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[VAT Number: GB 143 7800 18](tel:07846971)



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Title: TAX EVASION POLICY

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TAX EVASION POLICY

1. PREAMBLE

TXM Plant Limited (the 'Company') is committed to trading within the law and maintaining the highest possible ethical standards in all its business activities.

The Criminal Finances Act 2017 creates two new offences, which will be committed where a Company fails to prevent an employee or other associated person criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country.

2. POLICY STATEMENT

It is the policy of TXM Plant Limited (the **Company**) to conduct business in an honest and ethical manner. As part of that, the Company takes a zero-tolerance approach to tax evasion and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates, and implementing and enforcing effective systems to counter tax evasion.

3. SCOPE

All Associated Persons of TXM must comply with this policy. This includes all employees of TXM Plant Limited.

Associated Persons

A company can only commit the new offences if a person associated with it (acting in the capacity of an associated person) criminally facilitates a tax evasion offence.

A person (which can be an individual or a company) is 'associated' with a company if that person is an employee, agent or other person who performs services for or on behalf of the company. The question whether a person is performing services is based on all the relevant circumstances. The contractual status or label of a person performing services does not matter.

Note that employees are Associated Persons. This policy applies to all employees of TXM as well as other Associated Persons.

Examples of potential Associated Persons would be distributors, agents, sub-contractors, catering, IT, facilities, zero-hour workers and maintenance.

4. AIM

The aim of this policy is to ensure individuals do not breach HMRC rulings and that they are compliant while working in any guise with the Company.

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5. TAXATION OFFENCES

There are three stages that apply to both the UK and foreign tax evasion facilitation offences.

- Stage 1** - the criminal tax evasion by a taxpayer (an individual or a legal entity) under existing law.
- Stage 2** - the criminal facilitation of the tax evasion by an ‘associated person’ who is acting in that capacity.
- Stage 3** - the company has failed to prevent its associated person from committing the criminal facilitation act.

As the offence is a strict liability offence, if stages 1 and 2 above take place the Company will have committed the new corporate offence unless it can show that it has put in place reasonable procedures to prevent its associated persons from committing tax evasion facilitation offences (stage two), or where it is unreasonable to expect such procedures.

Where there is a UK tax evasion facilitation offence it does not matter whether the company is UK-based or established under the law of another country, or whether the associated person who performs the criminal act of facilitation is in the UK or overseas. Where it is the foreign offence it can only be committed by a company or partnership incorporated or operating from a permanent place of business in the UK (such as TXM) or where the person is located in the UK when facilitating the evasion of tax (for example a French company whose employee helps another person to commit a foreign tax evasion offence whilst in Milton Keynes).

The TXM Board is opposed to all forms of criminal tax evasion. TXM has prepared and set out this policy which should be implemented in conjunction with the Company’s Code of Ethics and Business Conduct and Whistleblowing Policies.

5.1. Examples of Offences

Examples (for illustration purposes only and not based on any known circumstances).

Example 1

As an example of what could constitute an offence, say that a TXM has a distributor who buys attachments centrally on behalf of TXM. A Director of the distributor assists a company from whom it obtains attachments to create a false invoicing scheme to reduce its VAT liability. The company could be liable if it did not have reasonable procedures to prevent the facilitation of tax evasion by the distributor.

Example 2

A hotel uses an agency to source its restaurant staff. The agency and a number of the restaurant staff operate on the basis that those staff are self-employed even when they know they are not and are paid off-payroll’ in cash with their income not declared to HMRC. The hotel could be liable if it did not have reasonable procedures to prevent the facilitation of tax evasion by the agency.

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6. TAX EVASION CLASSIFICATION

By way of further detail, TXM's Associated Persons should not commit a UK tax evasion facilitation offence or foreign tax evasion facilitation offence.

6.1. UK tax evasion facilitation offence

- a) being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax by another person; or
- b) aiding, abetting, counselling or procuring the commission of a UK tax evasion offence (a UK tax evasion offence is an offence of cheating the public revenue, or an offence consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax); or
- c) being involved in and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of tax.

