

Anti-Facilitation of Tax Evasion Policy

08 June 2022

1. Introduction

- 1.1 At Oxford Policy Management (**OPM**), our work in helping low- and middle-income countries to achieve growth and reduce poverty/disadvantage through public policy reform is intrinsically linked to our Values:
- Collaboration and Mutual Support
 - Integrity and Respect and Trust
 - Empowerment, and Accountability
- 1.2 To this end, OPM commits to the highest standards of ethical conduct and integrity in our business activities. We take a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country. We are committed to acting professionally, and with integrity in all our business dealings and relationships wherever we operate and, implementing and enforcing effective systems to counter tax evasion facilitation. We will uphold all laws relevant to countering tax evasion in all the jurisdictions in which we operate, including the UK Criminal Finances Act 2017 (the **Act**).
- 1.3 In this policy, OPM means Oxford Policy Management Limited (our UK parent company), our UK and overseas subsidiaries and our other International Offices which operate as branch or representative offices in various parts of the world. OPM is also referred to in this policy as the **Organisation, we, us** and **our**.

2. Purpose

- 2.1 The purpose of this policy is to:
- 2.1.1 set out our responsibilities, and of those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion; and
- 2.1.2 provide information and guidance to those working for us on how to recognise and avoid tax evasion.

3. OPM's Risk Assessment

We assess and review our exposure to the risk of tax evasion by persons associated with us (the **Risk Assessment**) updating this annually in the light of changing circumstances. Our assessment is based on the following risk factors:

Country risk: some of the countries in which we operate have not subscribed to the Common Reporting Standard (**CRS**) and as such are assigned a low tax transparency score by the Organisation of Economic Co-operation and Development (**OECD**). The CRS is the OECD's 2014 information standard for the automatic exchange of information regarding bank accounts on a global level, between tax authorities in subscribing jurisdictions for the purpose of combatting tax evasion. The CRS has direct relevance to financial institutions, being regulated entities, with mandatory reporting obligations under the CRS but nevertheless, is a useful indicator for generally assessing country risk. The table overleaf shows the countries in which OPM has a permanent establishment that subscribe to the CRS¹.

¹ OECD Signatories of the Multilateral Competent Authority Agreement of Exchange of Country by Country Reports as at 18th October, 2018.

Figure1: Countries where OPM has a permanent establishment that subscribe to the CRS.

CRS Subscribers	CRS Non-subscribers
Australia	Bangladesh
Germany	Ethiopia
India	
Indonesia	Kenya
Nigeria	Lebanon
Pakistan	Mozambique
South Africa	Myanmar
	Nepal
UK	Tanzania
US	Uganda

Sectoral risk: some sectors pose a higher risk of facilitating tax evasion than others, such as financial services, tax advisory and legal sectors. The international development sector is not considered a high-risk sector and other risk factors are more relevant.

Transaction risk: certain types of our transactions may give rise to higher risks, for example, complex supply chains, transactions involving politically exposed persons in countries where we bid for public contracts directly for example, Pakistan.

Business opportunity risk: these risks might arise in high value projects or our projects which involve many parties, jurisdictions or intermediaries including those projects which we implement under Framework Agreements. These parties are subject to due diligence and may, for example in the case of UK intermediaries, be required to demonstrate compliance with the Act including conducting the same or similar risk assessments as OPM (as set out in Appendix 1) as part of their anti-tax evasion controls.

Business partnership risk: certain relationships which we maintain may involve higher risk, for example, where we partner with organisations to submit bids or use intermediaries in transactions such as lawyers or other third-party representatives e.g. to apply for licences or permissions to operate in jurisdictions operating lower levels of transparency and disclosure. Entering into a business partnership with organisations that have either no fraud prevention procedures, or has known deficiencies in their fraud procedures may involve higher risk.

4. Who Must Comply With This Policy?

4.1 This policy applies to all persons working for OPM or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents (together **Staff**), Suppliers (including external consultants), third-party representatives, business partners and any other person associated with us, wherever located.

4.2 In this policy:

a **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

Suppliers are all individuals and organisations providing goods and/or services to OPM in connection with our business and/or any of our projects. OPM strives to do business with others who commit to doing business with integrity and accordingly OPM will only contract with a Supplier who has a similar policy, procedures and controls in place to ensure the conduct of business with integrity or, otherwise agrees to comply with our policy and fraud, bribery and corruption procedures and controls.

