

TAX EVASION AND FRAUD PREVENTION POLICY

POLICY — COMPANY FILE

Failure to prevent offences — risk assessment, due diligence, training and reporting

KD-PQ-TE-010 Rev A0

Criminal Finances Act 2017 Part 3, in force since 30 September 2017. A relevant body — a company or partnership of any size — is guilty of an offence if a person acting in the capacity of a person associated with it (an employee, an agent, or anyone else performing services for or on its behalf, judged on all the circumstances, s.44) commits a UK tax evasion facilitation offence: 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 a UK tax evasion offence, where that other person's offence was committed (s.45). Tax includes national insurance contributions. Section 46 makes it an offence to fail to prevent the facilitation of the evasion of a foreign country's tax, where the conduct is an offence in that country and would be one here, and the body is incorporated or formed in the UK, carries on business in the UK, or part of the conduct takes place in the UK. Economic Crime and Corporate Transparency Act 2023 s.199, in force since 1 September 2025: a large organisation is guilty of an offence if an employee, agent, subsidiary undertaking or other person performing services for or on its behalf commits a fraud offence intending to benefit the organisation, or a person the associate provides services to on its behalf. The fraud offences are listed in Schedule 13 — among them fraud, obtaining services dishonestly, false accounting, false statements by company directors, fraudulent trading and cheating the public revenue — with aiding, abetting, counselling or procuring them. A body is large (s.201) if in the financial year before the fraud it met two or more of: turnover more than £36 million; balance sheet total more than £18 million; more than 250 employees — for a parent undertaking, the group's aggregate figures (s.202). For both offences the defence is to prove that the body had in place such prevention procedures as it was reasonable in all the circumstances to expect, or that it was not reasonable to expect any (ss.45(2), 46(3) and 199(4)); the penalty is a fine. The government guidance for each offence sets out six principles — risk assessment, proportionate risk-based procedures, top-level commitment, due diligence, communication including training, and monitoring and review — and this policy follows them. Both offences apply across the UK. Bribery, which works the same way, is KD-PQ-AB-005.

CAS v5 Q53 — what the business does to stop anyone acting for it helping others evade tax: the risk table, the checks, briefing people and checking the checks work (sections 2 to 8). CAS v5 Q52 — the fraud prevention framework of a large organisation; a business that is not large records that in section 1.

The question numbers are Build UK's; the descriptions are ours. This document records what the business does; the assessment body decides what it accepts. Version 6 of the question set is due on 1 November 2026 and is not yet published — check the numbers against the version you are assessed on. The independence statement is in the footer of every page.

1 THE BUSINESS AND THE SIZE TEST

COMPANY LOGO add it in your PDF editor, or print and paste it here	BUSINESS NAME		COMPANY NO.	PEOPLE EMPLOYED	VERSION
	REGISTERED / TRADING ADDRESS		NAMED PERSON FOR TAX AND FRAUD CONCERNS		
	POLICY DATE	APPROVING DIRECTOR	POSITION	NEXT REVIEW DUE	
TURNOVER, LAST FINANCIAL YEAR £	BALANCE SHEET TOTAL £	AVERAGE EMPLOYEES	LARGE UNDER S.201?	CAS V5 Q54 ANSWER	
CAS V5 Q52 — NOT APPLICABLE? REASON					

A business that is not large is not itself within the fraud offence — but it may be an associated person of a large client or main contractor, which can pass fraud prevention requirements down in its contract. The tax evasion offence applies whatever the size of the business.

2 POLICY — TOP-LEVEL COMMITMENT

This business does not evade tax, does not help anyone else evade tax, and does not commit or tolerate fraud — in the UK or abroad. Nobody acting for us — director, employee, agency worker, subcontractor, labour supplier, agent or consultant — may help a worker, supplier, client or anyone else to evade tax, or commit fraud to benefit this business or its clients, even where it would win the work or save money. We would rather lose the work. Refusing, and reporting, are always backed.

3 WHAT IT LOOKS LIKE IN CONSTRUCTION — REASONS TO STOP AND REPORT

- Labour: workers paid in cash, or through a gang leader, so that PAYE and national insurance are not paid; timesheets or payroll altered; people paid as CIS subcontractors on false paperwork to avoid employment taxes.
- Subcontractors: a request to be paid into an account or name that is not the verified one (KD-CIS-VR-001), or to split or relabel invoices; a request for gross payment without verified gross status.
- Suppliers and clients: a "cash price" with no VAT invoice; a request to describe work falsely on an invoice; an overseas agent's fee paid into a third-country account to hide it from that country's tax authority.
- Fraud: inflated valuations, dayworks or variations; materials invoiced and not delivered; false statements in a tender or pre-qualification; misstated test certificates or product substitutions; accounts or reports to a lender or surety that hide the true position.