6.2. Foreign tax evasion facilitation offence

- a) amounts to an offence under the law of a foreign country; and
- b) relates to the commission by another person of a foreign tax evasion offence under that law (a foreign tax evasion offence means conduct which amounts to an offence under that law; relates to a breach of a duty relating to a tax imposed under that law; and would be regarded in the UK as amounting to being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of that tax); and
- c) would, if the foreign tax evasion offence were a UK tax evasion offence, amount to a UK tax evasion facilitation offence.

7. COMPANY CONTROLS

Employees and other Associated Persons of TXM must not facilitate the evasion of tax. This applies whether the tax evaded is owed in the UK or elsewhere. The following describes how the company executes its control:

- a) The Company's contractual terms include an obligation to comply with the relevant part of the Criminal Finances Act and have a link to this policy;
- b) Potential new suppliers will be asked to confirm under the Company's procurement processes that they do not facilitate the evasion of tax;
- c) As facilitating tax evasion could be part of wider criminality, other policies (for example; the Company's Anti-Bribery Policy) are also relevant in seeking to prevent the tax facilitation offences.
- d) The Company risk assesses the nature and extent of its exposure to these offences.

8. COMPANY COMMITMENT

There is a top-level commitment to prevent the involvement of those acting on TXM's behalf in the criminal facilitation of tax evasion; TXM's clear requirement is that nobody associated with it should engage in activities to help anyone commit criminal tax evasion. Those at the most senior levels of

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the organisation wish to foster a culture where actions intended to facilitate tax evasion are considered unacceptable. For example, the Company rejects any concept of increasing profit by way of facilitating tax evasion. It has a commitment to compliance over profit or bonuses and certainly opposes pursuing profit to the point of condoning tax evasion.

TXM also has a commitment not to recommend the services of others who do not have reasonable prevention procedures in place.

The Company is also committed to the whistleblowing processes detailed below.

It is intended that there should be serious consequences for anybody associated with TXM who facilitates tax evasion. This would include disciplinary action being taken against an employee including, where appropriate, dismissal.

9. RESPONSIBILITIES OF EMPLOYEES AND OTHER ASSOCIATES OF TXM

- a) Comply with legal requirements and company policy.
- b) Avoid any activities that could involve or lead to involvement in the criminal facilitation of tax evasion.
- c) Remember always that TXM has a zero-tolerance policy in respect of tax evasion.
- d) Undertake training offered in respect of compliance issues and ensure that refresher training is
- e) completed in good time.
- f) Promptly report to the Company any violations of law or ethical principles or Company policies, and cooperate fully in any audit, inquiry, review or investigation by the Company.
- g) Communication about this policy should be at all levels within the organisation associated with TXM. Managers should ensure that their employees are aware of this policy and their responsibilities to comply with it.

10. REPORTING PROCEDURES

TXM expects Associated Persons who find themselves being asked to provide a service which they believe will be used to facilitate tax evasion to advise the Company (as well of course as not providing that service).

If individuals become aware of a situation that they feel is a possible infringement of this policy, individuals must disclose the facts promptly. If an employee, this should be directed to their Line Manager, an HR representative, Managing Director, or any Director of the business who will ensure the matter is investigated and any appropriate action taken.

If individuals fear, that their concern will not be taken seriously, or because the event they wish to report involves the place of their work, individuals can make a report outside of their normal line management.

TXM has in place confidential reporting procedures, often referred to as 'whistle blowing' procedures. The Whistleblowing Policy is available on the intranet and in hard copy can be obtained from the HR Team. The policy includes details of how to make a report.

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If you are an Associated Person of TXM but not an employee, you are asked to raise the issue both through your Company’s reporting procedures and with your most senior contact at TXM.

11.VARIANCE

This policy does not form a contractual right to employees. The Company reserves the right to alter any of the policy terms at any time; adhering to any new legislation as required, without consultation. Employees will be notified of such changes in writing via letter, electronic communication or notice posted onto our Company notice boards.