References to **you** and **your**, are references to both Staff and Suppliers as applicable.

- 4.3 This policy does not form part of Staff contracts of employment. Notwithstanding, all Staff and Suppliers are subject to a general contractual obligation to comply with all relevant OPM policies including this policy, as amended from time to time.
- 4.4 This policy forms part of OPM's Fraud and Corruption Control Plan pursuant to our Anti-Fraud, Bribery and Corruption Programme (the **Anti-Bribery Programme**).

5. Who is Responsible for this Policy?

- 5.1 The Board of Directors of Oxford Policy Management Limited (the **Board**) our parent company is responsible for fostering a culture where actions intended to facilitate tax evasion are considered unacceptable. The Board has fiduciary responsibility for ensuring that OPM adheres to applicable laws and regulations. It is the owner of this policy. Subsidiary boards shall adopt this policy modified, if appropriate, to incorporate local law where this does not conflict with the UK Criminal Finances Act 2017. On behalf of the Board, the Audit, Risk and Compliance Committee (**ARCC**) has delegated oversight authority to ensure the effectiveness of this policy.
- 5.2 The Senior Management Team (**SMT**) is accountable to the Board for the effective implementation of this policy and ensuring that all those under our control comply with it. Management at all levels are responsible for ensuring those reporting to them, whether Staff or Suppliers, understand and comply with this policy and where appropriate, have received adequate and regular training on it in line with the Anti-Bribery Programme.
- 5.3 The OPM finance team has day-to-day responsibility for implementing this policy, monitoring its use and effectiveness and dealing with any queries about it. Internal assurance is given by compliance monitoring including periodic spot checks by the OPM finance team of any internal control systems and procedures e.g. Staff and Supplier contracts, to ensure that these controls are operating effectively in tax evasion. The OPM finance team shall report accordingly to the SMT and ARCC on the outcomes of any such compliance monitoring.
- 5.6 Independent assurance of this policy and the Anti-Bribery Programme generally may be provided from time to time by internal audit.

6. What is Tax Evasion Facilitation?

- 6.1 For the purposes of this policy:
 - 6.1.1 Tax evasion means the 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;
 - 6.1.2 Foreign tax evasion means evading tax in a foreign country, provided that conduct is an offence in that country or 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; and
 - 6.1.3 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.

- 6.1.4 Under the Act, a separate criminal offence is automatically committed by OPM where the tax evasion is facilitated by a person acting in the capacity of an **associated person** to OPM. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. OPM 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 OPM.
- 6.1.5 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).
- 6.1.6 In this policy, all references to tax include national insurance contributions (and their equivalents in any non-UK jurisdiction).

7. What You Must Not Do

- 7.1 It is not acceptable for you (or someone on your behalf) to:
 - 7.1.1 engage in any form of facilitating tax evasion or foreign tax evasion;
 - 7.1.2 aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
 - 7.1.3 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;
 - 7.1.4 engage in any other activity that might lead to a breach of this policy; or
 - 7.1.5 threaten or retaliate against another individual who has refused to commit a tax evasion offence or who has raised concerns under this policy.
- 7.2 OPM applies due diligence procedures, taking an appropriate and risk-based approach, in respect of Staff and Suppliers who work or will work or, perform or will perform services on our behalf, in order to mitigate identified risks. Accordingly, it is unacceptable for any member Staff with recruitment and or procurement responsibilities to fail to perform due diligence procedures in line with our policies and procedures.

8. Your Responsibilities

- 8.1 You must ensure that you read, understand and comply with this policy.
- 8.2 The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3 You must notify your line manager or OPM lead contact as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

Examples facilitation of criminal tax evasion (Red Flags)

- if a member of Staff or Supplier asks to be paid into an offshore bank account, without good reason;
- a Supplier asks to be paid in cash, indicating that this will mean the payment is not subject to VAT.

Further Red Flags that may indicate potential or actual tax evasion or foreign tax evasion are set out in Clause 13.