4 RISK ASSESSMENT — WHERE THE RISK IS FOR THIS BUSINESS

Assess each area for how likely it is that someone acting for the business would facilitate tax evasion or commit fraud to benefit it, record the controls already in place, and set the further action. The assessment is kept current: revisit it at least yearly and whenever the business changes how it employs, buys or sells.

RISK AREA	RISK H / M / L	WHO COULD DO IT	CONTROLS IN PLACE NOW	FURTHER ACTION — OWNER, DATE
Labour and payroll direct, agency and labour-only workers				
Subcontractor payments and CIS verification, deductions, bank details				
Buying and suppliers orders, cash prices, invoices				

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RISK AREA	RISK H / M / L	WHO COULD DO IT	CONTROLS IN PLACE NOW	FURTHER ACTION — OWNER, DATE
Valuations, variations and final accounts what is claimed and paid				
Tenders and pre-qualification statements made to win work				
Client requests invoice descriptions, payment routes				
Overseas work, agents and introducers fees, commissions, foreign tax				

ASSESSMENT DATE	DONE BY — AND WHO WAS ASKED	REVISIT BY / TRIGGERS

5 PROPORTIONATE PROCEDURES AND DUE DILIGENCE — TICK WHAT THIS BUSINESS DOES

- ☐ Every subcontractor verified with HMRC before the first payment; payment only to an account in the verified name (KD-CIS-VR-001)
- ☐ Labour suppliers confirm in writing that they operate PAYE, pay workers in full and charge them no fees, and allow us to check; no worker on our sites paid in cash
- ☐ Any change of a supplier's or subcontractor's bank details confirmed by phone to a number already held — never one given in the email
- ☐ Valuations, dayworks and variations checked against the records by a second person before they are submitted or paid
- ☐ Every invoice matched to an order and to work or materials actually received; no invoice paid for a service nobody can describe
- ☐ This policy issued with subcontract orders, labour supply agreements and appointments, which forbid facilitating tax evasion and fraud
- ☐ Agents, introducers and consultants checked before appointment — who they are, what exactly they are paid for, where the money goes
- ☐ Tender and pre-qualification statements checked against the evidence before they are sent

CHECKS NOT MADE — AND WHY

6 TRAINING AND COMMUNICATION

WHO IS TRAINED	LAST TRAINING — DATE	NEXT DUE	HOW

7 REPORTING

Report a request, an offer or a suspicion to the named person in section 1 the same day — or through the whistleblowing routes in KD-PQ-WB-009 if the named person is involved. Nobody is treated worse for refusing, or for reporting in good faith. Where evidence of tax evasion or fraud is found, the payment is stopped, records are kept intact, legal advice is taken, and a director decides — and records — whether to report to HM Revenue and Customs, the police or another authority. A breach by an employee is dealt with as misconduct; a subcontractor or supplier may be removed from the approved list (KD-SUB-AR-003) in line with its order.

Monitoring record — the checks actually made, dated.

SAMPLE CHECKED	CHECKED BY	DATE	RESULT	ACTION — OWNER, DATE

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8 RESPONSIBILITY, COMMUNICATION AND MONITORING

ROLE	NAME	WHAT THEY DO UNDER THIS POLICY

Evidence that the policy reached people: record each induction, briefing and issue on KD-CAS-PB-005 Policy Briefing and Acknowledgement Record — names, dates and signatures. Assessors ask for that record, dated within the last twelve months; only briefing people creates it.

HOW THE POLICY IS COMMUNICATED

HOW IT IS MONITORED, AND WHAT TRIGGERS AN EARLY REVISION

9 SIGNED FOR THE BUSINESS

I adopt this tax evasion and fraud prevention policy for the business named in section 1. The directors are committed to preventing anyone acting for it from facilitating tax evasion or committing fraud.

SIGNED — PRINTED NAME	POSITION	SIGNATURE	DATE	NEXT REVIEW DUE

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

Rev	Date	Class	What changed	Authorised by
D0	2026-09-13	first-issue	First issue.	— not yet approved —
A0	2026-09-13	review	Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out.	Author — director, UK principal contractor, SMSTS. Not an independent review.

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.