

Group Policy on Tax Evasion

Hargreaves Services plc and its subsidiaries and associates (“the Group”) does not condone any form of tax evasion in any tax jurisdiction. Anyone acting on behalf of the Group, including employees or third parties, must not conduct business in any way which could either commit a tax evasion offence or enable a third party to do so.

Anyone becoming aware of any business conduct involving the Group or its employees which could be associated with tax evasion should report such activity using the Group’s confidential whistle blowing procedure.

The Board of Hargreaves Services plc has overall responsibility for ensuring that this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The Managing Director of each business within the Group is responsible for ensuring that all employees understand and comply with this policy.

What is Tax Evasion?

It is a corporate criminal offence under the Criminal Finances Act 2017 to fail to have appropriate controls in place to prevent the criminal facilitation of tax evasion.

Tax evasion means an offence of cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud which means that there must be deliberate action, or omission with dishonest intent.

Tax evasion is not the same as tax avoidance which is a legal process designed to minimise tax obligations.

This policy applies to all types of tax evasion, regardless of whether it is UK taxes or foreign taxes that have been evaded.

Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence where it is done deliberately and dishonestly. It is also considered to be tax evasion facilitation if an individual suspects that tax evasion could be occurring but does not act on those suspicions.

Tax means all forms of taxation including but not limited to corporation tax, income tax, value added tax, stamp duty land tax, national insurance contributions and includes duty and any other form of taxation (however described).

Preventing the facilitation of Tax Evasion

It is not possible to set out all possible tax evasion opportunities however employees are asked to consider whether:

- a) a commercial relationship is being set up outside the scope and process of standard terms and conditions;
- b) unusual payment methods are being proposed; and
- c) there is an unusual relationship involved in the proposed transaction, such as a third party, an agent or an employee suggesting an unusual transaction structure.

In relation to the risk of a connection with the fraudulent evasion of VAT, the Group is required to have reasonable and proportionate due diligence procedures in place to detect fraudulent supply chains. This includes, for example, checking that a VAT number and bank account details provided by a supplier are genuine and requiring contractors to have appropriate procedures in place with their own suppliers.

Employees should consider whether any transactions appear to be “too good to be true”. This could include consideration of pricing, payment terms, documentation (or the lack thereof), commission arrangements, discounts, communications and any changes to the usual way of conducting business with that customer or in that sector.

Any employee who commits tax evasion or knowingly condones it will be subject to disciplinary procedures. The Group may cease to transact with any person or business organisation which breaches this policy.

Roger McDowell
Chairman
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