

PREVENTING TAX EVASION

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REVISION TABLE

Revision	Date	Comments
1	13/05/2020	First Issue

1. PREVENTING TAX EVASION STATEMENT

It is our policy to conduct all of our business in an honest and ethical manner. Robert Walpole and Partners take a zero-tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation.

This policy applies to all individuals working at all levels and grades (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as employees in this policy).

Employees and Associated Persons of the Company must not undertake any transactions which:

- a) cause the Company to commit a tax evasion offence; or
- b) facilitate a tax evasion offence by a third party.

The purpose of this policy is to establish controls to ensure compliance with all regulations applicable to financial crime, and to ensure that the Company's business is conducted in a socially responsible manner. We will uphold all UK laws relevant to countering tax evasion including the Criminal Finances Act 2017.

Progress in implementing this policy will be reviewed annually by the Partners.

Signed: M. J. Walpole

M. J. Walpole
Partner

Date: 13.05.20

2. INTRODUCTION

The term “tax evasion” refers to reduction of tax liability by illegal means. It is when people or businesses deliberately do not declare and account for the taxes that they owe. It includes the hidden economy, where people conceal their presence or taxable sources of income. Tax evasion is always illegal.

Criminal Finances Act 2017 introduced two new criminal offences:

- a) The failure to prevent the facilitation of the evasion of UK tax,
- b) The failure to prevent the facilitation of the evasion of foreign tax.

Both offences are capable of being committed only by incorporated bodies (typically companies) and partnerships (referred to as a “relevant body”).

The Criminal Finances Act 2017 covers the criminal facilitation of tax evasion, attributes criminal liability to a relevant body removing the requirement to prove that the senior members of the relevant body were involved in and aware of the illegal activity and introduces the corporate offence of failing to prevent the criminal facilitation of tax evasion.

Tax evasion and its facilitation are already criminal offences. The new rules do not alter the nature of these criminal activities, but they simply extend the scope of persons who can be prosecuted if tax evasion occurs. Under the new corporate offences, liability for the relevant body can arise, irrespective of whether the senior members of the relevant body had knowledge of or intention to commit the offence or if the relevant body gains any benefit from these illegal actions.

In addition to a criminal conviction for the relevant body that may have an adverse reputational impact, penalties include unlimited fines and ancillary orders such as confiscation orders. Furthermore, for regulated entities, the regulatory authorities may impose disclosure requirements both in the UK and overseas while the relevant body can be prevented from being awarded public contracts.

The Government considers that prevention procedures put in place by relevant bodies to prevent tax evasion from being committed on their behalf should be informed by the following six principles:

- a) Risk assessment
- b) Proportionality of risk-based prevention procedures
- c) Top level commitment
- d) Due diligence
- e) Communication (including training)
- f) Monitoring and review

There is not an exhaustive list of Tax Evasion opportunities. At a more general level, the best defence against Tax Evasion and facilitation of Tax Evasion remains the vigilance of our employees and Associated Persons and the adoption of a common-sense approach supported by our clear whistleblowing policy. In applying common sense, team members must be aware of the following:

- Is there anything unusual about the manner in which an Associated Person of the Company is conducting their relationship with the Company or the third party (usually a customer)?
- Is there anything unusual about the customer's or Associated Person's conduct or behaviour in your dealings with them?
- Are there unusual payment methods?

Unusual payment methods and unusual conduct of third parties by an Associated Person can be indicative that a transaction may not be as it seems.

3. FINANCIAL CRIME RISK ASSESSMENT

According to the regulator, the purpose of this principle is to promote the inclusion of tax evasion facilitation risk within the relevant body's wider financial crime risk assessment. Ultimately, relevant bodies need to "sit at the desk" of their employees, agents and those who provide services for them or on their behalf and ask whether they have a motive, the opportunity and the means to criminally facilitate tax evasion offences, and if so how this risk might be managed.

Table 1 summarises Robert Walpole and Partners' Financial Crime Risk Assessment incorporating commonly encountered risks. The nature of our business doesn't involve provision of financial services and employee pension schemes are handled by external organisations, thus the inherent risk levels are medium to low.

Table 1: Robert Walpole and Partners Financial Crime Risk Assessment

Financial Crime Risk	Inherent Risk Level	Mitigation Controls	Residual Risk Level
Bribery and Corruption	Medium	Implementation of Anti-Corruption Policy	Low
Fraud	Medium	Company procedure incorporates cross-check of pricing, invoicing and payroll data.	Low
Market abuse	Low	Deemed not applicable due to size of the business.	Low
Money laundering	Low	Company procedure incorporates cross-check of pricing, invoicing and payroll data.	Low
Tax evasion	Medium	Implementation of Preventing Tax Evasion Policy	Low
Terrorist financing	Low	Company procedure incorporates cross-check of pricing, invoicing and payroll data. Suppliers are approved by Partners in all instances.	Low

4. RESPONSIBILITIES

Robert Walpole and Partners has completed a Financial Crime Risk Assessment and will offer appropriate training to employees to enable understanding of tax evasion and suitable preventative actions.

Employees and Associated Persons must at all times adhere to the Robert Walpole and Partners anti-tax evasion statement and must ensure that they read, understand and comply with this policy.

Our employees have a responsibility to take reasonable action to prevent harm to Robert Walpole and Partners and we hold our employees accountable for their actions and omissions. Any actions that breach the Criminal Finances Act 2017 and the tax laws will not be tolerated.

5. WHAT EMPLOYEES AND ASSOCIATED PERSONS MUST NOT DO

It is not acceptable for employees and associated persons of the company to:

- a) Engage in any form of facilitating Tax Evasion or Foreign Tax Evasion,
- b) Aid, abet, counsel or procure the commission of a Tax Evasion offence or Foreign Tax Evasion offence by another person,
- c) Fail to promptly report any request or demand from any third party to facilitate the fraudulent Evasion of Tax by another person, in accordance with this policy,
- d) Engage in any other activity that might lead to a breach of this policy,
- e) Threaten or retaliate against another individual who has refused to commit a Tax Evasion offence or a Foreign Tax Evasion offence or who has raised concerns under this policy,
- f) Commit an offence under the law of any part of the UK consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

6. POLICY BREACH

If there is any suspicion of any intention to evade tax and the transaction is nevertheless finalised, the company can be criminally prosecuted, subject to a large fine and be publicly denounced by the authorities.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other Associated Persons and suppliers if they breach this policy.

7. HOW TO RAISE A CONCERN

You are responsible for properly following Robert Walpole and Partners policies and procedures. These should generally ensure that all taxes are properly paid. You must notify a business Partner as soon as possible if you believe or suspect that a conflict with or breach of this policy has occurred or may occur in the future.

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes tax evasion or if you have any other queries or concerns, these should be raised with a business Partner. Investigations into potential tax evasion activities will be handled in line with the Investigation and Grievance Process.

8. EMPLOYEE PROTECTION

Employees who raise concerns or report another's wrongdoing may be worried about possible repercussions. Robert Walpole and Partners aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. For more information refer to the Whistleblowing policy.