

Prevention of Tax Evasion (Criminal Finances Act 2017) Policy

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1. Introduction and values

This policy sets out Queen Mary University of London's (QMUL) approach to preventing the criminal facilitation of tax evasion by staff, students acting on behalf of the University, contractors, agents, partners and other associated persons. It should be read alongside the University's Financial Regulations, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Procurement Procedures and related Finance Directorate guidance.

QMUL is committed to the highest standards of integrity, transparency and compliance. QMUL adopts a zero-tolerance approach to tax evasion and the criminal facilitation of tax evasion. QMUL expects all staff, students, Council members, contractors and other associated persons to act lawfully and ethically at all times.

QMUL is committed to maintaining reasonable prevention procedures, promoting awareness, undertaking risk assessments, supporting a speak-up culture and ensuring appropriate action is taken where concerns are identified.

2. Purpose

The purpose of this policy is to set out QMUL's framework for complying with the Criminal Finances Act 2017 (CFA). It defines the scope of the policy, allocates responsibilities, explains how concerns should be reported and describes the prevention procedures designed to reduce the risk that any associated person criminally facilitates tax evasion while performing services for or on behalf of QMUL.

3. Legislative context

Key terms used in this policy have the following meanings:

- Tax evasion means the criminal evasion of tax by an individual or organisation.
- Facilitation means deliberately and dishonestly helping another person or organisation to evade tax.
- An associated person is any person or organisation that performs services for or on behalf of QMUL, including employees, workers, agents, contractors, consultants, intermediaries and relevant partners.
- Reasonable prevention procedures are the policies, controls, training, due diligence and monitoring arrangements designed to prevent associated persons from criminally facilitating tax evasion.

Part 3 of the Criminal Finances Act 2017 introduces corporate criminal offences for failure to prevent the facilitation of tax evasion by another party. The offences cover the failure to prevent facilitation of UK tax evasion and the failure to prevent facilitation of foreign tax evasion.

To establish an offence there must be criminal tax evasion, criminal facilitation by an associated person and failure by the organisation to prevent the facilitation.

4. Scope

This policy applies to all employees, workers, agency staff, students when acting for or on behalf of QMUL, Council and committee members, consultants, contractors, agents, subcontractors, subsidiary companies and any other associated persons performing services for or on behalf of QMUL. It applies to activities carried out in the UK and overseas where those activities create a risk of criminal facilitation of tax evasion.

5. Principles

- Zero tolerance to tax evasion.
- Proportionate prevention procedures.
- Risk-based controls.
- Due diligence.

- Communication and training.
- Monitoring and review.
- Confidential reporting and protection for whistleblowers.

6. Roles and responsibilities

The Audit and Risk Committee is responsible for approving the policy, maintaining overall oversight and reviewing effectiveness and assurance. The President and Principal and Senior Executive Team promote a culture of compliance. The Chief Financial Officer owns the policy and oversees monitoring. Managers are responsible for local implementation and awareness. All staff and associated persons are responsible for complying with this policy and reporting concerns promptly.

7. Criminal Finances Act requirements

The CFA imposes a corporate criminal offence of failure to prevent the criminal facilitation of tax evasion. This is relevant to incorporated charities, including charitable incorporated organisations, regardless of size.

Under the CFA, an offence will be committed by QMUL if the following three stages are met:

UK offence

Stage 1: Evasion. Deliberate tax evasion takes place by a UK or overseas taxpayer, either as an individual or legal entity. This includes the evasion of any type of tax, for example National Insurance contributions or VAT.

Stage 2: Facilitation. The tax evasion is deliberately and dishonestly facilitated by an associated person of QMUL or its subsidiaries.

Stage 3: Failed prevention. The University or its subsidiaries failed to prevent its representative from committing the criminal facilitation act.

If stages 1 and 2 are met, QMUL would automatically be guilty of committing the corporate criminal offence unless it can show that reasonable procedures were in place to prevent the criminal facilitation of tax evasion by the associated person, or that it was unreasonable to expect such procedures to be in place.

