
Anti-Facilitation of Tax Evasion Policy

January 2024

Version No	Date Issued	Update Details	Owner	Approved By	Policy Number
v3.0	January 2022	Policy in previous format.	Company Secretary	The Board	CG1-POL-025
v4.0	January 2023	Policy finalised following revision and review of February 2022 policy, amendments and change of format.	Company Secretary	The Board	CG1-POL-025
v4.1	January 2024	Annual review of policy.	Company Secretary	The Board	POL-025

Anti-Facilitation of Tax Evasion Policy

Clancy Group Holdings Limited and its subsidiaries (Clancy or we) trust that you and your fellow employees, consultants, contractors, and agency workers will always want to meet the high standards of conduct that we expect. We conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to the facilitation 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 to implementing and enforcing effective systems to counter tax evasion facilitation.

We take our legal responsibilities very seriously. We will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017.

Policy

The purpose of this policy is to set out our responsibilities and of those working for us in observing and upholding our position on preventing the criminal facilitation of tax evasion; and to provide you with information and guidance on how to recognise and avoid tax evasion.

This policy is reviewed annually by the Company Secretary and will be monitored for compliance by Line Managers/Supervisors within their own area of responsibility and routine audits will be carried out annually. If you have any questions or concerns at any time around any matters covered, or possibly covered, by this policy speak to your manager or if you prefer, to the Company Secretary (in confidence).

This policy does not form part of any contract of employment, and we may amend it at any time.

Who must comply with this policy?

This policy applies to all employees working for Clancy at all levels and also applies to contractors, external consultants, seconded employees, agency workers, agents, including third-party representatives, or any other person associated with Clancy, (referred to as “you” in this policy).

In this policy, third party means any individual or organisation you encounter during the course of your work for us, and includes business partners or sponsors, contracting partners, joint venture partners actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians, and political parties.

What is tax evasion?

For the purposes of this policy:

- a) **Tax evasion means:** the offence of cheating the public revenue or fraudulently evading tax in the UK **and is a criminal offence.** The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent. The individual may or may not try to take steps to disguise or misrepresent what they are doing. The person is aware that tax is due and deliberately does not pay it;
- b) **Foreign tax evasion** means evading tax in a foreign country if conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud

means there must be deliberate action or omission with dishonest intent; and

- c) **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.

The law

Under the Criminal Finance Act 2017 A, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an "associated person" to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer.

The Company does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for the company. This means that, as an employer, if we fail to prevent our employees, workers, agents, or service providers facilitating tax evasion, we can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation.

Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

In this policy, all references to tax include national insurance contributions (and their equivalents in any non- UK jurisdiction).

We are committed to the following principles:

- carrying out business fairly, honestly, and openly;
- not providing services where we know or suspect them to be being misused or abused by a client for the purposes of fraudulent tax evasion;
- not purchasing services or goods from any supplier where we know or suspect them not to be properly declaring their income and any relevant tax and duties in connection with those activities;
- operating strict procedures to ensure that we do not assist you, and third parties in engaging in aggressive tax avoidance; and
- countering the risk of being involved in the facilitation of tax evasion.

We expect our agents and third parties to commit to these principles.

What you must not do

It is not acceptable for you (or someone on your behalf) to:

- engage in any form of facilitating tax evasion or foreign tax evasion;
- aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this



policy;

- engage in any other activity that might lead to a breach of this policy; or
- 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.

Your responsibilities

You must ensure that you read, understand, and comply with this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. **You must avoid any activity that might lead to, or suggest, a breach of this policy.**

You must notify your manager or the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. **“Red flags”** that may indicate potential tax evasion or foreign tax evasion are set out in **Schedule 1**.

Third parties

Third parties that we work with must be carefully selected, appointed and monitored (subject to contractual controls). It is important that we only work with third parties where we are confident that they will not engage in the facilitation of tax evasion.

If requested, third parties must confirm that they have similar policies on the anti-facilitation of tax evasion, and we reserve the right to inspect them.

When monitoring third parties, you must look out for **“Red Flags” (Schedule 1)** and report them immediately. Higher risk third parties will be reviewed for compliance periodically and those that are deemed as less of a risk will be reviewed not less than every 3 years.

Due diligence

It is important that we only work with third parties that we believe will not engage in tax evasion or its facilitation. Before entering into an agreement, due diligence should be conducted. A risk assessment should first be completed to determine the appropriate level of due diligence. You should contact the Company Secretary for help with the form of risk assessment to use and the level of due diligence needed.

