

BH PCC policy to prevent the criminal facilitation of tax evasion

INTRODUCTION

2017 legislation makes failure to prevent tax evasion a serious criminal offence. Where a person acting on behalf of the PCC knowingly facilitates someone else's tax evasion, they commit a Corporate Criminal Offence.

The church is guilty of an offence if:

- criminal tax evasion (which might be evasion of UK or foreign tax) takes place by a taxpayer, and
- an associated person, eg an employee, volunteer, contractor or agent of the church, deliberately and dishonestly facilitates that evasion; and
- the PCC failed to prevent the associated person from committing the facilitation.

An 'associated person' is broadly defined, and if an offence occurs, the church's defence is either that it had reasonable procedures in place or that it was unreasonable to have such procedures.

Our policy is to comply with the legislation, put in place reasonable procedures, and to self report in the event that we have facilitated tax evasion.

REASONABLE PROCEDURES

We follow the HMRC guidance 'Tackling tax evasion: Government guidance for the corporate offences of failure to prevent the criminal facilitation of tax evasion'. (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672231/Tackling-tax-evasion-corporate-offences.pdf) This contains six guiding principles which can be used to meet the 'reasonable procedures' requirement:

1. Risk assessment: Tax evasion is considered as part of the annual risk review, with particular focus on gift aid, construction work and honoria/self employment and phishing. We undertake an annual review of internal financial controls.
2. Proportionality: this is considered in our response to managing risk
3. Top-level commitment: PCC induction includes awareness of good governance, and office administrators are made aware of the risk by means of this document
4. Due diligence: All trustees are required to be fit and proper person. Major property transactions are subject to tender. Overseas gifts are reported through the annual return. Management accounts are reviewed monthly for unusual items
5. Communications and training: Office staff and treasurers are updated on basis of alerts from Church House.
6. Monitoring and review: Where necessary these matters are monitored as part of risk assessment, or as part of regular policy review.

Adopted by PCC 22nd March 2022