



DANNY SULLIVAN
GROUP

Danny Sullivan Group

CORPORATE CRIMINAL OFFENCE (CCO) &
FACILITATION OF TAX EVASION

Michelle McLaughlin, Finance Director

- DSG takes a zero-tolerance Tax Evasion and its facilitation
- We are committed to rigorous and transparent finance and data management and reporting
- We promote a fair, consistent, and compliant process



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CORPORATE CRIMINAL OFFENCE (CCO) & FACILITATION OF TAX EVASION

Understanding responsibilities, risks, and compliant business practices



What is CCO?

The Corporate Criminal Offences introduced by the 2017 Finance Act are intended to make organisations accountable if those acting on their behalf criminally facilitate the evasion of tax.

The legislation applies to all corporations and partnerships (together 'organisations') irrespective of their size and the business sector that they are in.

The CCO is a strict liability offence, meaning that it applies even when the organisation was unaware of what was going on.

A business can therefore be subject to the criminal charge for being 'asleep at the wheel' while someone associated with it knowingly helped another individual or entity commit tax evasion.



Why is CCO important to DSG?

- **Our industry is High Risk**

- Large numbers of temporary workers
- Self-employed or CIS workers
- Payroll intermediaries and umbrella companies

- **Legal Liability**

- Unlimited fines
- Serious reputational damage
- Loss of public sector contracts
- Increased regulatory scrutiny

- **Protection for our client partners and their projects**

- **Safeguarding our Reputation and Ethical Standards**



Three Stages to CCO

There are three stages to the CCO, all of which must occur for an offence to have taken place under that legislation. However, there are still likely to be severe consequences if any one of the stages below applies:

- **Stage 1**

There is criminal tax evasion by a taxpayer under existing law;

- **Stage 2**

There is criminal facilitation of the offence by a person “associated” with the company, i.e., anyone who performs services for or on behalf of the company;

- **Stage 3**

The company failed to prevent its representative from committing the criminal act at Stage 2.



Associated Person

An "associated person" has a broad definition and includes any person (individual or corporate) who represents (or provides a service for or on behalf of) the company and can include:

- ❖ Employees
- ❖ Contractors
- ❖ Agency Workers
- ❖ Agents
- ❖ External Suppliers



Penalties and sanctions

The penalties in CCO cases are severe and include:

- Criminal Convictions
- Unlimited financial penalties
- Losing the ability to secure government contracts
- Ancillary orders such as confiscation orders or serious crime prevention orders

Entities can limit the damage of failures by self-reporting breaches in a timely manner.



Reasonable procedures

HMRC have set out 6 guiding principles which are expected to form part of an organisation's reasonable procedures.



Risk Assessment



Proportionality of risk-based prevention procedures



Top Level Commitment



Due Diligence



Training & Communication



Monitoring and review



Possible Red Flags

Below are examples of risk areas and red flags that could arise during your everyday working, and which should raise a concern:

 You become aware that an individual working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions

 Claiming illegitimate expenses

 Someone claiming to have found a 'short cut' in how much tax they pay, or you are aware that tax is not being declared

 Someone asking for a favour that is not in line with your company policy

 Someone requests payment in cash rather than through an account with a recognised bank and/or refuses to provide an invoice or receipt for a payment made



How to report...

Any suspected breaches of the policy or suspected cases of the facilitation of tax evasion should be reported to:

- Group General Counsel & Company Secretary (compliance@dannysullivan.co.uk)
- Company appointed AAB Whistleblowing Service <https://fileaconcern.org/dannysullivan> or 0800 026 0466

What to do if you feel threatened or vulnerable?

If you refuse to act on a request (either by someone else in the business or a third party) that you think may result in the facilitation of tax evasion, you may feel worried about potential consequences. We take this very seriously and will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.



Our Commitment

- ✓ Maintain our zero-tolerance approach to tax evasion and its facilitation
- ✓ Provide ongoing training (especially ‘at risk staff’)
- ✓ Regular review of policies
- ✓ Rigorous due diligence procedures
- ✓ Provide clear reporting channels



Your Responsibilities:

- Remain vigilant on site and in offices
- Report concerns immediately
- Review and adhere to all company policies relating to CCO, anti-bribery, and anti-tax evasion
- Complete mandatory training
- Conduct due diligence on external suppliers



Our Values

Be Fair	Be Committed	Be Well	Be Courageous
Inclusive Ensure an equal, diverse and inclusive workplace	Team Players Working as an intrinsic team across all levels	Creative Find innovative solutions to work more efficiently	Deliver Deliver the best quality staff to our customers
Supportive Support vulnerable groups	Client First Work with our clients to achieve all goals	Safe Environment Get everyone home safely everyday	Train Highest level of education, training and opportunities for our staff
Conscious Minimise our impact on the environment	Considerate Work with our competitors to deliver a common goal	Have Integrity Influence the culture of the workplace to always do the right thing	Rise Above Exceed expectation
Fair Provide fair pay, rigorous data and financial management	Creative Find innovative solutions to work more efficiently	Supporting Wellbeing We focus on our staff's wellbeing - physically and mentally	Excellence Always go the extra mile



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Together We Make The Difference

- OUR VALUES
 - Team Players
 - Fair
 - Have Integrity
- If you see something, say something
- Let's talk...
- Thank you for playing your part

