



HM Revenue
& Customs



HM Treasury

No safe havens 2019

HMRC's strategy for offshore tax compliance

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Ministerial Foreword

It's right and fair that everyone pays the correct tax, wherever in the world they or their assets are based. The majority do this voluntarily and the UK tax gap is at a near record low.

However, some do not. Since 2010, HMRC raised over £2.9 billion by tackling offshore tax non-compliance, enough to build 6 new hospitals.

The UK is at the forefront of the international tax agenda. Our leadership was key in driving increased collaboration between tax authorities, including through the ground-breaking Common Reporting Standard that is shedding new light on offshore financial accounts around the world.

In addition, the government has introduced new sanctions to help HMRC crack down on those who try to pay less tax than they should, as well as those who help them.

These efforts have transformed HMRC's capabilities to tackle the risk that offshore arrangements pose. However, we are not complacent and recognise that more remains to be done. Some still try to hide money offshore. Others use contrived offshore arrangements in an attempt to avoid tax. Some make mistakes.

HMRC's priority remains to promote compliance by making it easy for taxpayers to get their tax right first time, ensuring that individuals who want to do the right thing receive a service that is tailored to their circumstances.

HMRC will continue to crack down hard on those who try to avoid or evade paying the tax they owe, as well as those who help them, by investing in the latest technology and using its tough new penalties.

As this strategy sets out, the UK will continue to champion international tax transparency. HMRC will continue to help those who try to get it right and tackle those who go overseas in an attempt to pay less than they should.

Mel Stride MP

Financial Secretary to the Treasury



No Safe Havens 2019

The UK has seen huge changes and improvements to offshore tax compliance in recent years. Since 2010, the government has introduced over 100 new measures to tackle tax non-compliance.

No Safe Havens 2019 outlines how HMRC will ensure offshore tax compliance, helping achieve our overarching objectives¹:

- to maximise revenues and bear down on avoidance and evasion
- transform tax and payments for customers
- design and deliver a professional, efficient and engaged organisation

We will do this by focusing on 3 areas:

- leading internationally
- assisting compliance
- responding appropriately

As we continue to build on this approach to help the honest majority whilst tackling those seek to pay less than the tax due, we will work in partnership with taxpayers, their agents and other tax authorities to:

- Promote compliance and help the honest majority to comply with their offshore tax obligations
- Prevent those that seek to exploit a system designed to be fair
- Respond to those that break the rules, and those that help them, with vigorously enforced sanctions and by collecting the tax due
- Obtain the information HMRC needs to verify the facts without unnecessary delay
- Champion international tax transparency

These measures have secured and protected over £200 billion, ensuring that the UK tax gap is at a near record low² and helped transform HMRC's approach to offshore tax. This has seen new offences and increased sanctions for those who seek to evade tax, as well as those who help them.

International developments, championed by the UK, have also seen dramatic changes in tax transparency. In the past, jurisdictions with strict banking secrecy rules would not supply information to HMRC.

¹ [Measuring tax gaps 2018 edition](#) – tax gap estimates for 2016-2017, page 4. HMRC: 14 June 2018.

² [Our strategy](#) HM Revenue and Customs: 20 July 2017



£2.9bn+

raised since 2010 by HMRC
cracking down on offshore tax
non-compliance

Now, over 100 jurisdictions have committed to automatically exchange financial account information under the new international standard, the Common Reporting Standard (CRS).

In 2018, HMRC received information about the offshore financial interests of around 3 million UK resident individuals, or entities they control. We have begun using this data to detect possible non-compliance.

In addition, the UK has played a leading role in international initiatives to tackle multinational tax avoidance.

To ensure the largest corporates with overseas arrangements pay the right tax, the UK was at the forefront of multilateral action through the G20 and the Organisation for Economic Co-operation and Development (OECD) to reform international standards through the Base Erosion and Profit Shifting (BEPS) project.

The UK has also introduced the Diverted Profits Tax (DPT) to ensure multinational companies pay UK tax in line with their UK activities. In addition, organisations that fail to prevent their representatives from facilitating tax evasion can now be prosecuted.

No Safe Havens 2019 builds on HMRC's achievements so far in addressing offshore tax non-compliance and expands the scope and ambition of the previous strategy.

Previously, No Safe Havens concentrated on offshore tax evasion. However, we recognise that the minority of customers who pay less offshore tax than they should, do so for a variety of reasons.

Some make mistakes, or attempt to avoid tax by exploiting the rules to gain an advantage Parliament never intended. Others seek to evade tax, and in doing so commit a crime.



5.67m

Records received on UK taxpayers' offshore financial accounts in 2018

How the world has changed

	2010	2019
Global exchange of financial account information	✗	✓
Comprehensive penalties for UK tax evaders and enablers	✗	✓
Corporates criminally liable for failing to prevent the facilitation of tax evasion	✗	✓
Internationally agreed rules to tackle multinational profit shifting	✗	✓

This strategy sets out how we will tackle the whole problem of offshore tax non-compliance across that spectrum of behaviours, and all our customer groups.

This includes working with agents and intermediaries to help their clients avoid errors and make it simple for them to identify and correct errors. The unprecedented amount of data that HMRC is receiving from a range of sources is at the heart of our approach.

