

# Anti-Facilitation of Tax Evasion Policy

<b>Version</b>	2
<b>Short description</b>	Policy reflecting Study Group's commitment to comply with all anti-facilitation of tax evasion laws and regulations in any location that Study Group operates
<b>Authority</b>	The Global Executive Team
<b>Policy Owner</b>	Chief Legal Officer
<b>Relevant to</b>	All Study Group employees including workers, contractors, consultants and agency workers.
<b>Date introduced</b>	July 2018
<b>Date of this version</b>	July 2019
<b>Next scheduled review date</b>	July 2021
<b>Related Study Group documents</b>	This policy is an addition to the Study Group policy framework. Any other existing Study Group policies should be read in conjunction with this policy.



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## **1. POLICY STATEMENT**

- 1.1 As an acknowledged leader in international education, Study Group recognises its long standing ethical and regulatory responsibilities to act in accordance with applicable anti-facilitation of tax evasion laws and regulations in all of our global locations in which we operate. It is Study Group's policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of Tax Evasion, whether under UK law or under the law of any foreign country.
- 1.2 Study Group is committed to acting professionally, fairly and with integrity in all of our business dealings and relationships wherever we operate. We commit to implementing and enforcing effective systems to counter Tax Evasion facilitation.
- 1.3 Study Group will uphold all laws relevant to countering Tax Evasion in all the jurisdictions in which we operate, including the Criminal Finances Act 2017.

## **2. ABOUT THIS POLICY**

- 2.1 The purpose of this policy is to:
- (a) set out Study Group's responsibilities, and of those working for us, in observing and upholding our position on preventing the criminal facilitation of Tax Evasion;
  - (b) provide information and guidance to those working for Study Group on how to recognise and avoid Tax Evasion.
- 2.2 As an employer, if Study Group fails to prevent our employees, workers, agents or service providers facilitating Tax Evasion, we can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation. We therefore take our legal responsibilities seriously.
- 2.3 This policy has been agreed by Study Group's board of directors.
- 2.4 This policy does not form part of any employee's contract of employment and we may amend it at any time.

## **3. DEFINITIONS**

In this Policy, where a word or phrase is defined, other grammatical forms of the word or phrase have a corresponding meaning. The following definitions apply:

**'Foreign Tax Evasion'** - means evading tax in a foreign country, provided that 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

**'Study Group Representative'** - means all Study Group employees, directors, officers, agency workers, seconded workers, Education Agents, University Partners, volunteers, interns, agents, contractors, external consultants, third-party representatives and associated business partners, sponsors, or any other person associated with Study Group.

**'Tax'** - means any UK tax or the equivalent tax in any relevant non-UK jurisdiction

**'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;

**'Tax Evasion Facilitation'** - means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of Tax 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.

**'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, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

#### **4. WHO MUST COMPLY WITH THIS POLICY?**

This policy applies to all Study Group Representatives working for Study Group or on our behalf in any capacity.

#### **5. WHO IS RESPONSIBLE FOR THE POLICY?**

- 5.1 The board of directors has overall responsibility for ensuring this policy complies with Study Group's legal and ethical obligations, and that all those under our control comply with it.
- 5.2 The Chief Legal Officer has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of Tax Evasion.

5.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

5.4 You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Chief Legal Officer.

## **6. WHAT IS TAX EVASION FACILITATION?**

6.1 Under the Criminal Finances Act 2017, a criminal offence is automatically committed by a corporate entity or partnership where the Tax Evasion is facilitated by a person acting in the capacity of an "associated person" to that body. 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. The company 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 the company.

6.2 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).

6.3 In this policy, all references to tax also 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:

- (a) engage in any form of facilitating Tax Evasion or Foreign Tax Evasion;
- (b) aid, abet, counsel or procure the commission of a Tax Evasion offence or Foreign Tax Evasion offence by another person;
- (c) fail to promptly report any request or demand from any Third Party to facilitate the fraudulent evasion of Tax, or any suspected fraudulent evasion of Tax by another person, in accordance with this policy;
- (d) engage in any other activity that might lead to a breach of this policy; or
- (e) threaten or retaliate against another individual who has refused to commit a Tax Evasion offence or a Foreign Tax Evasion offence or who has raised concerns under this policy.

## **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 Study Group 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 the Chief Legal Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if an employee asks to be paid into an offshore bank account (without good reason), or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to VAT or the equivalent tax in any relevant non-UK jurisdiction. Further "red flags" that may indicate potential 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. You must immediately notify your line manager or the Chief Legal Officer if any of the following occur:
- (a) you become aware of any fraudulent evasion of Tax, by another person in the course of your work;
  - (b) you are asked to assist another person in their fraudulent evasion of tax, whether directly or indirectly;
  - (c) you believe or suspect that any fraudulent evasion of Tax has occurred or may occur.
- 9.2 If you are unsure about whether a particular act constitutes Tax Evasion or Foreign Tax Evasion, raise it with your line manager or Chief Legal Officer as soon as possible.
- 9.3 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 Study Group Representatives who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. 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:
- (a) refusing to take part in, be concerned in, or facilitate Tax Evasion or Foreign Tax Evasion by another person;
  - (b) refusing to aid, abet, counsel or procure the commission of a Tax Evasion offence or a Foreign Tax Evasion offence by another person; or
  - (c) 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. If you believe that you have suffered any such treatment, you should inform the Chief Legal Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

