

Family:	Leadership and Management	REF: ARCP0086
Policy title	Criminal Finance Act 2017 Policy	
Version:	1.3	
Policy owner:	Managing Director	
Policy author:	Operations Director	
Date of Review	16/7/2024	
Next review date	01/08/2025	
Applies to:	All staff	
Related policies:	Disciplinary Policy. Finance Policy Anti-Bribery Policy Public Interest Disclosure Policy	

Policy Aim

This document exists because ARC is required to have published a public policy relating to its response to the requirements of the Criminal Finance Act 2017 (“CFA”). CFA came into force on 30 September 2017. Part 3 of the Act introduces a new corporate criminal offence of ‘failure to prevent the facilitation of tax evasion’. The legislation applies to all business and all taxes. This particular offence is not about ARC Group itself avoiding, evading or underpaying tax, but about the Group failing to prevent its employees/ agents/associates from facilitating the evasion of tax by another party:

Scope

This Policy applies to all members of ARC Group including community, subsidiary companies and associated persons. ‘ARC community’ includes employees and associated persons Executive Board, and committees.

Prosecution

A successful prosecution could lead to;

- An unlimited fine
- A public record of conviction
- Significant reputational damage

Definitions

“Relevant Body” means an incorporated body or partnership.

“Associated Person” means an employee, agent or other person who performs services for or on behalf of the relevant body. This may include, for example, agents, subsidiaries, contractors and subcontractors, recipients of grants, joint venture partners, collaborators of any kind and sources of funding, professional or other services to the Group

Policy Principles

The Group does not condone and has a zero-tolerance approach to the facilitation of tax evasion. Tax evasion occurs where employees, agents or businesses providing services for or on behalf of the Group omit, conceal or misrepresent information to reduce their tax liabilities.

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As part of its commitment to enforcing CFA the Group, including subsidiary companies, will maintain reasonable and proportionate processes and procedures to prevent fraudulent activity by its staff and anyone acting on its behalf from criminally facilitating tax evasion in the UK and/or overseas.

All employees of the Group and its subsidiaries have a duty and responsibility to support this approach.

Processes and procedures

Training and awareness sessions will be undertaken for all finance staff and where ARC identifies CFA specific risks it will implement bespoke and awareness sessions.

ARC will assess its risks and review its associated processes and procedures to ensure all steps are taken to prevent facilitation of tax evasion.

ARC will regularly review guidance and legislation in relation to the CFA to ensure it is maintaining an appropriate CFA policy.

ARC will maintain a register of possible risks of the facilitation of tax evasion by its staff and associates (including agents, contractors, suppliers and intermediaries, as well as listing controls to mitigate those risks, and any actions required to improve these controls. The register will be regularly reviewed and updated (as and when required) in relation to the nature of the specific risks.

Appropriate due diligence will be undertaken on both customers of and suppliers to ARC and its subsidiary companies. This due diligence will be proportionate to the level of perceived risk of the interaction being used to engage in the criminal facilitation of tax evasion.

Roles & Responsibilities

Executive Board

The Executive Board is ultimately responsible for:

- Approving the policy that ARC does not condone and has a zero-tolerance approach to the facilitation of tax evasion.
- Adopting and approving a formal policy and response plan for alleged breaches
- Ensuring that an adequate and effective control environment is in place
- Ensuring that adequate audit arrangements are in place to investigate suspected concerns.

Line Managers

Line managers are responsible for implementing this Policy. In particular, this involves ensuring that the zero-tolerance approach to the facilitation of tax evasion is adhered to in their team. The practical requirements of line managers are to:

- Have an understanding of the potential risks in their areas and to consider whether processes under their control might be at risk
- Ensuring that agents and associated persons are aware of their responsibilities under CFA
- Have adequate processes and controls in place to prevent, deter and detect breaches of policy
- Be diligent in their responsibilities as managers
- Deal effectively with issues and concerns raised by staff including taking appropriate action to deal with reported or suspected breaches
- Report suspected breaches
- Provide support / resource as required to investigations.

All Employees

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Arc Group expects all employees to be responsible for:

- Adhering to the policies and procedures of the Group including having a zero-tolerance approach to the facilitation of tax evasion
- Alerting management and / or other contacts should they have concerns or suspect that the possibility of a breach exists
- Being aware of the Group policies and procedures to the extent they are applicable to their role.

Response to a suspected facilitation of tax evasion

Members of staff are key to ensuring that the Group stance on facilitation of tax evasion is effective.

All staff members are required to notify immediately the FD (chris.davies@thearcgroup.co.uk) of any reasonable suspicion of tax evasion. Such notifications should be made in writing (in strict confidence) and should include a brief description of the concern, the estimated scale or scope for loss, any evidence supporting the concern, and details of the suspected perpetrator/s.

Reports made to the FD under the above procedures will be considered for treatment as a disclosure under the Groups Public Interest Disclosure Policy, where made by an employee or worker of the Group.



All staff are positively encouraged to raise any concerns that they may have. All such concerns will be treated in confidence, wherever possible, and will be impartially investigated.

Implementation / Communication Plan

Staff will be notified of the policy through the monthly bulletin and the policy will be available on the policies page of the Group Intranet.

Exceptions to this Policy

Any exceptions to this policy require approval from the Financial Director

Signed		Dated	16/7/2024
Managing Director			
Signed		Dated	16/7/2024
Operations Director			