

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	TAX EVASION POLICY
DATE OF DECISION:	14TH DECEMBER 2020
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	EXECUTIVE DIRECTOR, FINANCE & COMMERCIALISATION	
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STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>This Policy has been introduced to set out details of the new Corporate Criminal Offences in relation to the failure to prevent Tax Evasion under the Criminal Finance Act 2017.</p> <p>The Government has stated that councils should be criminally liable where they fail to prevent those who act for, or on their behalf from criminally facilitating tax evasion.</p> <p>The new offence does not fundamentally alter what is criminal; it simply focuses on who is to be held accountable for acts contrary to current law. The new offence focuses on the failure to prevent the crimes and those who act for or on behalf of a corporation, rather than trying to attribute acts to the corporation.</p> <p>The new legislation in relation to Corporate Tax Evasions is laid out in the Criminal Finance Act 2017 ("CFA 2017"). This new act came into force on the 30th September 2017. Part 3 of CFA 2017 creates two separate corporate offences:</p> <ul style="list-style-type: none"> • Failure to prevent facilitation of UK tax evasion and; • Failure to prevent facilitation of overseas tax evasion. <p>The council may be found guilty of an offence if a person commits a UK tax evasion facilitation offence when acting in the capacity of a person associated with the Council. Government guidance suggests that proportionate prevention measures should be taken based on an assessment that identifies the specific risks of the organisation. The attached policy outlines the Council's risk assessment and resulting action with regards to Tax Evasion.</p>
RECOMMENDATIONS:

	(i)	That the Governance Committee approves the Tax Evasion Policy.
REASONS FOR REPORT RECOMMENDATIONS		
1.	To maintain compliance with the relevant legislative requirements of the Criminal Finance Act 2017.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
	None	
DETAIL (Including consultation carried out)		
	The policy has been reviewed by the Service Director; Legal & Business Operations to ensure that they are compliant with legislative requirements.	
RESOURCE IMPLICATIONS		
<u>Capital/Revenue</u>		
	None	
<u>Property/Other</u>		
	None	
LEGAL IMPLICATIONS		
<u>Statutory power to undertake proposals in the report:</u>		
	Criminal Finance Act 2017	
<u>Other Legal Implications:</u>		
	None	
RISK MANAGEMENT IMPLICATIONS		
	Non-compliance with legislation.	
POLICY FRAMEWORK IMPLICATIONS		
	None	

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	None	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Tax Evasion Policy	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No

Other Background Documents

Criminal Finance Act 2017 -

<http://www.legislation.gov.uk/ukpga/2017/22/contents/enacted>

Tackling Tax Evasion –

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672231/Tackling-tax-evasion-corporate-offences.pdf