

CRIMINAL FINANCES ACT POLICY

Transparency Policy Statement

Document Control

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INTRODUCTION

The Criminal Finances Act 2017 (CFA 2017) came into effect from 30th September 2017. Part 3 of the CFA 2017 introduces a new Corporate Criminal Offence (CCO) of failure to prevent the facilitation of tax evasion.

Whilst it has always been a criminal offence to evade tax, and for anyone to help someone else evade tax, the new Act means that if a person 'associated' to the Business, anywhere in the world, is found to have assisted a third party in evading tax in the course of their duties, then the business itself could be deemed to have committed a corporate offence.

A successful prosecution could lead to an unlimited fine and a criminal record with associated reputational damage. There is a defence of having a reasonable prevention procedures in place. The purpose of this policy is to set out the responsibilities of Glaisyers Solicitors LLP, and those working for it in upholding the Business' position on tax evasion or its facilitation.

POLICY STATEMENT

Glaisyers Solicitors LLP conduct their activities with integrity, transparency, and fairness. They are committed to the prevention or the facilitation of tax evasion as we recognise the importance of fostering a positive culture of tax compliance and maintaining the confidence of our partners, employers, clients, its relevant authorities and the public as a whole.

Glaisyers Solicitors LLP do not and will not knowingly work with others who do not share their commitment to preventing the facilitation of tax evasion.

The business operates to the highest legal and ethical standards and will not tolerate acts of criminal facilitation of tax evasion by its associates anywhere in the world. The purpose of this policy is to set out the responsibilities of the business and those working for it, weather as a partner, employee, worker, subcontractor, and agent or in any other capacity.

This policy statement will be published on Glaisyers Solicitors LLP website as a public statement of the businesses commitment to CFA principles and will be communicated to all staff.

SCOPE

It is a criminal offence for anyone to evade paying tax of any kind, and also to help anyone to do so. Any individual found to be guilty of this could be subject to criminal proceedings under existing legislation.

However, under the CFA 2017 in the event of there being both:

- Criminal tax evasion by either a UK or overseas taxpayer (as an individual or an entity) under existing law, and;
- Criminal facilitation of this offence by an 'Associated Person' of the Business.

Then the business will be charged with the corporate offence of failing to prevent our representatives from committing the criminal act of facilitation unless it can demonstrate that we had 'adequate' or 'reasonable' procedures in place to prevent that facilitation. If found guilty, the typical consequences for the business could be an unlimited fine, reputational damage and the potential disbarment from public/governmental contracts.

The scope of 'Associated Persons' includes the business, partners, employees and clients. The new Corporate Criminal Offence (CCO) relates to situations where the business fails to prevent 'Associated Persons' from assisting in the evasion of tax by another party.

Examples of situations here 'associates' could be considered to be assisting third parties to evade tax can be found in Appendix 1.

ROLES AND RESPONSIBILITIES

Partners and employees should abide at all times by the policies of the business – including this CFA 2017 policy. Failure to comply with these policies and the obligations detailed therein may result in disciplinary action for our partners and employees (up to and including dismissal) and termination of contract for associated persons.

Should partners and employees become concerned that a partner or employee is facilitating tax evasion by a third party then they should immediately alert the Money Laundering Reporting Officer, or they may raise concerns under the Whistleblowing Policy.

RISK ASSESSMENT

A risk assessment and register of possible risks in relation to the CFA 2017 will be maintained that considers the relevant controls, processes and procedures that should be in place, and is intended to ensure that all appropriate steps are taken to prevent tax evasion or its facilitation. The risk register will be periodically reviewed and updated by the Risk Committee.

TRAINING

Relevant members of our staff will be provided with training on the key aspects of the CFA 2017, as set out in this policy.

RELATED POLICIES AND PROCEDURES

This policy should be read in conjunction with the following policies:

- Anti-bribery Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy

APPENDIX 1

Examples of possible fraud/evasion

The following examples illustrate where criminal facilitation of tax evasion by an employee or 'Associated Person' may occur at the Business:

1. Categorisation of a payment to an individual – who should be deemed an employee or treated as such under IR35 – as self-employed or a contractor, knowing that the individual will use the gross payment to evade tax. For example, this could be by deliberately entering false or misleading on HMRC's Employment Status questionnaire.
2. Mis-describing services provided to a third party in order to facilitate a VAT reclaim by them, or in the case of overseas agents, to facilitate the evasion of local indirect taxes.
3. Accepting a request to pay one entity knowing that the goods/services have been provided by another entity and that the purpose of the change is to evade tax.
4. Allowing a payment for goods/services to be described as a donation so that the donor can claim tax relief.
5. Authorising a VAT invoice from a supplier knowing that they are not VAT required.
6. Authorising an expense claim with photocopied receipts knowing that the claimant will use the original receipts to support the tax reclaim.
7. Collaboration with suppliers to falsify the amount paid on an invoice e.g. by disguising the true amount paid so that the supplier evades income/corporate taxes.

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