


Ref. No:	IMS-POL-13	Criminal Finances Act 2017 Policy (See QA-M-01)	
Rev. Status:	01 JUN 20		

Prevention of the Criminal Facilitation of Tax Evasion Policy

Nicol of Skene Limited are committed to the prevention, deterrence and detection of criminal tax evasion and the criminal facilitation of tax evasion. This document sets out the company's policy for preventing the criminal facilitation of tax evasion and the standards and procedures required to ensure compliance with the policy.

1. Introduction

1.1 The Criminal Finances Act 2017 was introduced and became effective on 30th September 2017 to demonstrate the UK government's commitment to preventing tax evasion in all its forms. The purpose of the legislation is to set out that companies and partnerships will be criminally liable where they fail to prevent those who act for them, or on their behalf, from criminally facilitating tax evasion.


1.2 As an employer, if we fail to prevent our employees, workers, agents or service providers from facilitating tax evasion, Nicol of Skene Ltd can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and reputational damage. We therefore take our legal responsibilities seriously and take a zero tolerance approach to all forms of tax evasion, whether under UK law or the law of foreign countries in which we may operate.

1.3 Nicol of Skene Ltd is committed to preventing the facilitation of tax evasion by associated individuals or businesses (an 'Associated Person') anywhere within its operations. An 'Associated Person' is defined as a firm's employee or agent, or someone who performs services for, or on behalf of the business. It may include suppliers, contractors, sub-contractors and intermediaries. A written contract is not necessarily required, association is defined based on actual events and behaviour. This commitment governs all of our business dealings, and the conduct of all persons or organisations who are appointed to act on our behalf. All NoS employees who have, or seek to have, a business relationship with Nicol of Skene Ltd must familiarise themselves with this policy and are required to act at all times in a way which is consistent with the policy.

1.4 We expect the highest standards of integrity and conduct in all business matters from our employees, and all Associated Persons. We look to our employees and Associated Persons to exercise scrupulous care in their business conduct at all times, particularly in relation to the prevention of tax evasion.

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

1.6 We will uphold all laws relevant to countering tax evasion in all the jurisdictions in which we operate.

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1.7 The risks for our business are identified during regular Management Reviews and recorded on the Business Risk Register alongside the appropriate control required to ensure a 'reasonable prevention procedure' is in place. The Finance Manager is responsible for monitoring and managing the risks identified in their area and ensuring appropriate training is given to the relevant employees. Employees who have direct contact with an Associated Person are responsible for ensuring that the Associated Person reviews, understands, and agrees to their full compliance with this policy.

2. Purpose and Scope of this Policy

2.1 The purpose of this policy is to:

(a) Set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position on preventing the facilitation of tax evasion; and

(b) Provide information and guidance to those working for us on how to recognise and avoid tax evasion.

2.2 This policy does not form part of an employee's contract of employment and we may amend it at any time for any reason.

3. Who must comply with this Policy?

This policy applies to all persons working for Nicol of Skene or on Nicol of Skene's behalf in any capacity. This includes employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, or any other person associated with Nicol of Skene Ltd, wherever located.

4. Who is responsible for the Policy?

4.1 The Managing Director has overall responsibility for this Policy and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy.


4.2 The Finance Director is responsible for implementing this policy, monitoring its use and effectiveness, and dealing with any queries about it.

5. What is the facilitation of tax evasion?

5.1 For the purposes of this policy:

(a) UK tax evasion offence means;

- an offence of cheating the public revenue; or

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- an offence under the law of any part of the United Kingdom consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of tax.¹

(b) UK tax evasion facilitation offence means an offence under the law of any part of the United Kingdom consisting of;

- being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax by another person; or
- aiding, abetting, counselling or procuring the commission of a UK tax evasion offence; or
- being involved in any part of the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.²

(c) Foreign tax evasion offence means conduct which;

- amounts to an offence under the law of a foreign country,
- relates to a breach of a duty relating to a tax imposed under the law of that country, and
- would be regarded by the courts of any part of the United Kingdom as amounting to being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of that tax.³

(d) Foreign tax evasion facilitation offence means conduct which;

- amounts to an offence under the law of a foreign country;
- relates to the commission by another person of a foreign tax evasion offence under that law; and
- would, if the foreign tax evasion offence were a UK tax evasion offence, amount to a UK tax evasion facilitation offence.⁴

1 CFA 2017, s. 45(4)


2 CFA 2017, s. 45(5)

3 CFA 2017, s. 46(5)

4 CFA 2017, s. 46(6)

5.2 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed when all three of the following elements apply;

- Fraudulent tax evasion by a taxpayer (either an individual or a legal entity) under existing law;

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- Criminal facilitation of the tax evasion by an Associated Person of the Relevant Body, who is acting in that capacity; and
- The Relevant Body failed to prevent the Associated Person from committing the criminal facilitation act.

