



Avoiding the Facilitation of Tax Evasion

On receiving this ToolBox Talk, all person's present will have available a copy of our Avoiding the Facilitation of Tax Evasion Policy

What is Tax Evasion?

Tax evasion is the illegal non payment or under payment of taxes

It is a criminal offence which can be committed by both individuals and legal entities such as Limited Companies.

Tax evasion is a major issue, damaging world trade and diverting money and resources who need it.

Tax evasion is an issue for any business, including ours:

- a. Tax evasion could occur within and on behalf of the business; or
- b. We could facilitate tax evasion by other people who we do business with

What are examples of tax evasion?

Within the business this could be:

- Failure to account for income properly resulting in a lowering of our tax liability
- Paying or providing benefits to employees improperly to reduce their tax liability

We could facilitate tax evasion by others by:

- Agreeing to pay suppliers in cash
- Producing false or incorrect invoices for clients

We are at risk of prosecution if we allow or facilitate tax evasion anywhere within our business

What are the tax evasion offences?

The Criminal Finances Act 2017 introduced 3 offences:

1. Criminal tax evasion by a tax payer (e.g. an individual or Company)
2. Facilitating tax evasion by another person or organisation (e.g. employee, customer or supplier)
3. Failure by an organisation to prevent tax evasion

What are the consequences of committing an offence?

Both individuals and organisations can be convicted of an offence.

- Individuals can be jailed by up to 10 years

- Unlimited fines can be issued against individuals or organisations

What is our Company position?

It is the policy of the Company that we will:

1. Not seek to evade tax
2. Not aide or facilitate the avoidance of tax by others
3. Take all reasonable steps to prevent tax evasion occurring in connection with our business
4. Report any concerns we have about possible tax evasion to the authorities

What you should do!

Every member of staff has a responsibility to speak out if they suspect tax evasion or are concerned about any activities that may indicate tax evasion. In particular you should report:

- Any requests to make or receive payments in cash
- Unusual or complex invoicing and payment mechanisms
- Any requests to issue false invoices or to doctor/amend invoices

Your support and active involvement is critical in ensuring that we adhere to the law

Any individual employee who reports an instance of possible tax evasion is protected by whistle blowing legislation and therefore should not feel unsafe to report it

Questions – Please answer the following questions.

- Is it an offence to assist another organisation evade tax?
- What is the maximum fine for being convicted of a tax evasion offence?
- Given an example of a red flag which may indicate tax evasion?
- What should you do if you know or have formed a suspicion that another person is engaged in tax evasion?

Do you have any questions for me?

