

Criminal Finance Bill places added risk on agencies

Submitted by: BlueSky Public Relations Ltd

Tuesday, 30 May 2017

The introduction of the Criminal Finance Bill dramatically increases risk for recruitment agencies, according to 6CATS International.

An analysis by the specialist contractor management firm outlines how the Bill – which received Royal Assent on 28th April – creates a considerable amount of extra risk for recruitment firms placing talent overseas. Agencies are now liable for the actions of all of their employees, meaning that if an employee facilitates tax evasion in any way then the employer could receive an unlimited fine and a criminal conviction. Crucially, this not only applies to consultants, but also all employees remunerated through an organisation's payroll, including contractors working on short-term assignments.

Michelle Reilly, CEO of 6CATS International comments:

"The bill is another weapon adopted by the government to tackle the major issue of tax evasion and greatly raises the severity of punishments that were previously in place. It's a significant move and one that will have a profound impact on many recruitment firms. Crucially, the Bill isn't just limited to the UK. Even the wrongful actions of an employee – that facilitate tax evasion - in another country could mean your firm is subject to proceedings in the UK. It applies to all business activity and could be triggered by something as simple as a false expenses claim or a contractor placed by one of your consultants not paying tax, for example, meaning firms will really have to be on their toes to remain on the right side of the law."

"The globalised nature of the modern business world means that firms aren't likely to be dissuaded from placing talent overseas, but will have much more regulation to contend with when doing so, and as the punishments are so severe there's a lot more to lose. Consider that even the actions of an employee who's been with you for just a day could result in an unlimited fine and criminal sanctions and you might get a clear idea of the level of risk in the market now. On the plus side, the Bill will surely make the UK a global leader in compliance and will set a good example for the market, which is much more unified than ever before as a result of initiatives like the Common Reporting Standard and now the Criminal Finance Bill.

For more information, contact:

Bruce@bluesky-pr.net

07725331476