

Businesses 'blinded by GDPR' and ignoring risks of Criminal Finances Act

Submitted by: BlueSky Public Relations Ltd

Monday, 21 August 2017

Too many businesses are being side tracked dealing with upcoming General Data Protection Regulation (GDPR) and are ignoring the risks brought on by the introduction of the Criminal Finances Act, according to 6CATS International.

An analysis by the leading supplier of international contractor management solutions to the recruitment industry found that many organisations have been overly focused on preparing for GDPR regulations – which come into place in May 2018 – and have ignored the potential risks of the Criminal Finances Act, which could begin impacting businesses in a matter of weeks.

The new legislation comes into law at the end of September and means that organisations will become criminally liable if they facilitate, or fail to prevent, tax evasion by a member of staff or an external agent or supplier.

Michelle Reilly, CEO of 6CATS International, comments.

“GDPR has stolen most of the headlines and forced firms into action to ensure that they don't fall foul of the regulations once they're put in place in May next year. That's unsurprising, as GDPR has to potential to cause huge issues for unprepared organisations, however, far too many firms still aren't aware of the increased risk exposure brought on by the Criminal Finances Act, which comes into power at the end of September. This should be the priority for all organisations, particularly in industries like recruitment, but we've seen relatively few put proper processes in place, which is highly concerning.”

“The potential punishments include an unlimited fine, reputational damage, the withdrawing of licenses by regulators and even prison sentences in the most extreme cases. We're urging firms to ensure that they're fully prepared for what will be a much more risky environment for them to operate within. That means it's crucial to communicate to your workforce the intricacies of the legislation and educate them on how to remain compliant. It's also certainly worth establishing processes for your employees to ensure they are operating legally and keeping your organisation out of trouble. The government and HMRC are clamping down on tax evasion wherever possible and, along with the increase in dawn raids, the new legislation shows that they're committed to tackling the problem once and for all. It's now up to businesses to ensure that they're compliant with all new regulations and the Criminal Finances Act should be a priority.”