



## Criminal Finance Act

Donnelly Group is the largest family owned business in the motor industry in Northern Ireland. The group consists of 10 trading entities across Northern Ireland.

The Criminal Finance Act 2017 legislation came into effect from 30 September 2017 and this document seeks to clarify the policies and procedures that have been or will be implemented by Donnelly Group to seek to ensure its business activities are free from tax evasion and that the group will seek to prevent the facilitation of tax evasion by any of its members or agents.

### **1. A risk assessment has been completed by the group which addresses the following common risks**

- Country risk – Donnelly Group have considered whether any business operations are connected to any countries that have a high risk tax jurisdiction.
- Sectoral risk – Donnelly Group operate in the motor industry which is not deemed in itself a high risk industry but we have business partners in sectors that may pose a higher risk of facilitating tax evasion than others, such as financial services and legal sectors. These business partners have been assessed for their level of risk.
- Transaction risk – Donnelly Group have assessed if any of the transactions the business is involved with are providing any cause for concern.
- Business opportunity risk – Donnelly Group have assessed the level of risk inherent in any business opportunities that they may partake in.
- Business partnership risk: – Donnelly Group has also assessed the level of risk inherent in any business partnerships that they have.
- Product risk – Donnelly Group have assessed whether any products they provide carry any risk of tax evasion.
- Customer risk- Donnelly Group has assessed their customer base and will identify any customer groups where the risk is higher

### **2. Risk-based prevention procedures**

All members of staff at Donnelly group are required to take reasonable steps to be aware of any sort of criminal activity in their particular part of the business.

Examples of criminal activity range from:

1. Having knowledge that customer has obtained funds by criminal activity which they are using to purchase a product of the Donnelly Group to
2. Engaging with supplier whom is known to deliberately evade tax.

All members of staff are required, if they have knowledge of Criminal Activity, such as that which the Criminal Finance Act is concerned, to report same to the Whistle blowing Champion in the group who can be contacted via the following email address [whistleblower@donnellygroup.co.uk](mailto:whistleblower@donnellygroup.co.uk)

The Criminal Finance Act makes a company criminally liable if:

1. There is tax evasion in the business and this is deliberate and dishonest behaviour,
2. There is criminal facilitation of tax evasion by any member of the business,
3. The business fails to prevent tax evasion by any member of the business or a third party.

### **3. Top-level commitment**

The Board of Directors at Donnelly Group are fully committed to ensuring all aspects of the business are compliant under the Criminal Finances Act 2017. The Group Financial Director will take the lead on the implementation of policies and procedures that will be rolled out to all stakeholders within the Donnelly Group to minimise any risks identified. The Directors will support and encourage all staff to report any instances where they feel the Group may be exposed to risks.

### **4. Due diligence**

The Donnelly Group will apply due diligence procedures (proportionate to the risk) in respect of persons who perform services on behalf of the group in order to mitigate identified risks.

### **5. Communication (including training)**

Communication of this policy has been rolled out to all Donnelly Group staff members and is available on the the Donnelly Group website @ Donnellygroup.co.uk

Continuous training for all our staff will comprise a module on the responsibilities of the Donnelly Group staff in relation to the Criminal Finance Act

### **Monitoring and review**

Controls will be put in place to ensure that our policies are complied to and these will be monitored to ensure they are mitigating the risks.

There will be a plan to review risk assessment on a periodic basis (every 1 to 2 years or where there are significant changes to the business).

Donnelly Group are fully aware that they are criminally liable where they fail to prevent those who act for, or on their behalf from criminally facilitating tax evasion.

The Group are aware that offences can be committed where a '**relevant body**' fails to prevent an '**associated person**' criminally facilitating the evasion of a tax, and this will be the case **whether the tax evaded is owed in the UK or in a foreign country.**