



YOUR WORLD® RECRUITMENT GROUP

Open Your World to Endless Opportunities

Tax Evasion & the Criminal Finances Act 2017 Policy - V3.0

THE CRIMINAL FINANCES ACT 2017

Your World Recruitment Group has a zero-tolerance approach to Tax Evasion.

The Criminal Finances Act 2017 (the "Act") comes into force on the 30 September 2017. The Act makes companies and partnerships criminally liable if they fail to prevent tax evasion by either a member of their staff or an external agent, even where the business was not involved in the act or was unaware of it. A prosecution could lead to both a conviction and unlimited penalties.

Tax evasion is already an offence, but up to now it has not been possible to ascribe criminal liability to the agency where it occurred.

The Act has created offences of:

- Criminal tax evasion by a tax payer (such as a contract worker or umbrella);
- Criminal facilitation of tax evasion by a person associated with a corporate (performing services for or on behalf of the corporate, including, in our view, employees who make referrals and possibly umbrellas/tax advisers with whom the corporate has a referral or other close relationship); and
- Failure by the corporate to prevent the criminal facilitation by the associated person

Accordingly, staff are required to follow the following guidelines:

- Not to refer a contractor directly to an umbrella company which could be facilitating the avoidance of tax or tax evasion,
- Not to discuss with contractors, ways in which they could avoid or evade tax and
- Not to receive any reward from umbrella companies (or other entities) by way of undisclosed payments or other benefits

Receiving any reward could amount to criminal evasion for the facilitation of income tax evasion. Also, if any such payments are received they would be disclosable as income to HMRC otherwise the recipient has also criminally evaded tax by not declaring it as income. This includes payment in any form, including vouchers.

Receiving a reward can also be seen as accepting a bribe, in contravention to the Company's Anti-Bribery Corporate Policy V2.0, extracted as follows:

"Bribery is a criminal offence. We will not accept or pay a bribe, facilitation payment, kickback, or other improper payment or inducement to any person or company for any purpose, nor will we accept such improper payments or inducements from any client, supplier, or sub-contractor. We will always ensure that we operate with appropriate transparency in all our business dealings."

The agreements we have with the umbrella companies we work with prohibits them from giving incentives to our staff for referrals.

If you are offered a reward by an umbrella company or any other company, please advise Candidate Services as a matter of urgency.

The acceptance of any such reward will be considered as Gross Misconduct and any employee who accepts any such award will be subject to the Disciplinary Process.