Potential consequences include unlimited fines, criminal conviction, serious reputational damage and exclusion from public procurement opportunities.

Foreign offence

The same tests apply, subject to dual criminality considerations. The three stages for the overseas offence are the same, except that the tax evaded is non-UK tax and the additional dual criminality requirement applies.

At stage 2, in addition to tax evasion and facilitation being criminal offences in the foreign jurisdiction, they must also be criminal offences under UK law if committed in the UK, and part of the facilitation must have been performed in the UK.

The University and its subsidiary companies are committed to ensuring that employees, agents and other associated persons acting on the University's behalf do not facilitate tax evasion by another party.

8. Prevention procedures

QMUL will maintain prevention policies and financial controls, as set out in the University Financial Regulations and other policies, consistent with government guidance. These include periodic risk assessment, visible top-level commitment, proportionate due diligence, communication and training, monitoring and review, and proportionate controls.

Procedures reflect the nature and level of risk in relevant activities, including procurement, payroll, overseas activity, research collaboration, international partnerships, fundraising and supplier

engagement. Risk will be reviewed periodically and whenever significant organisational or regulatory change occurs.

QMUL will retain appropriate evidence of prevention procedures, including due diligence records, training completion data, contractual clauses, reported concerns, investigation outcomes and periodic review activity. This evidence will support internal assurance, demonstrate the operation of reasonable prevention procedures and inform continuous improvement.

9. Risk management

QMUL maintains a risk register documenting identified CFA risks, controls, residual risk ratings and improvement actions. Higher-risk areas may include procurement, payroll, overseas activities, research collaborations, international partnerships, fundraising and supplier engagements.

10. Due diligence and contractual controls

Appropriate due diligence shall be undertaken on suppliers, intermediaries, agents, consultants and relevant partners. The level of due diligence will be proportionate to the nature of the relationship and the tax evasion facilitation risk presented. Guidance for managers is set out on the Finance intranet pages.

Relevant contracts should include obligations to comply with the Criminal Finances Act 2017, requirements to notify QMUL of relevant concerns and rights for QMUL to suspend or terminate relationships where serious breaches occur.

11. Training and awareness

All staff are required to complete mandatory training on the Criminal Finances Act 2017 as part of their induction. Completion is monitored by line managers as part of the probation review process, and records of completion are retained by the University.

12. Reporting concerns

Any individual who suspects tax evasion or the facilitation of tax evasion must report the concern promptly to their manager, senior staff within the Finance Department, or through QMUL's Whistleblowing Policy. Reports made in good faith will be taken seriously, handled sensitively and assessed in accordance with relevant QMUL procedures.

Individuals must not investigate suspected wrongdoing themselves or alert any person who may be involved in the concern.

13. Investigation and response

All concerns shall be assessed and investigated proportionately. QMUL may undertake internal investigations, take disciplinary action, apply contractual remedies, strengthen controls, notify insurers or funders where required and refer matters to relevant authorities where appropriate.

14. Examples of prohibited conduct

The following examples help staff recognise situations that may create a risk under the Criminal Finances Act 2017. They are not exhaustive. Staff should seek advice from the Finance Department, Procurement, Human Resources or Research and Innovation Services if they are unsure.

1. Employment status or payroll arrangements. A department must not deliberately provide false or incomplete information so that a worker, consultant, visiting lecturer or contractor is treated as self-employed when they should properly be paid through payroll. It would be prohibited to describe someone as an independent consultant, including drafting supporting contractual documents, simply to avoid PAYE, National Insurance or employment-related tax obligations where the facts do not support that treatment.

