

Title of meeting: Governance & Audit & Standards Committee

Subject: Criminal Finance Act 2017 - Tax Evasion Policy

Date of meeting: 24th July 2020

Report by: Elizabeth Goodwin, Chief Internal Auditor

Wards affected: All

1. Summary

- 1.1 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.

2. Purpose of report

- 2.1 To inform members of the requirements placed upon the council in relation to the legislation as set out in the Criminal Finance Act 2017 with regards to Tax Evasion.

3. Background

- 3.1 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.
- 3.2 The new offence does not fundamentally alter what is criminal; it simply focuses on who is to be held accountable for acts contrary to the current law.
- 3.3 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.
- 3.4 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 CFA 2017 creates two separate corporate offences:

- Failure to prevent facilitation of UK tax evasion and;
- Failure to prevent facilitation of overseas tax evasion:

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(Please note that "Information Only" reports do not
require Integrated Impact Assessments, Legal or
Finance Comments as no decision is being taken)

- 3.5 The Council would be 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.
- 3.6 Government guidance suggests that proportionate prevention measures should be taken based on an assessment that identifies the specific risks of the organisation
- 3.7 The attached policy (appendix A) outlines the Council's risk assessment and resulting actions with regards to Tax Evasion

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Signed by: Elizabeth Goodwin, Chief Internal Auditor

Appendices: APPENDIX A - Tax Evasion Policy

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Criminal Finance Act 2017	http://www.legislation.gov.uk/ukpga/2017/22/contents/enacted
2 Tackling Tax Evasion - Government Guidance	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672231/Tackling-tax-evasion-corporate-offences.pdf