

Anti-Facilitation of Tax Evasion Policy

**Starfish 9 Ltd. Anti-Facilitation of Tax Evasion Policy
2023 - Issue 4**

(Last Review 7th Jan 2023 - Next Planned Review 26th Jan 2024)

Anti-Facilitation of Tax Evasion

Summary/Background

This policy is intended to ensure that our directors, officers and employees (together our “colleagues”), and our agents and business partners do not engage in the facilitation of tax evasion anywhere in the world. We expect high standards from our colleagues and do not tolerate anyone engaging in tax evasion or helping others to do so.

What’s the requirement?

We will endeavour to ensure that others who perform services for or with us, for example, agents, advisers, consultants, Joint Venture Partners etc. (referred to as “Business Partners”) do not facilitate tax evasion whilst performing those services. This policy applies irrespective of where business is being conducted, regardless of jurisdiction. Where there are differences between the local law and this policy, you must apply the highest standard of behaviour.

Your entitlements and responsibilities

Tax evasion is a criminal offence as is facilitating others to evade tax. Tax evasion occurs when a person knows they have an obligation to account for tax but dishonestly does not do so. They may or may not try to take steps to disguise or misrepresent what they are doing. Fundamentally, they know tax is due and deliberately do not pay it. It is possible to evade tax without involving others but, in many cases, others will be involved.

Examples of tax evasion include misrepresenting the services rendered, the location in which they took place or the person/entity that carried them out. If we were to accept and not challenge this, we could be ‘facilitating’ the tax evasion and potentially committing a criminal offence. Simply ignoring what is occurring or not reporting suspicions to your manager or Director is not acceptable.

Tax evasion should not be mistaken with tax ‘avoidance’. Tax avoidance is where a person, sometimes acting on professional advice, has entered into arrangements designed to legally minimise their tax liabilities.

What must I do/not do?

You must follow Starfish 9 Ltd.’s procedures including performing appropriate due diligence checks when dealing with Business Partners and Joint Venture Partners, including the following:

- Making it a condition of doing business with us that they will act diligently to account for any taxes owed;
- Undertaking additional checks on their ownership structure or on where their business is managed;
- Asking them to prove they are registered for tax;
- When we buy or sell goods or products, undertaking appropriate checks to ensure that tax has been paid; and
- Any other procedures we consider to be reasonable in the circumstances.

- Colleagues should look out for 'red flags' and report them immediately to the a Manager or Director. Red flags include:
- The customer or supplier refuses or fails to confirm that it will co-operate with our additional due diligence checks;
- The customer or supplier operates or is resident in a country where tax evasion is more prevalent;
- The customer or supplier has unusual invoicing or documentation practices, for example invoicing a different company to the one receiving the service; and
- The customer or supplier requests for payments to be:
 - Made in cash;
 - Paid to or through another entity;
 - Paid to bank accounts in another country;
 - Paid in another currency; or
 - Paid in advance where it is not accepted practice for that to occur.

Books, records and accounts must be kept, which accurately and fairly reflect all transactions.

No payments should be made, approved, or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No "off the books" or unrecorded funds or accounts are permitted.

Examples of prohibited record keeping activities include:

- Making records showing a payment to one person when, in fact it was made to someone else;
- Submitting inaccurate expenses;
- Records that inaccurately characterise/describe the true nature of transactions or payments;
- Claims for services, products or equipment not received; and
- Creating or maintaining unrecorded funds or assets of the company (including unrecorded "petty cash").

Our business principles

It is our policy to comply with the law wherever we operate. In many countries (including the UK), it is a criminal offence to dishonestly evade tax or to assist others to do so. This can deprive governments of the revenues needed to fund vital public services. We expect the businesses and people we engage with to comply with their tax obligations. Tax evasion or its facilitation has no place at Starfish 9 Ltd and we do not tolerate any of our colleagues or our Business Partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with.

We are committed to the following principles:

- We will carry out business fairly, honestly and openly;
- We will not provide services or sell to parties where we know or suspect that the services or the items sold will be misused or abused by a customer for the purposes of fraudulent tax evasion;
- We will not buy services or goods from any supplier where we know or reasonably suspect them not to be properly declaring their income and any relevant tax and duties in connection with those activities;
- Any colleague found to be in breach of these principles will face disciplinary action up to and including dismissal;
- No colleague will suffer demotion, penalty, or other adverse consequence for refusing to engage in the sale or purchase of services and goods where they reasonably suspect or know tax evasion to be taking place. Our clear policy is not to engage in transactions where tax evasion is present or suspected to be present, even if it may result in us losing business;
- We expect our agents and others who represent us also to commit to these principles; and
- We are committed to a programme to counter the risk of our being involved in the facilitation of tax evasion.

Business Partners and Joint Venture Partners Dealings with Business Partners

Business Partners should be told where to access this policy and asked to confirm they have understood it. We will ask all Business Partners to confirm they will apply our principles and that they have similar policies. We reserve the right to inspect them.

New Business Partners should have an agreement that contains appropriate wording to address this risk. For existing Business Partners, the wording will be updated at the next renewal.

Monitoring of Business Partners

Red flags - colleagues should look out for “red flags” (see above). Any red flags should be reported immediately.

Reviews - higher risk Business Partners will be reviewed for compliance periodically and lower risk Business Partners will be reviewed not less than every 3 years.

Audits - we will carry out appropriate periodic audits. Due diligence gathered will be sampled during audits.

Business Units must keep a record of all their Business Partners and any due diligence conducted.

Joint Venture Partners

- Joint Venture Partners are all parties with whom we enter into a joint venture, consortium or similar relationship
- We could be liable if a Joint Venture Partner engages in the facilitation of tax evasion
- Joint Venture Partners must be carefully selected, appointed and monitored
- Joint Venture Partners should be provided with a copy of this policy and asked to confirm they will comply with it or that the JV will follow similar rules to those set out in this policy

It is important that we only work with Joint Venture Partners who we believe will not engage in tax evasion or its facilitation. Before entering into a Joint Venture, due diligence should be conducted. A risk assessment should be conducted first to determine the appropriate level of due diligence. You should contact the Group Compliance department for help with the form of risk assessment to use and the level of due diligence needed.

Any agreement entered into with a Joint Venture Partner should contain anti-facilitation of tax evasion provisions. You should contact a director if you need help with this. All existing and new Joint Venture Partners should be provided with a copy of our policy and asked to confirm in writing that they will comply with them.

Name: John Jessimer

Signed: 

Position: Managing Director

Date: 7 January 2023

