

## SECTION SIXTEEN: Anti-Facilitation of Tax Evasion Policy

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It is WRAS' policy to conduct its operation in an honest and ethical manner. It takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

WRAS is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, implementing and enforcing effective systems to counter tax evasion facilitation.

WRAS will uphold all laws relevant to countering tax evasion in all the jurisdictions in which it operates, including the Criminal Finances Act 2017.

The purpose of this policy is to:

- (a) set out WRAS' responsibilities and the responsibilities of those who work for it in observing and upholding its position on preventing the criminal facilitation of tax evasion; and
- (b) provide information and guidance to those who work for WRAS on how to recognise and avoid tax evasion.

If WRAS fails to prevent those who work for it facilitating tax evasion, it can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to its reputation. WRAS therefore takes its legal responsibilities seriously.

In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for WRAS and includes actual and potential donors, supporters, suppliers, business contacts, agents, advisers and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

This policy does not form part of any employee's Contract of Employment and WRAS reserves the right to amend it at any time.

### Who Must Comply with this policy?

This policy applies to all persons working for WRAS or on its behalf in any capacity, including trustees, employees, volunteers, agency workers, agents, contractors, consultants, third-party representatives and business partners or any other person associated with WRAS, wherever located.

### Who is Responsible for the Policy?

The Trustees have overall responsibility for ensuring this policy complies with WRAS' legal and ethical obligations and that all those under its control comply with it.

The Operations Director has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries relating to it and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Operations Director.

### What is Tax Evasion Facilitation?

For the purposes of this policy:

- (a) **Tax evasion** means the offence of cheating the public revenue or fraudulently evading UK tax and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent.
- (b) **Foreign tax evasion** means evading tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action or omission with dishonest

intent.

- (c) **Tax evasion facilitation** means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to that body. An “associated person” is defined widely and includes not only employees and workers, but anyone providing services for, or on behalf of, WRAS. For an offence to exist, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly or negligently facilitates the tax evasion, then the corporate offence will not have been committed. WRAS does not have to have deliberately or dishonestly facilitated the tax evasion itself. The fact that the associated person has done so creates the liability for WRAS.

Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

In this policy, all references to tax include national insurance contributions.

### **What You Must Not Do**

It is not acceptable for you (or someone on your behalf) to:

- (a) engage in any form of facilitating tax evasion or foreign tax evasion;
- (b) aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- (c) fail to report promptly any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country) or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;
- (d) engage in any other activity that might lead to a breach of this policy; or
- (e) threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

### **Your Responsibilities**

You must ensure that you read, understand and comply with this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion is the responsibility of all those working for WRAS or under its control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the Operations Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if an employee or supplier asks to be paid into an offshore bank account, without good reason, or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to VAT. Further “red flags” that may indicate potential tax evasion or foreign tax evasion are set out at the end of this policy.

### **How to Raise a Concern**

You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.

If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must notify the Operations Director or report it in accordance with the Whistleblowing Policy as soon as possible.

If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, you

should raise it with the Operations Director as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not exist. A deliberate failure to report suspected tax evasion or foreign tax evasion however, or “turning a blind eye” to suspicious activity, could amount to criminal facilitation of tax evasion.

### **Protection**

Individuals who raise concerns or report another’s wrongdoing are sometimes worried about possible repercussions. WRAS aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

WRAS is committed to ensuring no one suffers any detrimental treatment as a result of:

- (a) refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- (b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person; or
- (c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Operations Director immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the Grievance Procedure.

### **Training and Communication**

Training on this policy will be provided as necessary.

WRAS will ensure that appropriate training is offered to those employees, workers and associated persons who have been identified as being at risk of exposure to criminal tax evasion, on a regular basis.

WRAS’ zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all third parties at the outset of its business relationship with them and as appropriate after that.

### **Breaches**

Any employee who breaches this policy will face disciplinary action which could result in dismissal for misconduct or gross misconduct.

WRAS may terminate its relationship with other individuals and organisations working on its behalf if they breach the provisions of this policy.

### **Potential Risk Scenarios: “Red Flags”**

The following is a list of possible red flags that may arise during the course of your work for WRAS and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for the WRAS, you must report them promptly to the Operations Director:

- (a) you become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax, has failed to disclose income or gains to, or to register with, HM Revenue & Customs (or the equivalent authority in any relevant non-UK jurisdiction), has delivered or intends to deliver a false document relating to tax, or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority;
- (b) you become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;
- (c) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;

- (d) you become aware, in the course of your work, that a third party working for WRAS as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- (e) a supplier or other subcontractor is paid gross when they should have been paid net, under a relevant industry scheme;
- (f) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (g) a third party to whom WRAS has provided services requests that their invoice is addressed to a different entity, where WRAS did not provide services to such entity directly;
- (h) a third party to whom WRAS has provided services asks WRAS to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- (i) you receive an invoice from a third party that appears to be non-standard or customised;
- (j) a third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;
- (k) you notice that WRAS has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided; and
- (l) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to WRAS.