Prevention of Facilitation of Tax Evasion Policy

Criminal Finances Act 2017 | MOG-POL-TAX-001 | Revision 0 | 18 October 2026

1. Policy commitment

Mogas Design Ltd prohibits all deliberate and dishonest assistance to anyone evading UK or foreign taxes. No director, independent contractor, consultant, agent or other associated person acting for Mogas may facilitate tax evasion by a client, supplier, contractor or another party. Commercial pressure, custom or an instruction from a customer does not excuse such conduct. Mogas will apply prevention procedures proportionate to its business activities and risks.

2. Who is covered and legal context

This policy applies to both directors and everyone providing services for or on behalf of Mogas, including remote freelance engineers and overseas service providers where they act on behalf of the company. Part 3 of the Criminal Finances Act 2017 creates two corporate offences concerning failure to prevent the criminal facilitation of UK tax evasion and foreign tax evasion. Actual criminal facilitation involves deliberate and dishonest assistance; an inadvertent accounting error is not automatically criminal facilitation. The Act provides a defence where reasonable prevention procedures existed, or where it was unreasonable to expect them.

3. Prohibited activity and warning signs

Prohibited conduct includes creating false or misleading invoices, purchase orders, timesheets or contracts; disguising the true service provider or beneficial payee; knowingly recording personal expenses as business costs to enable another party to evade tax; using fictitious services, sham employment or incorrect payment descriptions; making payments to unrelated accounts to conceal taxable receipts; knowingly assisting VAT fraud, false deductions or concealment of UK or overseas taxable income; and splitting or rerouting payments for an illicit tax purpose. Red flags include requests for cash or unexplained offshore payments, invoice details inconsistent with the contracted party, refusal to provide credible payment documentation, and pressure to conceal the true nature of a transaction. A red flag is a reason for inquiry, not proof of wrongdoing.

4. Practical prevention controls

Mogas will: (a) identify and verify contracting entities, names, company numbers or business details proportionately to risk; (b) use written quotations, purchase orders or service agreements describing real work and agreed charges; (c) check invoices and timesheets against deliverables, agreed rates and bank details; (d) approve payments only against credible records, with director review of unusual or changed payee details; (e) retain invoices, receipts, approvals and related project records securely; (f) refer uncertain UK or overseas tax treatment to a competent accountant or tax adviser; and (g) prohibit any director or contractor from helping another party conceal income or fabricate expenses. No blanket assurance is made that every contractor's tax affairs have been independently audited.

5. Risk assessment and overseas subcontractors

The directors will document a proportionate tax-evasion-facilitation risk assessment at least annually and when entering a materially new market or supply arrangement. Consider transactions involving overseas freelance engineers or suppliers (including India), agents, unfamiliar payment routes, high-value or unusual invoices, client tax-related requests, and subcontractor arrangements. Assess likelihood, impact, existing safeguards, action owner and residual risk. Legitimate international subcontracting is permitted; risk controls focus on identifying the real supplier, the economic purpose of the payment and correct accounting and tax treatment.

6. Due diligence, onboarding and communication

Before engagement, relevant contractors will receive the policy and confirm that they will not facilitate tax evasion while acting for Mogas. Higher-risk appointments may require identity/business verification, clarification of payment details and written contractual commitments. Directors will communicate any material updates and provide proportionate awareness briefings, including examples of suspicious requests and how to report them. Record the date and method of contractor acknowledgement; do not claim training occurred without evidence.

7. Speak up and escalation

Anyone who suspects a request or transaction may facilitate tax evasion must stop the questionable activity if safe and lawful, retain evidence, and report promptly to a Mogas director. Where a director is implicated, report to the other director; if neither is independent, seek external legal advice or approach an appropriate authority. Reports will be treated sensitively and without retaliation for genuinely raised concerns. Do not independently investigate by accessing information without authority, or destroy or amend relevant records. The directors will consider advice on whether and how to make an external report.

8. Monitoring, records and corrective action

The directors will review the risk assessment and sample relevant procurement/payment documentation periodically, log concerns and corrective actions, follow up unusual changes to bank details, and check contractor acknowledgement records. Deficiencies must receive an action owner and closure evidence. Records are held in controlled company cloud storage with access appropriate to confidentiality and retention obligations. Review this policy annually and sooner following a relevant incident, material change or updated legal guidance.

9. Roles and governance

The directors own the policy, approve higher-risk transactions and ensure concerns are assessed impartially. Each contractor is responsible for honest documentation and prompt escalation. The external accountant may advise on company tax reporting but does not replace directors' prevention responsibilities. Sanctions for substantiated misconduct may include cancellation of instructions, termination of engagement and referral to relevant authorities, subject to law and contractual obligations.

Implementation and evidence checklist

Control	Evidence to retain	Status / date
Annual tax facilitation risk assessment	Dated risk assessment approved by director	To verify
Supplier and subcontractor checks	Basic engagement due diligence / signed scope	To verify
Contractor policy awareness	Written acknowledgement / onboarding log	To verify
Invoices and payment checks	PO, invoices, work evidence, director payment approval	To verify
Concerns and corrective actions	Confidential report / actions log (or nil return)	To verify
Annual policy review	Document control and updated risk register	To verify

Document control and director approval

Document	MOG-POL-TAX-001 | Revision 0
Preparation date	18 October 2026
Next scheduled review	18 October 2027
Approving director	Mohammed Fasiuddin
Approval status	Approved by the Director

Director signature:

Signed copy held on file – available on request.

Source: HMRC, Corporate offences for failing to prevent criminal facilitation of tax evasion (government guidance, 2017; updated 2018).