



Criminal Finance Act  
(Anti-Tax Evasion)  
Policy  
Version 2

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## Policy Definitions

### The Company

For the purposes of this policy document **“The Company”** is referring to ProPaye Outsourcing Ltd.

### Third Party/Parties

All mention of **“Third Parties”** in this policy represents any and all businesses who have what can be defined as a business relationship with ProPaye Outsourcing regardless of the nature of that business relationship.

### Tax evasion

**“Tax evasion”** is understood as the illegal offence of cheating the public revenue (fiscal income) 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;

### Foreign tax evasion

Means evading tax in a foreign country, provided that that conduct/act is an offence in that country and would be deemed a criminal offence if committed in the UK. As defined with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent; and

### Tax evasion facilitation

Is being knowingly concerned in, or taking steps/actions 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.

### Tax

The word **“Tax”** is used to mean all forms of UK taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation (however described).

## 1. Statement

In response to The Criminal Finances Act 2017, ProPaye Outsourcing Ltd has formulated a Statement as part of our approach and commitment to tackling tax evasion. This Statement and Anti-Tax evasion Policy is also acting as a tool to prevent persons associated with ProPaye Outsourcing from engaging in the criminal facilitation of tax evasion in the UK. This statement will be published on the Company's website and reviewed annually by senior members of management of ProPaye Outsourcing.

ProPaye Outsourcing is committed to upholding this policy and prevention methods surrounding the possible facilitation of tax evasion by associated individuals or businesses anywhere within its operations. The statement governs all the company's dealings and the conduct of all persons or organisations who are appointed to act on our behalf. All members of staff and all who have, or seek to have, a business relationship with ProPaye Outsourcing must familiarise themselves with this Policy and the statement and are required to act at all times in a way which is consistent with the Policy and the statement.

ProPaye Outsourcing conduct all business in an honest and ethical manner. The company take a zero-tolerance approach to facilitating tax evasion, whether under UK law or under the law of any foreign country.

ProPaye Outsourcing are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate; and to implementing and enforcing effective systems to counter tax evasion facilitation.

We will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017, in all the jurisdictions in which we operate.

## 2. Purpose and Scope

The purpose of this policy is to:

- a) Outline the responsibilities of ProPaye Outsourcing, and the responsibilities of those working for us and their role in upholding our statement surrounding the prevention of the criminal facilitation of tax evasion; and
- b) Provide a toolkit of information and guidance to those employed by ProPaye Outsourcing on how to recognise and ensure tax evasion has no part in the company's business activities or those whom ProPaye Outsourcing have a business relationship with.

As an employer, if ProPaye Outsourcing fail to prevent the company's employees, workers, agents or service providers from facilitating tax evasion, the Company can face criminal

sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to the business reputation. Therefore, the legal responsibilities need to be taken seriously.

To address any possible identified risks to the company, all risk assessments will be communicated to senior managers and to relevant third parties to ensure that they are embedded and understood, but also so that the company can ascertain that the third parties' processes support our own. Additionally, employees, those in our business chain and other relevant third parties are required to review, understand and provide signatures demonstrating their understanding of this and other relevant company policies.

### 3. Policy Responsibility

The Compliance Manager and Directors of ProPaye Outsourcing have overall responsibility for this Policy and for all reviews surrounding the policies effectiveness in relation to actions taken in response to concerns raised under this Policy/Statement.

Whilst the Compliance Manager has the working day operational responsibility for this Policy, it is for all members of staff to ensure that they uphold the key principles outlined in this document.

### 4. Who is affected by this Policy?

This policy applies to all employees of ProPaye Outsourcing or any third-party company upholding a business relationship with ProPaye Outsourcing in any capacity.

### 5. What is deemed as facilitation of Tax Evasion?

For the purposes of this policy:

As stated under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by an organisation where the tax evasion is facilitated by a person acting in the capacity of an Associated Person to that body. For the offence to be made out, the associated person must deliberately and dishonestly act 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. ProPaye Outsourcing 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 the company because of the supply chain they work with/are in association with. This highlights the importance of conducting suitable levels of due diligence on all company's compliance in this area before conducting business with them.

It is important to note that “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).

## 6. What you must not do

Under this policy which is designed and based on the principles set out in the Criminal Finance Act, It is not acceptable for you (or someone acting 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 promptly report 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.

## 7. Individual actions and responsibilities

As an employee of ProPaye Outsourcing or third party, you must ensure that you read, understand and comply with this policy.

- 7.1 The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for ProPaye Outsourcing or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 7.2 You must notify your manager, the Compliance Manager or a 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, client 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 applicable tax.

Further “red flags” that may indicate potential tax evasion are set out in section 10 of this policy document.

## 8. Training and Communication

The Directors and Compliance Manager are versed in CFA2017, with consequential risk assessments having been conducted on the company and its supply chain to identify any areas for addressing.

These assessments have also meant bespoke training and awareness for other staff where CFA2017-specific risks are identified have been issued. Such training will form part of wider financial crime detection and prevention training.

The Company's zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that. This policy document is therefore available on the ProPaye website for all possible parties interested in the company's practices.

## 9. Breaches of this Policy

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

ProPaye Outsourcing Ltd may terminate any relationship with other individuals and organisations working on our behalf if they breach this policy.

## 10. Potential Risk Scenarios

The following is a list of possible red flags which all employees need to be aware of surrounding ProPaye Outsourcing 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 (or other activity likely to fall under this policy) while working for ProPaye Outsourcing, you must report them promptly to your manager or relevant contacts listed in this Policy Document.

- 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, HMRC (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; for example, If a CIS worker submits cost for materials without proof of purchase and insists on these being processed – this can be possible tax evasion by trying to inflate expenses and reduce the amount of tax paid on earnings.
- 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 ProPaye Outsourcing as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- e) A third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) A third party to whom ProPaye Outsourcing has provided services requests that their invoice is addressed to a different entity, where the company did not provide services to such entity directly;
- g) A third party to whom the Company has provided services asks for the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- h) An invoice from a third party that appears to be non-standard or customised;
- i) 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;
- j) ProPaye Outsourcing has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- k) 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 the Company.

## 11. Associated Policies

The following policies are also available either on the ProPaye website or by request:

- Anti-Bribery & Corruption Policy (including Gifts & Hospitality)
- Anti-Money Laundering Policy
- Public Interest Disclosure Policy ("Whistleblowing")

## 12. Procedure for making a disclosure

Should any member of staff or Associated Person become concerned that a fellow employee or Associated Person is facilitating a third party's tax evasion they should immediately contact either:

Compliance Manager:

Name - Courtney Hastings

Email – [Courtney.hastings@propaye.co.uk](mailto:Courtney.hastings@propaye.co.uk)

Managing Director:

Name – Ken Hastings

**SIGNED:**



**NAME:** Courtney Hastings

**POSITION IN THE INTERMEDIARY:** Compliance and Development Manager

**DATE:** 19/02/2019

**SIGNED:**



**NAME:** Ken Hastings

**POSITION IN THE INTERMEDIARY:** Managing Director

**DATE:** 19/02/2019