

# Criminal Finances Act Policy



## 1. Introduction and Purpose

The Criminal Finances Act 2017 (CFA 2017) came into effect from 30<sup>th</sup> September 2017. Part 3 of the CFA 2017 introduces a Corporate Criminal Offence (CCO) of failure to prevent the facilitation of tax evasion.

Whilst it has always been a criminal offence to evade tax, and for anyone to help someone else evade tax, the Act means that if a person 'associated' to the College, anywhere in the world, is found to have assisted a third party in evading tax in the course of their duties, then the College itself could be deemed to have committed a corporate offence.

A successful prosecution could lead to an unlimited fine and a criminal record with associated reputational damage. There is a defence of having reasonable prevention procedures in place.

The purpose of this policy is to set out the responsibilities of Royal Holloway, University of London, and those working for it in upholding the College's position on tax evasion or its facilitation.

## 2. Scope

It is a criminal offence for anyone to evade paying tax of any kind, and also to help anyone to do so. Any individual found to be guilty of this could be subject to criminal proceedings under existing legislation.

However, under the CFA 2017 in the event of there being both:

- Criminal tax evasion by either a UK or overseas taxpayer (as an individual or an entity) under existing law, and;
- Criminal facilitation of this offence by an 'Associated Person' of the College

then the College will **automatically be charged** with the corporate offence of failing to prevent its representatives from committing the criminal act of facilitation **unless** it can demonstrate that it had 'adequate' or 'reasonable' procedures in place to prevent that facilitation. If found guilty, the typical consequences for the College could be an unlimited fine, reputational damage and the potential disbarment from public/governmental contracts.

The scope of 'Associated Persons' includes the College's officers, employees, workers, agents, sub-contractors and other people/organisations that provide services for, or on behalf of, the College. The new Corporate Criminal Offence (CCO) relates to situations where the College fails to prevent 'Associated Persons' from assisting in the evasion of tax by another party.

### **3. Policy Statement**

Royal Holloway, University of London and its subsidiary conduct their activities with integrity, transparency and fairness. They are committed to the prevention of the facilitation of tax evasion as they recognise the importance of fostering a positive culture of tax compliance and maintaining the confidence of students, staff, partner organisations, other customers and the tax authorities.

Royal Holloway, University of London and its subsidiary do not and will not knowingly work with others who do not share their commitment to preventing the facilitation of tax evasion.

The College operates to the highest legal and ethical standards and will not tolerate acts of criminal facilitation of tax evasion by its associates anywhere in the world. The purpose of this policy is to set out the responsibilities of the College and of those working for it, whether as an officer, employee, worker, subcontractor, agent or in any other capacity.

This policy statement will be published on Royal Holloway, University of London's website as a public statement of the College's commitment to CFA principles and will be communicated to all staff.

### **4. Roles and responsibilities**

Staff and associates should abide at all times by College policies - including this CFA 2017 policy, the anti-bribery policy and related governance documents summarised in section 5 below. Failure to comply with these policies and the obligations detailed therein may result in disciplinary action for staff (up to and including dismissal) and termination of contract for associated persons.

Should staff and associates become concerned that a fellow employee or associate is facilitating tax evasion by a third party then they should immediately alert their manager, the Head of Financial Control, or the Chief Financial Officer, or they may raise concerns under the Whistleblowing Policy.

The Head of Financial Control is responsible for information, training, reports and queries in relation to the CFA 2017.

### **5. Related policies and procedures**

The Criminal Finances Act 2017 has parallels with the UK Bribery Act and this policy should be read in conjunction with the College's anti-bribery policy and related governance documents:

- Anti-bribery policy
- Counter-fraud Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy
- Fee waiver policy (appended to the Consultancy Policy)
- Financial Regulations
- Procurement Policy and Procedures

## 5.1 Risk Assessment

A risk assessment and register of possible risks in relation to the CFA 2017 is maintained that considers the relevant controls, processes and procedures that should be in place, and is intended to ensure that all appropriate steps are taken to prevent tax evasion or its facilitation. The risk register will be periodically reviewed and updated by the Head of Financial Control.

## 5.2 Training

Relevant members of staff will be provided with training on the key aspects of CFA 2017, as set out in this policy, with suitable frequency, including at induction. For the purposes of the College this includes (but is not limited to) staff who work in the Finance Department (including Procurement) heads of other Professional Services teams, Academic Department Managers and Administrators.

## 6. Monitoring and compliance

Failure to comply with these policies and the obligations detailed therein may result in disciplinary action for staff (up to and including dismissal) and termination of contract for associated persons.

This policy will be reviewed at a minimum every two years.

## 7. Document Control Information

Policy Owner	Chief Financial Officer	
Operational Owner	Head of Financial Control	
Approving Body	Council	
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Approved by Finance Committee	10 June 2021	
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<b>Version History</b>		
<b>Version (newest to oldest)</b>	<b>Date of approval</b>	<b>Summary of changes</b>
Version 2	1 July 2021	No major changes
Version 1	28 February 2019	New policy