

Anti-Tax Evasion Policy

1 Purpose

The Metropolitan Thames Valley Housing Group (“MTVH”) sets out below our policy on the anti-facilitation of tax evasion. The Criminal Finances Act 2017 introduced a corporate criminal offence for the failure to prevent the facilitation of tax evasion (“CCO”). This policy covers both CCO and other tax evasion offences. It is consistent with our Tax Strategy and should be read in line with our Code of Conduct and Anti-Bribery Policy.

As a social business we are dedicated to conducting all of our administrative and commercial operations in a law-abiding and ethical manner and it is our policy to maintain the highest possible ethical standards in all of our business activities.

The purpose of this policy is to set out the responsibilities of MTVH and of those working for it, whether as an officer, employee, worker, subcontractor, agent or in any other capacity, in observing and upholding the company’s position on anti-tax evasion.

2 Anti-Tax Evasion Policy

MTVH has a **zero tolerance** approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. It is a criminal offence for anyone to evade paying tax of any kind and/or helping someone to do so. Any individual found to be guilty of this could be subject to criminal proceedings.

Therefore, **Employees and Associates of the Group must not** engage, aid, abet, counsel or procure any transactions which:

- (a) cause MTVH to commit a tax evasion offence; or
- (b) facilitate a tax evasion offence by a third party who is not an Associate of MTVH.

MTVH will **automatically** be charged with the offence of failing to prevent its representatives from committing the criminal act of facilitation unless it can demonstrate that it had reasonable procedures in place to prevent that facilitation.

MTVH, if found guilty, could face an unlimited fine, exclusion from tendering for public contracts, loss of grant funding and very significant damage to its reputation.

3 Who is Responsible for this policy?

The Board of Directors of MTVH has delegated to the Audit and Risk Committee the responsibility for ensuring that this policy complies with our legal obligations, and our employees and associates comply with it. This policy was adopted by the Audit and Risk Committee on [27] April 2023.

The effectiveness of and compliance with the policy will be reviewed by the Audit and Risk Committee on an annual basis.

4 What is the Facilitation of Tax Evasion?

For the purposes of this policy:

Associates includes the Group's officers, directors, employees, workers, agents, sub-contractors or other people or organizations' that provide services for or on the company's behalf.

Tax Evasion means an offence of cheating the public revenue or fraudulently evading UK tax and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent.

Foreign Tax Evasion means evading tax in a foreign country, provided that the conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent.

Tax Evasion Facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

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 purpose of the law viewed realistically, to minimise tax payable (or maximise tax reliefs).

Tax means all forms of UK taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty land tax, national insurance contributions and includes duty and any other form of taxation (however described).

There is not an exhaustive list of Tax Evasion opportunities, however some examples include:

- Entering into sham legal documentation which does not reflect the underlying intentions of the parties (eg agreeing to sign a Service Agreement which purports to demonstrate that an employment relationship is not an employment relationship in order to try and argue the arrangements fail HMRC's Check Employment Status for Tax (CEST) test);
- Agreeing to pay contractors gross when they have failed a CEST test;
- Agreeing to make payments in cash so that the supplier, employee etc is in a position not to declare the income;
- Making payments to an offshore bank account – again so the supplier, employee etc is not declaring the associated income;
- Sundry payments;
- Paying contractors without accounting for Construction Industry Scheme (CIS) tax;
- Paying contractors in the knowledge they plan to commit carousel fraud (ie charging VAT but not paying over to HMRC);
- Allowing a joint venture to be involved in tax evasion;
- Using offshore employment agencies which do not correctly account for PAYE and NI etc;
- Hiding disallowable expenditure in a category that HMRC is unlikely to question for example, personal expenditure that has not been declared on the individual's P11D as a benefit in kind.
- Facilitating tax evasion within our supply chain.

5 Group Responsibilities

MTVH has completed a risk assessment and has robust procedures to ensure that all appropriate steps are taken to prevent facilitation of tax evasion. It maintains a risk register of possible risks to the organisation of which the facilitation of tax evasion by its staff and associates is included as an entry. The controls to mitigate those risks are listed in the risk register, and any actions required. This register is reviewed and updated quarterly.

6 Employee and Associates Responsibilities

Employees and Associates must at all times adhere to the MTVH anti-tax evasion policy and must ensure that they read, understand and comply with this policy.

The prevention, detection and reporting of tax evasion or the facilitation of tax evasion is the responsibility of all employees throughout MTVH. It is the vigilance of our Employees and Associates that is our best defense against Tax Evasion and facilitation of Tax Evasion.

In applying this approach, Employees and Associates must consider the following:

- Is there anything unusual about the manner in which an Associate of the Group is conducting their relationship with the Group?
- Is there anything unusual about the supplier's or Associate's conduct or behavior in your activities with them?
- Are there unusual payment methods?

The expectations of Employees and Associates are clear and reasonable, and if you do not comply with the policy this may result in disciplinary action for staff and termination of contract for associated persons.

7 Training

MTVH is responsible for offering employees appropriate training to understand tax evasion, and actions to take to prevent tax evasion. For certain employees in sensitive positions e.g. finance, training on this topic is mandatory.

Training on this policy and any associated procedures will also form part of the induction process for colleagues to a level appropriate to their role. The training programme can be undertaken at any time during employment through the HR Learning Zone.

Employees in leadership positions are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

8 Our commitment to Equality, Diversity and Inclusion

In implementing this policy MTVH will not discriminate against any colleague, customer, or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status, and pregnancy/maternity.

An Equality Impact Assessment has been completed for this Policy and is retained by the Policy Team.

9 Reporting Concerns

You must immediately report any reasonable and honest suspicions you may have about possible wrongdoing under this policy to your line manager or, if you feel more comfortable, through the Whistleblowing Procedure.

All employees should be assured that reporting of any concerns will be handled sensitively and we will support anyone who raised concerns in good faith.

All instances of alleged tax evasion or alleged facilitation of tax evasion must be reported immediately and directly to a member of the Executive Team. The exception would be if the reporting person has reasonable evidence to suspect that the Executive Team member has an involvement in the case. In this instance, the report should be made to the Head of Governance and Compliance.



It is the responsibility of the Executive Director to inform the Chief Executive (CEO) and Group Finance Officer immediately. They will then advise the Chair of Audit & Risk Committee as soon as they are aware of the facilitation.

The effectiveness of and compliance with the policy will be reviewed by the Audit and Risk Committee on an annual basis.

10 Key Policy Information

Policy Owner	Financial Services Director
Author	Head of Tax
Approved by	Audit and Risk Committee
Effective from	May 2023
Approach to review	This Policy & associated Procedures will be reviewed as required by the owner for changes in legislation, regulation, and operational need. Any amendments will be appropriately consulted on and signed off before being clearly communicated to customers and colleagues. Next expected review is 5 years from the 'Effective date' of this document.
This is a controlled document maintained and accessible via MTVH's intranet, The Hub. When viewed outside of the intranet, this document should be checked against the master copy held by MTVH to verify that it is the current version, or it shall be considered uncontrolled.	