- 2. VAT treatment on purchases or income.** Staff must not knowingly misdescribe the nature of goods, services or income to obtain an incorrect VAT treatment. It would be prohibited to describe a commercial service as an exempt educational activity, or ask a supplier to change invoice wording, if the purpose is to reduce or avoid VAT that should properly be accounted for.
- 3. Expenses and reimbursements.** Taxable income must not be disguised as expenses, allowances or reimbursements. It would be prohibited to arrange for a speaker, examiner, consultant, student helper or temporary worker to receive a payment through expenses when the payment is really a fee, reward or taxable income.
- 4. Supplier invoices and contract descriptions.** Staff must not collude with suppliers to alter invoices, purchase orders or contract descriptions so that tax is avoided. It would be prohibited to split one contract into several smaller invoices, misdescribe consultancy as goods, or change the stated location or purpose of services to avoid VAT, withholding tax or other tax obligations.
- 5. International research, teaching or partnership activity.** Overseas activity must be described accurately and transparently. It would be prohibited to misdescribe payments to an overseas research partner, recruitment agent, education partner or conference organiser so that tax is not paid in the UK or another country where it is properly due.
- 6. Donations, sponsorship and fundraising.** Donations, sponsorships and other income must not be structured or described in a way that hides their true purpose. It would be prohibited to help a donor, sponsor or third party route funds through the University, a subsidiary, partner organisation or student society to conceal taxable income or obtain a tax advantage to which they are not entitled.
- 7. Students and student-related payments.** Payments to students, student ambassadors, casual workers or student societies must be recorded accurately. It would be prohibited to label a payment as a bursary, prize, hardship payment or reimbursement if it is actually payment for work or services and is described differently to avoid tax.
- 8. Agents, intermediaries and overseas representatives.** Staff must not knowingly assist an agent, recruitment representative, consultant or intermediary to hide income, misstate commission or avoid tax. It would be prohibited to approve false invoices, accept side agreements, or ignore requests to pay a third party in a way that appears designed to conceal the true recipient or purpose of the payment.
- 9. False documents or misleading records.** Staff and associated persons must not create, approve or submit false documents to obtain a tax advantage for QMUL or another party. This includes false invoices, misleading contract descriptions, incorrect supplier declarations, inaccurate employment status information, false expense claims or documents that conceal who received a payment.
- 10. Warning signs that should be reported.** Staff should report concerns where a supplier, contractor, partner, donor or colleague asks for unusual wording on an invoice, requests payment to an unrelated bank account, asks for payment to be split without a clear business reason, refuses to provide tax information, asks for payments to be made in cash, or suggests that records should not reflect the true nature of the transaction.

15. Associated information

This policy should be read alongside the following related policies, procedures and guidance:

- Financial Regulations
- Anti-Bribery and Corruption Policy
- Procurement Procedures
- Standards of Business Conduct
- Delegation Framework
- Whistleblowing Policy
- Relevant Finance Department guidance

16. Review

This policy will be reviewed at least every three years, or sooner following legislative, regulatory, organisational or risk-related changes. The review will consider changes in government guidance, internal assurance findings, reported concerns, investigation outcomes and changes in QMUL's activities or operating model.

Minor updates to this policy that do not affect the rules, principles or intent of the policy may be approved by the Chief Financial Officer on behalf of the Audit and Risk Committee.

Policy information and document control

Policy field	Details
Policy title	Prevention of Tax Evasion (Criminal Finances Act 2017) Policy
Version number	Draft 1.0
Related policies and procedures	Financial Regulations; Anti-Bribery and Corruption Policy; Procurement Procedures; Standards of Business Conduct; Delegation Framework; Whistleblowing Policy
Superseded policies	Anti Money Laundering and Criminal Finances Act Policy
Approval level	Audit and Risk Committee
Approval date	TBC
Effective date	TBC
Next review due	September 2029
Policy owner	Chief Financial Officer
Policy contact	Deputy Director of Finance (Financial Controls and Systems)

Version control

Version	Date	Reason for updates / summary of key changes
Draft 1.0	September 2026	Newly drafted policy to supercede Anti Money Laundering and Criminal Finances Act Policy, including HE specific examples of prohibited conduct and written in the approved Queen Mary policy template.

