St Albans Diocesan Board of Finance

ANTI-TAX EVASION POLICY

Approved by:	Audit and Risk Committee of the Diocesan Board of Finance
Policy originator:	Glyn Barker, Finance Director
Date approved:	14 October 2025
Review period:	Three years
Review Date:	14 October 2028

Policy Statement

Tax Evasion is a criminal offence. The Board, and those acting on its behalf, commits to conducting business fairly, openly and honestly and in accordance with the highest ethical, moral and legal standards and that its processes and financial transactions comply with applicable legislation including the Criminal Finances Act 2017, which received Royal Assent on 27 April 2017.

The Board is committed to the prevention, deterrence and detection of tax evasion and has a zero- tolerance towards tax evasion.

The Criminal Finances Act 2017

The Act creates two offences:

- The first offence applies to all businesses, wherever located, in respect of the facilitation of UK tax evasion.
- The second offence applies to businesses with a UK connection in respect of the facilitation of non-UK tax evasion.

There are two stages for the corporate offences to apply:

- Criminal tax evasion (and not tax avoidance) must have taken place; and
- A person/entity who is associated with the business must have criminally facilitated the tax evasion whilst performing services for that business.

Associated persons are employees, agents and other persons who perform services for or on behalf of the business, such as contractors, suppliers, agents and intermediaries. For either of the offences to apply, the employee or associated person must have criminally facilitated the tax evasion, in their capacity as an employee or associated person, providing services to the business. A business cannot be criminally liable for failing to prevent the facilitation of tax evasion if the facilitator was acting in a personal capacity.

As noted, the offences only apply when there has been fraudulent tax evasion. Fraudulent evasion occurs where a person knows he has a tax liability and forms a dishonest intention not to declare it. It does not arise where a person makes a mistake or is careless. It also does not apply where a person actively seeks to avoid tax, even if the planning in question does not work, provided that the person has an honest belief when filing his tax return.

Equally the facilitator must have a criminal intent – and thus be an 'accomplice'. At its simplest, the facilitator knows that he is helping another person to carry out a fraud. Unwitting facilitation of tax evasion is not enough. Nor would knowing facilitation of tax avoidance be enough.

<u>Objective of this policy</u>

This policy provides a framework to enable those acting on behalf of the Board to understand and implement arrangements enabling compliance.

Employees must not:

- Engage in any form of facilitating Tax Evasion or Foreign Tax Evasion
- Aid, abet, counsel or procure the commission of a Tax Evasion offence or Foreign Tax Evasion offence by another person
- Fail to promptly report any request or demand from any third party to facilitate the fraudulent Evasion of Tax by another person, in accordance with this policy; or
- Engage in any other activity that might lead to a breach of this policy; or
- 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

- Be knowingly concerned in, or take steps with a view to, the fraudulent evasion of tax

Scope of this policy

This policy applies to all of the Board's activities and also to any separate legal entities owned and controlled by them.

This policy is applicable to, and must be followed by, all personnel, including those permanently employed, temporary agency staff, contractors, trustees, agents, volunteers and consultants. Failure to comply could result in disciplinary action, including dismissal and possible criminal prosecution. This policy also applies to volunteers, trustees, committee members and Synod members.

The Board requires all those receiving funds or representing the Board, including their suppliers, grant recipients, partners, investment counterparties, contractors and agents, to act in accordance with this policy.

Definitions

- 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.
- Foreign tax evasion means evading tax in a foreign country, provided that the 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.
- Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether in the UK or overseas) 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. The Criminal Finance Act, 2017, also makes clear that a separate criminal offence is committed where a person or organisation acting on behalf of the Diocese knowingly engages in any of the above activities, and in such cases the liability rests with the Board (see section on liability). Acts taken accidentally, ignorantly or negligently automatically constitute an offence.

- Tax avoidance and tax planning means taking legal steps to minimise tax payable.
- Tax: means 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 overseas) and includes duty and any other form of taxation.

Examples of tax evasion

- Making payments to a contractor or self-employed worker in non-cash form (e.g. vouchers or in-kind) or 'cash in hand' in order that they could avoid declaring the income for tax purposes.
- Falsely recording a supplier as a self-employed worker to enable payments to be made gross in the knowledge that taxable income will not be declared.
- Managers colluding with employees to sign off expenses which are for non-business purposes or constitute a taxable benefit but without declaring them as such and thus evading tax payable.
- Deliberately and dishonestly collaborating with a supplier to falsify the amount paid on an invoice e.g., by reducing the true amount paid so that the supplier evades income/corporate taxes.
- Deliberately conspiring with a supplier to conceal the true source country of goods to evade VAT or Customs duties.

Responsibilities

The Board requires that all personnel, including those permanently employed, office holders, trustees, temporary agency staff and contractors:

- To act honestly and with integrity at all times and to safeguard the organisation's resources for which they are responsible
- To comply with the spirit, as well as the letter, of the law

Employees must not undertake any transactions which:

- Cause the Board to commit a tax evasion offence
- Participate in any form of facilitation of tax evasion
- Facilitate a tax evasion offence by a third party who is not an employee of the Board
- Fail to report a request or demand from a third party to facilitate actual or suspected tax evasion

- Engage in any activity to threaten a third party that refuses to engage in the facilitation of tax evasion
- Engage in any activity which might lead to a breach of this Policy and the Criminal Finance Act, 2017

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

At all times, business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.

Liability

The liability for tax evasion rests with the Board. All employees, officers, and associated parties have a legal and ethical responsibility to ensure compliance with tax regulations. Failure to adhere to these obligations may result in personal and organisational liability, including civil penalties, criminal prosecution, and reputational damage. The Board will hold individuals accountable for deliberate acts of tax evasion or facilitation thereof, and reserves the right to take disciplinary action, including termination, in addition to cooperating fully with regulatory authorities. By acknowledging this policy, stakeholders affirm their duty to act transparently and report any suspected non-compliance immediately.

Commitment

The Board is committed to:

- Setting out a clear anti-tax evasion policy and keeping it up to date
- Making all employees aware of their responsibilities to adhere strictly to this policy at all times
- Encouraging its employees to be vigilant and to report any suspicions of tax evasion, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged tax evasion and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in tax evasion
- Provide information to all employees to report breaches and suspected breaches of this policy

- Include appropriate clauses in contacts to prevent tax evasion

Staff responsibilities

The prevention, detection and reporting of tax evasion are the responsibility of all those working for the Board or under its control. All staff are required to avoid activity that breaches this policy.

You must:

- Ensure that you read, understand and comply with this policy
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

The Board is committed to ensuring that everyone has a safe, reliable, and confidential way of reporting any suspicious activity.

If you have a concern regarding a suspected instance of tax evasion, please contact either the Diocesan Secretary or the Chair of the DBF as soon as you have concerns or report your concerns via the whistleblowing policy.