The 'Relevant Body' is the company or partnership which could be found liable of a Criminal Corporate Offence (Nicol of Skene). The Relevant Body does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the Associated Person has done so, creates the liability for the company or partnership.

However, if the Associated Person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate criminal offence will not have been committed.


5.3 Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

5.4 Tax means all forms of 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 in any non-UK jurisdiction) and includes duty and any other form of taxation (however described).

6. What you must not do

6.1 It is not acceptable for you (or someone acting on your behalf) to:

- a)** engage in any form of facilitating tax evasion or foreign tax evasion;
- b)** aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- c)** fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;
- d)** engage in any other activity that might lead to a breach of this policy;
- e)** 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; or
- f)** seek to obstruct any investigation into suspected breaches of this policy.

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7. Your Responsibilities

7.1 You must ensure that you read, understand and comply with this policy.

7.2 The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all of Nicol of Skene's Associated Persons. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

7.3 You must notify your line manager, or their line manager, as soon as possible if you believe or suspect that a breach of this policy has occurred or may occur in the future. Should you feel you are unable to report a breach of this policy to either your line manager or their line manager, the reporting procedure outlined within the 'Whistleblowing' policy should be followed. Further details for this policy can be found in Section 13.

7.4 Examples of behaviours that would require reporting are: if an employee or supplier asks to be paid into an offshore bank account, without good reason; or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to applicable tax. Further "red flags" that may indicate potential tax evasion are set out in section 10.

7.5 You must comply fully with any investigation into suspected tax evasion or any breach of this policy. A failure to comply with an investigation may result in disciplinary action, which could result in dismissal for misconduct or gross misconduct.

8. Training and Communication


8.1 Line managers of all grades are responsible for identifying individuals who report directly to them that require the necessary training. Such training may form part of wider financial crime detection and prevention training.

8.2 Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all business partners, including suppliers, contractors, associates and customers at the outset of our business relationship with them and as appropriate after.

9. Breaches of This Policy

9.1 Any employee who breaches this policy may face disciplinary action, which may result in dismissal for misconduct or gross misconduct

9.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.


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10. Potential Risk Scenarios: “Red Flags”

The following is a list of possible red flags that may arise while you work for Unipart and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags (or other activity likely to fall under this policy) while working for the Nicol of Skene, you must report them promptly to your Line Manager:

- a) you become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax; has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction); has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority;
- b) you become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;
- c) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- d) you become aware, in the course of your work, that an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) a third party to whom Nicol of Skene have provided goods or services requests that their invoice is addressed to a different entity, where Nicol of Skene did not receive goods or services from such entity directly;
- g) a third party to whom Unipart have provided services asks for the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- h) you receive an invoice from a third party that appears to be non-standard or customised;
- i) a third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be back-dated;

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j) you notice that Nicol of Skene has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;

k) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Nicol of Skene.

11. Associated policies

11.1 This policy should be read in conjunction with:

- Anti-Bribery & Corruption Policy
- Modern Slavery Policy
- Whistleblowing Policy
- Disciplinary Policy

12. Raising Concerns

12.1 You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion or tax evasion facilitation at the earliest possible stage.


12.2 If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must notify your line manager as soon as possible.

12.3 If you are unsure about whether or not a particular act constitutes tax evasion, or foreign tax evasion, raise it with your line manager as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or “turning a blind eye” to suspicious activity, could amount to tax evasion facilitation.

13. Procedure for Making a Disclosure - Whistleblowing

13.1 Should you become concerned that a fellow employee or an Associated Person is facilitating tax evasion, you should immediately report the incident via one of the following;

- your line manager,
- your line manager’s line manager,
- the appropriate specialist individual outlined in the Appendix of the ‘Whistleblowing’ policy.

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14. Protection

14.1 Individuals who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

14.2 We are committed to ensuring no-one suffers any detrimental treatment as a result of:

- a) refusing to take part in, be concerned in or facilitate tax evasion or foreign tax evasion by another person;
- b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform HR immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Nicol of Skene Employee Handbook.

Authorised by:



Peter-Jon Cowe
Chief Operating Officer

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Next Review Due: January 2026