## **11. TRAINING AND COMMUNICATION**

- 11.1 Training on Tax Evasion and Foreign Tax Evasion will be provided as necessary. Such training may form part of wider financial crime detection and prevention training.
- 11.2 Study Group's zero tolerance approach to Tax Evasion and Foreign Tax Evasion must be communicated to all suppliers, contractors 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 employee who breaches this policy will 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 Study Group 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.

- (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, 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 and/or refuses to sign a formal commission or fee agreement, or 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 an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- (e) a supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme;
- (f) a Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- (g) 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;
- (h) 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;
- (i) you receive an invoice from a Third Party that appears to be non-standard or customised;
- (j) 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;
- (k) 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
- (l) a Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

If you encounter any of these red flags while working for us, you must report them promptly to your line manager or the Chief Legal Officer.

## **14. CONSEQUENCES OF NON-COMPLIANCE**

### **14.1 Zero Tolerance**

A Study Group Representative who fails to comply with or attempts to violate this Policy, or any other formal Study Group policy, may be subject to disciplinary action and /or criminal prosecution by external authorities. Some possible consequences of non-compliance are outlined below.

These consequences may also result from the conduct of any Study Group Representative who impedes or attempts to impede any anti-facilitation of Tax Evasion investigation or prosecution.

These possible consequences are not exhaustive:

#### 14.2 Consequences for Study Group Representatives:

Non-compliance with this Policy may lead to:

- (a) Personal liability under the laws of more than one jurisdiction, this may include criminal prosecution resulting in fines or imprisonment;
- (b) Civil law suits;
- (c) Refusal of entry into a country, visa cancellations and other related Government actions;
- (d) Damage to your reputation and, in the case of employees, inability to find employment elsewhere;
- (e) In the case of employees, disciplinary action taken by Study Group, up to and including termination of employment; and
- (f) In the case of education agents and other Study Group Representatives, the end of your relationship with Study Group, including termination of any agreements in place between you (or your organisation) and Study Group.

#### 14.3 Consequences Group-wide

Non-compliance with this Policy may lead to:

- (a) Criminal, civil or regulatory liabilities or penalties imposed on Study Group;
- (b) Civil law suits;
- (c) Damage to reputation;
- (d) The unenforceability of contracts entered into by Study Group as a result of illegality, or otherwise; and
- (e) Refusal by Governments or Government agencies to enter in to contracts with Study Group, or permit Study Group to tender for work, including termination of existing contracts.

Very limited defences are available to people or companies who engage in behaviour in breach of the Criminal Finances Act 2017, where companies fail to prevent that behaviour. Many of the laws have extra-territorial reach. Severe penalties and criminal sanctions may be imposed upon people or companies found guilty of offences under this statute.



## **15. REPORTING**

- 15.1 Study Group has in place reporting, communication and escalation protocols and channels to allow all stakeholders to highlight and escalate potential issues, concerns and violations of its policies and values. It also has in place mechanisms and procedures for investigating such reports.
- 15.2 If a Study Group Representative is under an obligation to make a report as a result of this policy, they must do so with urgency.
- 15.3 If a Study Group Representative is not obliged to, but wants to make a report, they are encouraged to do so with great urgency.
- 15.4 Study Group Representatives are encouraged to make reports in good faith. They must treat a report confidentially. If it is able to do so, Study Group will treat the report confidentially.
- 15.5 Reports may be made in writing (including email) or verbally.
- 15.6 Reports are to be made at a divisional level, to any of the persons listed. If a Study Group Representative does not feel comfortable reporting at a regional level, they may make a report at a global level, to any of the persons listed below.

## **16. RISK ASSESSMENT**

- 16.1 Study Group has commenced a review of its risks and associated processes and procedures to ensure that all appropriate steps are taken to prevent facilitation of tax evasion. It will maintain a register of possible risks of the facilitation of tax evasion by all Study Group Representatives, as well as listing controls to mitigate those risks, and any actions required to improve those controls. This register will be regularly reviewed and updated, as and when required.

### **Divisional Level:**

- Managing Directors
- Finance Directors
- HR Directors of your operational or regional division:
  - (i) UK & Europe
  - (ii) North America
  - (iii) Australasia
  - (iv) Asia

**Global Level:**

- Chief Executive Officer
- Chief Financial Officer
- Chief People & Transformation Officer
- Chief Revenue Officer
- Chief Legal Officer

**17. ADDITIONAL QUERIES**

- 17.1 If you have any queries in relation to anything contained within this policy, please contact Study Group's Chief Legal Officer, Gordon Bull at [GBull@studygroup.com](mailto:GBull@studygroup.com).