

Corporate Criminal Offence (CCO) Toolkit

What is Corporate Criminal Offence (CCO)?

The Corporate Criminal Offence (CCO) legislation was implemented as Part 3 of the Criminal Finances Act 2017, being introduced to hold companies and partnerships liable where they fail to prevent an 'associated person' such as an employee, agent, subsidiary or supplier from facilitating tax evasion. If the business is unable to demonstrate that it had reasonable procedures in place to prevent such facilitation, it could be found guilty of a criminal offence. Penalties for non-compliance potentially include an unlimited financial penalty. Furthermore, firms may need to disclose any penalty to their regulator(s) and it may impact their ability to be awarded public contracts.

To support your compliance, we have developed a CCO toolkit which provides the tools your business needs to establish, implement, and maintain compliance with the CCO legislation.

What will you get?

Included in our toolkit are templates designed to help you demonstrate your efforts in implementing a defence against the facilitation of tax evasion. These resources have been carefully crafted in alignment with the six guiding principles outlined by HMRC in their official guidance:

- **Risk assessment:** Tools to assess, document, and manage tax evasion risks effectively.
- **Proportionality of risk-based prevention procedures:** Templates to support risk-based prevention procedures and creating a CCO implementation plan.
- **Top level commitment:** Templates to embed top-level commitment to compliance, such as board materials and key policies.
- **Due diligence:** Checklists and templates for supplier and contractor assessments to support compliance.
- **Communication (including training):** Ready-to-use materials for internal and external messaging.
- **Monitoring and review:** Guidance to support your ongoing monitoring of CCO related activity.

Benefits of using our toolkit

- **Mitigate risk:** Proactively safeguard your business against non-compliance with the CCO requirements.
- **Customised solutions:** Tailored tools to suit your organisation's risk profile.
- **Cost-effective:** An all-inclusive solution that covers the key aspects of the legislation.
- **Ease of use:** Easy-to-follow guidance and detailed templates help support implementation.

Top level commitment

Senior management plays a pivotal role in fostering a corporate characterised by 'zero tolerance' for the facilitation of tax evasion. The extent and nature of senior management involvement may vary depending on the size and structure of the organisation. However, is typically encompasses:

- Communication of the organisation's stance against criminal facilitation of tax evasion. This might involve issuing a prominent message from the board of directors or leadership team, unequivocally condemning all forms of tax evasion and its facilitation.
- Active participation in the creation and implementation of documented prevention procedures as well as their periodic review to ensure they are up-to-date and effective.
- Keeping abreast of changes in tax laws and regulations, ensuring your business will remain compliant to the requirements of CCO.
- Ensuring that CCO-related risks and preventative measures are regularly discussed at board-level and/or audit committee meetings to maintain ongoing oversight and accountability at the highest levels of the organisation.

By engaging these processes, senior management can demonstrate a commitment to upholding ethical standards and compliance throughout the organisation.

Policy template

Commitment to integrity

Our company has a policy of zero-tolerance towards both tax evasion and it's facilitation. This policy clearly defines our stance and sets expectations for all personnel associated with our organisation.

Overview of legislation

The Corporate Criminal Offence (CCO) legislation was implemented as part 3 of the Criminal Finances Act 2017. It was introduced to prevent tax evasion and to hold a corporation to account when its representatives committed the criminal offence of facilitating tax evasion.

Effective from 30 September 2017, these offences hold companies accountable for the actions of individuals acting on their behalf. Businesses must demonstrate effective prevention measures to avoid significant penalties, including criminal liability.

Applicability

This policy applies to individuals associated with our business, including:

- Employees at all levels
- Senior management and Directors
- Contractors and consultants
- Agency workers, interns and volunteers
- Any third-party service providers

Where sharp minds meet



MOORE

jcca.co.uk



This document has been prepared for information purposes only by Johnston Carmichael Chartered Accountants and Business Advisers ("JCCA"). The information contained in this document represents JCCA's interpretation of current legislation and HMRC practice at the date of this document. The contents of this document are not a substitute for specific tax, legal or professional advice and readers should seek tax advice based upon their own particular circumstances.

Johnston Carmichael is an independent member firm of Moore Global Network Limited and does not accept any responsibility or liability for the action or inactions on the part of any other individual member or correspondent firm or firms