



Anti-Facilitation of Tax Evasion Policy

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## Overview

MV Kelly has a statement on anti-facilitation of tax evasion which is recorded in this document. It is our policy to conduct all our business dealings in an honest and ethical manner. MV Kelly tax approach is covered in the Groups Tax Strategy.

All employees and those who have a business relationship with MV Kelly must familiarise themselves with our Anti-Tax Evasion Statement and act at all times in a way which is consistent with our statement.

This policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.

## Who is responsible for this policy?

The Board of Directors has overall responsibility for ensuring that this policy complies with our legal and ethical obligations and that employees and associates comply.

The management team has day to day responsibility for ensuring all other employees reporting to them understand and abide by this policy.

This policy is reviewed and approved on an annual basis by the Board of Directors.

## Approach

To prevent the facilitation of tax evasion, MV Kelly establishes the following measures.

- Risk assessment: The risk of MV Kelly facilitating tax evasion is logged on the company's risk register and is reviewed regularly.
- Training and Awareness: MV Kelly endeavour to promote this policy and take reasonable steps to prevent any company representative from facilitating in tax evasion. All employees are required to read and accept this policy at the start of their employment and annually thereafter. Mandatory training is offered to employees, workers and associated persons who have been identified as at risk of exposure to tax evasion at least once every year.
- Due Diligence: Due diligence procedures are carried out by the finance department on potential new suppliers and subcontractors. The finance department are required to observe the due diligence procedures throughout the period of any engagement with suppliers and subcontractors and will ensure information is requested from suppliers and subcontractors annually around their approach to tax evasion and facilitation for as long as the engagement continues.
- Monitoring and Reporting: Suspected incidents of tax evasion including follow up and outcome are recorded alongside the risk register for review.

The policy is readily available on MV Kelly's website for all associates and third parties to familiarise themselves with the Anti-Tax Evasion Statement.

## **Anti-Tax Evasion Statement**

MV Kelly has a zero-tolerance approach to all forms of tax evasion and the facilitation of tax evasion.

Employees and associates of the Company must not undertake any dealings which:

- Cause the Company to commit a tax evasion offence.
- Facilitate a tax evasion offence by a third party who is not an associate of the Company.

Employees and associates must report any concerns or suspicions of Tax Evasion as soon as possible.

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. At all times, business should be conducted in a manner whereby the opportunity for tax evasion is prevented.

## **Who must comply with this policy?**

This policy applies to all persons working for or on behalf of MV Kelly in any capacity. This includes but is not limited to employees, directors, and associates (such as agency workers, apprentices, contractors, external consultants, suppliers, and third-party representatives.)

## **What is Tax Evasion?**

Tax Evasion is defined as an act of cheating the public revenue or fraudulently evading any form of tax and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent.

## **What is the Facilitation of Tax Evasion?**

Facilitation of Tax Evasion means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax 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.

Facilitating tax evasion could be part of wider criminality, other policies (e.g. Anti-Bribery, Anti-Slavery) are also relevant in seeking to prevent tax facilitation offences.

## Tax Avoidance

Tax avoidance is the use of legal methods to lower the amount of tax owed by deliberately bending the rules of the tax system to gain a tax advantage. This would involve contrived transactions that serve little or no purpose other than to produce this benefit. It involves operating within the letter but not the spirit of the law.

MV Kelly adheres to relevant tax laws, rules, and regulations. External advice is taken on any area of uncertainty.

## Tax Mitigation

Tax mitigation or tax planning is the legal use of regulated schemes to reduce tax liabilities within the intent of law.

It reduces the tax risk as it utilises tax reduction methods in the way they were intended.

MV Kelly tax planning is managed in the most tax efficient manner whilst ensuring compliance with all relevant laws.

### Indicators of tax evasion or avoidance

The best defence against tax evasion or avoidance is for all associates remaining vigilant and having a common-sense approach.

Common signs of tax avoidance include:

- Statements that sound too good to be true.
- Pay in the form of loans that are not expected to be paid back.
- High benefits which are disproportionate.
- Money being moved around in circles.
- Claims suggesting an arrangement is endorsed or approved by HMRC or that it can increase take home pay.

General indicators to look out for:

- Anything unusual about the way an associate or third party is conducting their relationship with the Company.
- Anything unusual about the associate's or third parties conduct or behaviour in your dealings with them.
- Any unusual payment methods.
- Reluctancy to provide applicable documentation on request.

## What Employees and Associates Must and Must Not Do

Employees and associates:

- Must:
  - Read and observe this policy.
  - Practice vigilance when dealing with third parties (see section: Indicators of tax evasion or avoidance).
  - Act with integrity.
  - Comply with applicable laws.
- Must not:
  - Engage in any form of tax evasion or the facilitation of tax evasion.
  - Aid, abet, counsel or procure the commission of a tax evasion offence by another person
  - Fail to report a request or demand from any third party to facilitate in evasion of tax.
  - Retaliate against another party for refusing to commit tax evasion or the facilitation of tax evasion.
  - Retaliate against another party for raising concerns under this policy.
  - Engage in any other activity that might lead to a breach of this policy.

In addition, associates must on request:

- Provide evidence:
  - Of registration for relevant taxes.
  - Supporting tax applied to any payment requests.
- Comply with any other procedures MV Kelly considers reasonable.

### Failure to comply.

A breach of this policy by an employee could be regarded as gross misconduct. If an employee is suspected of committing or facilitating in the commission of tax evasion, an investigation will be carried out as outlined in MV Kelly's disciplinary policy and appropriate sanctions applied up to and including dismissal.

If an associate or any other party engaged with MV Kelly are found not to comply with this policy, then we reserve the right to cease to trade or engage with immediate effect.

If applicable MV Kelly would report any concerns or findings directly to HMRC or the police, which could result in serious penalties and potential criminal charges under the Criminal Finance Act 2017.

### How to raise a concern?

Any concerns about any issue or suspicion of Tax Evasion are to be reported as soon as possible. If there is any suspicion of any intention that a team member or third party is attempting to, or committing Tax Evasion or facilitating Tax Evasion, the details of the parties and the transaction must be reported to enable the information to be sent to HMRC.

Any queries or suspicions should be directed in the first instance to your line manager or anyone in the management team or a director. Any employee who has concerns on who to report it to can also refer to the Whistleblowing policy.

Individuals who raise concerns or report another's wrongdoing are sometimes worried about facing possible repercussions. We aim 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.

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

- Refusing to take part in, be concerned in or facilitate tax evasion by another person.
- Refusing to aid, abet, counsel, or procure the commission of a tax evasion offence by another person.
- Reporting in good faith their suspicion that an actual or potential 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 inform your line manager or a member of the management team or a director. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

For associates and third parties, legitimate concerns can be raised in writing and addressed to a Director or to HMRC directly via their 'Report Tax Evasion' contact details.