9. How to Raise a Concern

- 9.1 You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.
- 9.2 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 report it in accordance with our Whistleblowing Policy as soon as possible.
- 9.3 If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your line manager, OPM lead contact or the OPM legal team who will advise on a confidential basis, subject however, to the “need to know”. It is OPM’s aim to keep your identity and your report confidential however, we cannot guarantee confidentiality as there may be a legal requirement to disclose information relating to the matter raised. Nor can we completely prevent your identity being deduced by others.

Your report can be made confidentially using any of the following external mechanisms:

- Calling the whistleblowing hotline number for your location (available on OPM’s intranet and website)
- Calling OPM’s external whistleblowing hotline from the UK on 0800 890 011 followed by 833-945-3461 when prompted
- Completing the web reporting form at opml.ethicspoint.com
- Emailing or calling the client’s reporting mechanism e.g. for UK FCDO, the Counter Fraud and Whistleblowing Unit (CFWU) at reportingconcerns@fcdo.gov.uk or on +44(0)1355 843747

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. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or “turning a blind eye” to suspicious activity could amount to criminal facilitation of tax evasion.

10. Protection

- 10.1 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.
- 10.2 We are committed to ensuring no one suffers any detrimental treatment as a result of:

- 10.2.1 refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- 10.2.2 refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- 10.2.3 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. Staff who believe that they have suffered any such treatment, should inform their line manager or the OPM legal team immediately. If the matter is not remedied, and you are a member of Staff, you should raise it formally using our Grievance Procedure, which can be found on OPM's intranet.

11. Training and Communication

- 11.1 Training on this policy forms part of the induction process for Staff, and regular training will be provided as necessary. Such training may form part of wider fraud and corruption or financial crime detection and prevention training. The aim of such training is to equip all Staff with an understanding of the scope of the offences described in our policy and the associated risks, without the need to understand the underlying tax law. It includes training on OPM's policies and procedures, an explanation of when and how to seek advice and report any concerns or suspicions of tax evasion or wider financial crime, including whistleblowing procedures, an explanation of the term 'tax evasion' and associated fraud and an explanation of your responsibilities as Staff under the policy.
- 11.2 Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all Suppliers and business partners at the outset of our business relationship with them and as appropriate after that.

12. Breaches of this Policy

- 12.1 Any member of Staff who breaches this policy may face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 12.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

13. Potential Risk Scenarios: Red Flags

The following is a list of possible Red Flags that may arise during the course of you working for us 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 while working for us, you must report them promptly using the procedure set out in the Whistleblowing Policy and or this policy:

- 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, Her Majesty's Revenue Commissioners (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 or fails to provide an invoice or receipt for a payment made;
- d. you become aware, in the course of your work, that a third party working for us as a member of Staff asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- e. third-party requests that payment is made to a country or geographic location different from where that party resides or conducts business;
- f. a third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly;
- g. a third party to whom we have provided services asks us to change 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 backdated;
- j. you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided; or
- k. a third party requests or requires the use of an agent, intermediary, consultant, or supplier that is not typically used by or known to us.

Appendix 1: Risk Assessment Template for Suppliers

Risk bucket	INHERENT RISK		CONTROL ENVIRONMENT		
	Assessment	Rating	Specific controls	Generic controls	Residual risk

FURTHER FACTORS TO BE TAKEN INTO CONSIDERATION	
The following issues, which may add to the level of risk, are required to be assessed in line with HMRC guidance:	
Deficiencies in employee training, skills and knowledge	
A bonus culture that rewards excessive risk taking	
Lack of clarity on the organisation’s policies and procedures	
Deficiencies in the organisation’s submission of Suspicious Activity Reports (SARs)	
Lack of clear financial controls or whistle-blowing procedures	
Lack of clear messaging from top-level management on refusing to engage in tax fraud.	
Conclusion:	

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Document Purpose:

To set out our responsibilities and of those working for us in observing and upholding our position on preventing the criminal facilitation of tax evasion; and provide information and guidance to those working for OPM on how to recognise and avoid tax evasion.

Policy Owner	Chief Financial Officer		
Applies to	All employees, Directors and anyone working for or on behalf of OPM		
Global or local scope	Global		
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	Management Team		18 th May 2022
	Other (please state)		N/A