

Corporate Criminal Offence (CCO) Procedure

PHX108

Contents

Your Responsibilities.....	2
What To Look Out For	2
What To Do If You Have A Suspicion Or Concern?.....	3
What To Do If You Are A Party To Facilitation Of Tax Evasion?	3
What To Do If You Feel Threatened Or Vulnerable?	3
Ongoing Monitoring & Staff Training	4
Who Is Responsible For Ensuring A Corporate Criminal Offence Does Not Happen At Phoenix?.....	4
Related Documents	4
Version Control	5
Document Approval.....	5

Your Responsibilities

The prevention, detection, and reporting of facilitation of tax evasion is the responsibility of all Phoenix employees throughout the organisation. This means you must read, understand, and comply with all the information contained within our CCO Policy and with any awareness training or information relating to the Criminal Finances Act that you receive.

Phoenix has a zero-tolerance approach to the facilitation of tax evasion. Any individual who breaches this Policy may face disciplinary action potentially resulting in dismissal for misconduct or gross misconduct. Similarly, the relationship with other individuals, organisations and other associated persons working on behalf of Phoenix may be terminated if they breach this Policy.

What To Look Out For

Below are examples of risk areas and red flags that could arise during the course of your Employment and which should raise a concern under the CCO Policy.

Examples could include, but are not restricted to the following:

- A supplier, contractor or anyone within Phoenix asking you to do something that does not match up with official documentation - for example, paying into a different account than that which is specified on the invoice
- You are feeling under pressure to process or approve an invoice (or make changes to the contracted terms) that you don't feel makes sense - for example, in terms of changing the payment details or VAT amount.
- You receive an invoice from a third-party that appears to be non-standard or customised or is different to what you expected.
- Contracts where invoices are not exchanged for the face-value or services/goods exchanged
- You are aware of any short-cuts in Phoenix's Supplier or Customer on-boarding procedures (e.g. someone you know circumventing the supplier set-up process which means that there are no checks on the company/person they were purchased from or contract in place).
- Someone who works for a third-party supplier offering you what seems like a discount e.g. because they tell you they do not need to charge VAT without giving a reason.
- Being concerned about the set-up and/or supporting paperwork of a particular transaction that you think may not reflect the true commercial reality or fact pattern.
- Someone at Phoenix (e.g. an employee or a contractor) claiming to have found a "shortcut" in how much tax they pay, or you are aware that tax is not being declared.
- Someone at Phoenix (e.g. an employee or a contractor) claiming illegitimate expenses not adhering to the Company's Expense Claim Policy; line managers knowingly authorising fraudulent expense claims (turning a blind eye); knowingly reimbursing a fraudulent expense claim on behalf of the Company (turning a blind eye).
- Someone asking for a favour that is not in-line with Company policy.
- Any other knowledge or suspicion that anyone in Phoenix, either in the UK or any other country, is evading or facilitating tax evasion.

- Colluding in the evasion (turning a blind eye) of overseas tax evasion by globally mobile staff – for example, by a failure to track location of staff and potential tax liabilities and residence.
- You are aware we have paid a small supplier/sole trader who is not VAT-registered in excess of £85k in a 12-month period. (£85k is the threshold for UK organisations to register for VAT if their taxable turnover exceeds this amount in a 12-month period).
- You are aware we are dealing with a company in another country whose jurisdiction percentage has high levels of secrecy and corruption and low levels of transparency. *Transparency International* <https://www.transparency.org/en/countries> publish corruption ratings of countries worldwide.
- You have not involved the Phoenix Contracts Manager on any new or renewal third party contract. By not doing so, there could be a risk that the contract is not sufficiently robust in terms of the CCO.
- You are aware of any deliberate and dishonest failure to declare an activity whereby a permanent establishment is created in another country where a UK Phoenix employee could travel to and undertake certain activities of which could result in a liability to tax being evaded in another jurisdiction making Phoenix non-compliant under the overseas rules.
- Aware of a new supplier/contractor where the individual appears to fall into the category of deemed employee but is not set-up as so.

What To Do If You Have A Suspicion Or Concern?

If at any time you have a reasonable belief, suspicion or concern that, in any way connected to Phoenix, someone has been engaged in facilitation of tax evasion or other wrongdoing, however insignificant it may be and whether it involves an employee or a third party, you must raise this with a Director.

What To Do If You Are A Party To Facilitation Of Tax Evasion?

You must tell a Director as soon as possible if you are asked to do something (either by someone else at Phoenix or a third-party) where you suspect there may be facilitation of tax evasion or believe that you are a victim of another form of unlawful activity.

What To Do If You Feel Threatened Or Vulnerable?

If you refuse to act on a request (either by someone else at Phoenix or a third-party) that you think may result in the facilitation of tax evasion, you may feel worried about potential consequences. We take this very seriously and will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken. Please also see our Whistleblowing Policy.

Ongoing Monitoring & Staff Training

Phoenix will maintain an effective system for monitoring compliance procedure to ensure it remains committed to its zero tolerance to facilitation of tax evasion. The Company have a ISC Committee comprising of key managers from around the business (Director, IT, Governance, Finance, HR and Quality) and it is this Committee who maintain the effective system for monitoring compliance. The Committee can be contacted on isc@phoenixs.co.uk.

CCO legislation and tax evasion forms part of the induction process for all new employees.

Phoenix' zero-tolerance approach to facilitation of tax evasion must be communicated to all suppliers, contractors and business partners at the outset of their business relationship with Phoenix and as appropriate thereafter.

Who Is Responsible For Ensuring A Corporate Criminal Offence Does Not Happen At Phoenix?

You are. The prevention, detection, and reporting of facilitation of tax evasion is the responsibility of all Phoenix employees throughout the organisation. You do not need to be tax experts but how to identify potential tax evasion is essential to protect the Company. All employees and associated persons have a responsibility to raise any concerns that they may have.

The person with over-riding Board responsibility for the Company is Paul Emms, Group Finance Director.

Related Documents

Please also read:

- Corporate Criminal Offence Policy
- Expense Claim Policy
- Fraud, Bribery & Money Laundering Policy
- Whistleblowing Policy

Version Control

<u>Author</u>	<u>Version</u>	<u>Date</u>	<u>Description</u>
Trevor Hutchinson	1.0	21/12/2020	Original Document
Ian Roscoe	2.0	12/11/2021	Correcting references to Bytes
Trevor Hutchinson	2.0	01/11/2022	Annual review – no changes

Document Approval

<u>Name</u>	<u>Version</u>	<u>Date</u>	<u>Position</u>
Sam Mudd	1.0	21/12/2020	Managing Director
Sam Mudd	2.0	12/11/2021	Managing Director
Clare Metcalfe	2.0	01/11/2022	Operations Director

Signed: *Clare Metcalfe* Clare Metcalfe, Operations Director

Dated: 01/11/2022