

## Why clients must comply

Presented by Marcus Leese 26 February 2013

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#### Introduction

- > The world is different now
- > Presentation focuses on tax, but relevant to all legal compliance



## Why past behaviour is no longer acceptable

- Global financial crisis marked important turning-point
- Developed economies with large deficits needing to increase tax revenues
- Public opinion critical of perceived "tax cheats"
- > Tax planning/ tax mitigation/ tax avoidance/ tax evasion
  - » Now all viewed as the same
  - » Now all viewed as wrong
- Greater international co-operation
- Greater flow of information
  - » No secrecy, little confidentiality
  - » Technology
  - » Whistle blowers
  - » TIEAs, DTAs and other international agreements



### The new compliance landscape

- Extraterritoriality
  - » FATCA
  - » US person
  - » UK real estate
  - » French trust regime
- Service provider liability
  - » AML
  - » Tax compliance criminal and civil (UBS, Wegelin, etc)
- Carrot and stick
  - » Disclosure opportunities and amnesties
  - » Penalties
- Enhanced enforcement
- Enhanced international co-operation
  - » FATCA
  - » EU FTT



# The advantages to clients of complying

- Certainty
- Avoidance/limitation of penalties
  - » Civil
  - » Criminal
- Ability to transact



## The advantages to you of clients complying

- > Ability to transact
- Avoidance of liability
  - » Civil
  - » Criminal
- Simplicity and certainty
  - » Quicker and easier client take-on
  - » Less on-going compliance and monitoring
- > Lower cost



#### **Actions**

- Understand the relevant laws and how they affect you and your clients
- Educate your clients about the issues
- Understand what is and is not acceptable tax planning
- Understand and follow your organisation's internal compliance policies

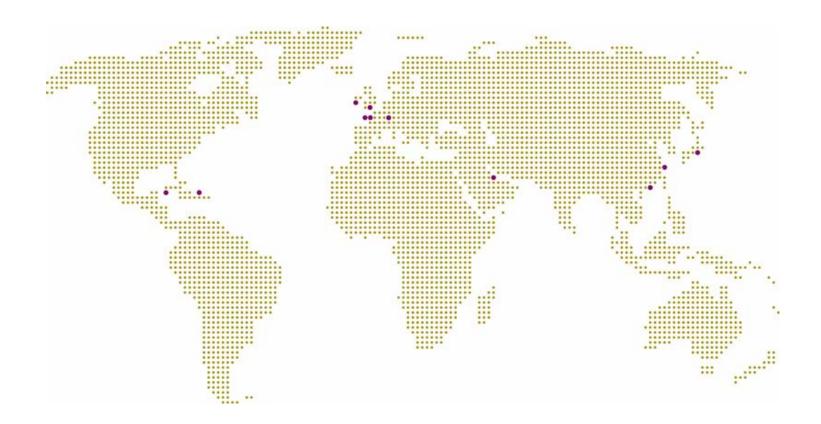


### **Conclusions**

- > There is no alternative
- > All these trends continuing and accelerating



#### **Our Global reach**



Over 850 staff including 52 partners, 190+ lawyers and 285 professional administrators across 11 jurisdictions



## Thank you

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