

## **Anti-facilitation of Tax Evasion Policy**

### **1 Background**

The UK government believes that companies should be criminally liable where they fail to prevent those who act for them, or on their behalf i.e. workers, from criminally facilitating tax evasion. As a result, it has created a new corporate criminal offence of failing to prevent the facilitation of tax evasion. A company could face prosecution under the Act if it fails to have in place reasonable procedures to prevent the facilitation of tax evasion. There are serious criminal penalties for committing an offence under the Act.

A. F. Blakemore & son Ltd. is committed to the prevention, deterrence and detection of criminal tax evasion and the criminal facilitation of tax evasion. This document sets out the Company's Policy for preventing the criminal facilitation of tax evasion and the standards and procedures required to ensure compliance with the Policy.

### **Policy Statement**

- It is our Policy to conduct all our business with honesty and integrity in accordance with the values set out within the Blakemore Way. We take a zero tolerance approach to facilitating tax evasion, whether under UK law or under the law of any foreign country
- We are committed to acting professionally, fairly in all our business dealings and relationships wherever we operate; and to implementing and enforcing effective processes to counter tax evasion facilitation
- We will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017, in all the jurisdictions in which we operate

### **2 The Offence**

In general terms, the criminal offence of tax evasion is committed where a person (A) knowingly takes steps to fraudulently reduce the amount of tax that they would otherwise have paid. A person (B) commits the criminal offence of facilitation of fraudulent tax evasion if they are deliberately and dishonestly concerned in, or take steps with a view to, assisting (A) to fraudulently evade tax. Both (A) and (B) will have committed a criminal offence under existing UK law. The new criminal offence means that A. F. Blakemore & son Ltd. will also have committed an offence if it has a business relationship with (A), and (B) has criminally facilitated the tax evasion while acting in their capacity as a worker of A. F. Blakemore & son Ltd. (as defined in point 3 below).

### **3 Who must comply with this Policy?**

This Policy applies to all persons working for A. F. Blakemore & son Ltd. or on our behalf in any capacity (workers), including employees, directors, officers, agency workers, volunteers, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us.

#### **4 Who is Responsible for this Policy?**

The Directors of A. F. Blakemore & son Ltd. are fully committed to implementing the Policy and ensuring that the Company's business relationships are conducted in accordance with its terms. The Group Finance Director will review and oversee the operation of the Policy and report to the Board in relation to this in order to ensure that the Policy is effective in addressing the risk of criminal facilitation by employees and associates of the Company.

#### **5 Specific Risks**

A thorough risk assessment of all business areas has been performed by the Tax Risk Committee, and controls to mitigate identified risks have been reviewed and strengthened or developed where appropriate. The list of potential 'red flag' scenarios included in Appendix A includes specific identified risks in addition to more general risks.

#### **6 How to comply with this Policy**

In order to comply with this Policy you (or someone acting on your behalf) must:

- Not engage in any form of facilitating tax evasion or foreign tax evasion
- Not aid, abet, or counsel tax evasion offence or foreign tax evasion by another person
- Report any request or demand from any third party to facilitate the fraudulent evasion of tax or any suspected fraudulent evasion of tax by another person
- Not threaten or retaliate against another individual who has refused to commit a tax evasion offence

A list of potential 'red flag' scenarios has been included in Appendix A to assist workers in identifying different forms of tax evasion. This list is not exhaustive and you should be mindful of the general anti-facilitation of tax evasion principle underpinning this Policy in all of conduct and dealings on behalf of the Company.

#### **7 How to raise a concern**

If at any time you are concerned about whether a particular transaction or activity may amount to tax evasion, criminal facilitation of tax evasion you should raise any question or concern at the earliest possible opportunity with your line manager and with the Divisional Finance Director. All matters raised will be dealt with in strict confidence and you will not suffer any adverse consequence for refusing to engage in the facilitation of tax evasion or for reporting instances in which you suspect that this Policy has been breached, even if this may result in the Company losing business.

#### **8 Training**

The Company will ensure that all employees (including new employees) are made aware of the policy and will provide appropriate training to all employees and directors in relation to the scope of the new offence, as soon as reasonably practicable. Further information can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/672231/Tackling-tax-evasion-corporate-offences.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672231/Tackling-tax-evasion-corporate-offences.pdf)

#### **9 Acknowledgement**

To confirm that you have read and understood this Policy, please sign and return the acknowledgement set out at the back of Appendix B

## Appendix A: Potential Risk Scenarios 'Red Flags'

The following is a list of possible red flags that may arise while you work for us in our business dealings and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only, and you should be mindful of the general anti-facilitation of tax evasion principle underpinning this Policy in all of conduct and dealings on behalf of the Company. If you encounter any of these red flags while working for us or have any concerns, you must report them promptly to your manager:

- a) You become aware that a third party has made or intends to make a false statement relating to tax; has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction); has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority
- b) You become aware that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT
- c) A third party requests payment in cash and/or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made
- d) A supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme
- e) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business
- f) You receive an invoice from a third party that appears to be non-standard or customised
- g) You receive an invoice from a third party that contains a description that seems designed to obscure the nature of the services provided or uses the wrong code
- h) You become aware that an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions
- i) You become aware that the travel to work patterns of an employee have been manipulated to avoid payroll taxes
- j) A third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly
- k) A third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided
- l) A third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated
- m) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us

## Appendix B: Acknowledgement

Please return this form to the A.F. Blakemore & Son Ltd Learning & Development Department at Apex 2 or scan and email to Julie Knowles (L&D Admin Manager) at [jknowles@afblakemore.com](mailto:jknowles@afblakemore.com)

A. F. Blakemore & son Ltd.

### Prevention of the criminal facilitation of tax evasion policy

By signing this form I hereby declare that I have read and understood the Company's prevention of the criminal facilitation of tax evasion Policy.

If you do not fully understand this Policy, please contact the Finance Director for further assistance and guidance before you sign.

NAME \_\_\_\_\_

DIVISION/DEPARTMENT \_\_\_\_\_

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_