

We are constantly looking to build upon our effectiveness in this area. For this reason, we committed to actions in the Economic Crime Plan that will deliver an enhanced risk-based approach to supervision by March 2021. We have already made considerable strides (e.g. implementing a new operating model and new sanctions framework, underpinned by refreshed risk assessments and strategies, with trials of enhanced registration processes already showing a positive impact). We are on track to meet our Economic Crime Plan commitments.

Impact on any ongoing investigations or work, or may impede the future operation of the SARs system (regulatory requirements aside)?

HMRC uses suspicious activity reports across our risking and compliance activity, and the release of this sensitive information could have an impact on current or planned investigation activity. However, it is too early to comment on any specific impacts at this time while HMRC assesses the overall risk.

There could also be a consequence for the people who make these reports. They need to have faith that report users, like HMRC, do everything they can to mitigate any risks to them from exposure. This is particularly important for smaller firms that can be at the vanguard of identifying criminals, tax cheats and terrorist financiers. We adhere to the UK Financial Intelligence Unit's strict guidelines on using reports, regardless of their country of origin, to protect the identity and security of those making the reports.

Yours sincerely

JIM HARRA
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY