This may mean that we will need to seek further information from you before payments are being made to you. We would be very grateful for your assistance in complying with this new Act.

