



# THE JOCKEY CLUB

Since 1750

## ANTI-FACILITATION OF TAX EVASION

Following the introduction of new UK legislation the Jockey Club is now required to ensure that it has procedures in place to prevent the facilitation of tax evasion. As part of this process, The Jockey Club needs to ensure that its suppliers are aware of the new law, The Jockey Club's zero-tolerance approach to tax evasion and have their own prevention procedures in place.

As part of our valued relationship with you, please return a signed copy of this document acknowledging receipt and that you have read and understood what is required of you.

### The New Offence

On 30 September 2017, the UK introduced two new corporate criminal offences ("CCOs") under the Criminal Finances Act 2017. These offences will make a company or partnership ("relevant body") criminally liable for the acts of an "associated person" who engages in facilitation of tax evasion (both tax in the UK and outside) whilst performing services for that relevant body.

Associated persons include employees, agents or any other person providing services 'for or on behalf' of the relevant body. As such, it could extend to suppliers, intermediaries, advisers, contractors, consultants, joint venture partners and other third parties.

A company or partnership will have a defence if it can prove that it had reasonable procedures in place to prevent the facilitation of tax evasion, or that it was not reasonable in all the circumstances to have procedures in place.

### Tax Evasion

The CCOs will only apply when there has been fraudulent tax evasion. Fraudulent tax evasion is a crime and involves dishonest behaviour. A person behaves dishonestly if they know (or turn a 'blind eye' to whether) they have a liability to pay tax but decide not to pay it/declare it. Dishonest behaviour may involve a person simply deciding not to declare money they make. It may involve someone deliberately trying to hide the source of money, or even intentionally misrepresenting where money came from. In most countries, including the UK, such dishonest tax evasion will be considered illegal and therefore a crime.

The CCOs do not apply to tax avoidance. Tax avoidance (which may be referred to as being 'aggressive' or 'abusive') will usually involve arrangements to move assets from one place to another to secure a better tax treatment. These arrangements may be complicated and artificial and designed to exploit gaps in the rules of the tax system. For example, tax avoidance arrangements could involve moving assets from an individual to a company or a partnership, or from one country to another, because of differing tax treatment. Tax authorities may not agree that what was done was legally effective and may challenge the taxpayer.



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Even if the tax authority successfully challenges a tax avoidance arrangement and the taxpayer is required to pay additional tax, the taxpayer will not have acted dishonestly if he held a reasonable belief that the tax was not due when he entered into the arrangement. Tax avoidance would only become evasion if the taxpayer dishonestly withheld or misrepresented information to try to make the planning appear effective when it is not in fact effective.

## The Jockey Club's Policy

The Jockey Club operates a zero tolerance approach to tax evasion. We expect the businesses and people that we engage with to comply with their own tax obligations and correctly account for all taxes that they may owe. We will not tolerate any of our employees, agents, contractors or other business partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with anywhere in the world.

The Jockey Club is committed to the following principles:

- We will carry out business fairly, honestly and openly.
- We will not provide services or sell goods where we know or suspect them of being misused or abused by a customer for the purposes of fraudulent tax evasion.
- We will not buy services or goods from any supplier or third party where we know or suspect them not to be properly declaring their income and any relevant tax and duties in connection with their activities.
- Any employee found to be in breach of these principles will face disciplinary action.
- We will not engage in transactions where tax evasion is present or suspected to be present, or where the transaction will facilitate future tax evasion, even if this may result in us losing business.
- We are committed to ensuring that we have effective control procedures in place to address and reduce the risk of our business being involved in the facilitation of tax evasion.
- We expect that suppliers will be happy to explain to us if asked the controls and policies they have in place to tackle tax evasion.

## Acknowledgment and commitment to the prevention of tax evasion

As a supplier to The Jockey Club, we expect you to agree and proactively apply our principles to prevent tax evasion and the facilitation of tax evasion. To this end, we require all suppliers to sign to acknowledge receipt of this note and confirm that you understand The Jockey Club's principles against tax evasion and what is required of you when engaging with us, including your requirement to have reasonable prevention procedures. Contracts will be reviewed and if appropriate updated to reflect this policy as part of The Jockey Club's ongoing procedures to prevent tax evasion.



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Please return a copy of this document which has been signed by a duly authorised representative to [group.purchasing@thejockeyclub.co.uk](mailto:group.purchasing@thejockeyclub.co.uk)

If you have any concerns in relation to the anti-facilitation of tax evasion, or the contents of this note then please report them to [group.purchasing@thejockeyclub.co.uk](mailto:group.purchasing@thejockeyclub.co.uk).

Thank you for your continued co-operation with The Jockey Club.

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DATE

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Nevin Truesdale, Chief Executive  
THE JOCKEY CLUB

## ACKNOWLEDGE AND AGREED TO BY

.....  
SUPPLIER NAME

.....  
DATE

acting by:

.....  
AUTHORISED REPRESENTATIVE NAME

.....  
AUTHORISED REPRESENTATIVE  
SIGNATURE

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POSITION