Bookkeeping and accounting

Books, records, and accounts must be kept accurately and fairly reflect all transactions. You must not make, approve, or process any payment which relates to our business with the intention, understanding or suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting that particular payment. No "off the books" or unrecorded funds or accounts are permitted. Examples of prohibited record keeping activities include (but are not limited to):

- making records appearing to show a payment to one person when, in fact the payment was made to, or intended for someone else;
- submitting inaccurate expenses;
- records that inaccurately characterise or inaccurately describe the true nature of transactions or payments;



- claims for services, products or equipment not received; and/or
- creating or maintaining any unrecorded funds or assets, including unrecorded "petty cash".

How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.

If you are unsure as to whether a particular act constitutes tax evasion or foreign tax evasion, If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect of UK tax or tax in a foreign country, you must notify your manager, report your concerns to the the Company Secretary, or report it in accordance with our Whistleblowing Policy as soon as possible.

Please see our Whistleblowing Policy for details on how to report in this way. In brief, reporting can be made in the following way:

You can raise concerns to **SeeHearSpeakUp** by any of the following channels:

BY PHONE: Call 0800 988 6818. This confidential reporting hotline operates 365 days per year, 24 hours per day. All handlers are professionally trained.

ONLINE PORTAL: You can report online via the website at www.seehearspeakup.co.uk/en/file-a-report. You will need a username and password to login. These are as follows:

USERNAME: Clancy **PASSWORD: C6429**

BY EMAIL: You can email any concerns to SeeHearSpeakUp at report@seehearspeakup.co.uk. When emailing please state Clancy in the subject header.

You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion (or foreign tax evasion), or "turning a blind eye" to suspicious activity could amount to criminal facilitation of tax evasion.

Protection

Individuals who raise concerns or report another's wrongdoing are sometimes worried about repercussions. We aim to encourage openness and will support anyone who raises genuine concerns under this policy, even if they turn out to be mistaken.

We are committed to ensuring that no one suffers any detrimental treatment as a result of:

- a) refusing to take part in, be concerned in or facilitate tax evasion or foreign tax evasion by another person;
- b) refusing to aid, abet, counsel, or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or

- c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any of this treatment, you should notify the Company Secretary or report it in accordance with the Whistleblowing Policy as soon as possible. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Policy which is on the intranet, One Clancy.

Training and communication

Training on this policy forms part of the induction process for all individuals who work for us and regular training will be provided as necessary to existing employees. Such training may form part of our wider financial crime detection and prevention training.

We may decide to provide mandatory training on this policy to those employees, workers and third parties who have been identified as being at risk of exposure to criminal tax evasion.

Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors, business partners at the outset of our business relationship with them and as appropriate thereafter.

Breaches of this policy

If you breach this policy, you will face disciplinary action which could result in dismissal for misconduct or gross misconduct in accordance with our Disciplinary Policy. In addition, we may refer the matter to law enforcement bodies where warranted. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy. Non-compliance with this policy and any applicable laws will be considered a material breach of contract.

SCHEDULE 1: POTENTIAL RISK SCENARIOS: "RED FLAGS"

There are certain things that you may discover whilst gathering information on a third parties or which you may come across while working with any individual associated with Clancy that are recognised warning signs of the facilitation of tax evasion. These are known as "**Red Flags.**"

The following is a list of possible red flags that may arise during the course of you working for us 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. If you encounter or become aware of any of these red flags whilst working for Clancy, **you must report them promptly to the Company Secretary** or using the procedure set out in the Whistleblowing policy:

- a) you become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax or has failed to disclose income or gains to, or to register with HMRC;
- b) you become aware, in the course of your work, that a third party has deliberately failed to register for VAT or failed to account for VAT;
- c) you become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- d) the third party refuses or fails to confirm that it will comply with this policy or refuses to accept a wording that covers the facilitation of tax evasion in any agreement it may have with us;
- e) 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;
- f) 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;
- g) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- h) 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;
- i) the remuneration of a third party is substantially in excess of the going market rate, or not justifiable or commensurate with the work done;
- j) a third-party refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- k) a third-party requests for payments to be made:
 - in cash;
 - to or through another entity;
 - to bank accounts in countries other than the country where services are performed;
 - to bank accounts in another country;
 - in a currency other than the local currency; or
 - in advance of the services being performed.