

Anti-Facilitation of Tax Evasion Policy

Published: 24/08/26

Anti-Facilitation of Tax Evasion Policy

Internal CCO Policy of Wilmington Group

Background

In the United Kingdom ("UK") the Criminal Finances Act 2017 introduced rules which came into effect from 30 September 2017, which seek to hold relevant entities as criminally liable if they fail to prevent the facilitation of tax evasion either in the UK or overseas. The rules are known as the Corporate Criminal Offence ("CCO") for failure to prevent the facilitation of tax evasion.

What is Facilitation of Tax Evasion?

For a corporate entity to be found criminally liable under CCO, there are three stages applying to both the domestic and foreign tax evasion facilitation offences which are:

- **Stage 1:** Criminal evasion by a taxpayer under existing law.
- **Stage 2:** Criminal facilitation of tax evasion by an 'associated person' of the relevant body, whilst they are acting in the capacity of an associated person.
- **Stage 3:** The relevant body failed to prevent its representative from committing the criminal facilitation act.

Tax evasion is any fraudulent activity that intends to divert funds from the public revenue. A facilitation offence will be committed where an individual or entity deliberately and dishonestly facilitates tax evasion.

An example of this would be if a member of staff knowingly facilitated a supplier's tax evasion. This may be achieved, for example, through false invoicing or making payments in cash or to different bank accounts than those previously agreed.

The legislation applies to "associated persons". Associated persons can be an individual or a corporate who is performing services for, or on behalf of Wilmington Group. A facilitation offence will be committed where an associated person (individual or entity) deliberately and dishonestly facilitates tax evasion.

Associated persons may include:

- Employees
- Distributors
- Vendors
- Agents
- Subsidiaries
- Any other person performing services on behalf of Wilmington Group.

Wilmington Group could be liable under the new offence if it fails to prevent the individual or entity, who was acting for or on behalf of Wilmington Group at the time, from facilitating the tax evasion. The company's defence is that it has reasonable prevention procedures in place to prevent the facilitation from taking place.

Where UK tax is evaded, even if the facilitation itself did not occur within the UK, Wilmington Group could be liable to prosecution in the UK courts for failure to prevent the facilitation of evasion of UK tax.

Where the taxpayer evades non-UK tax, the CCO rules apply in the UK only in certain circumstances. The foreign tax evasion facilitation offence can only be committed by a:

- UK incorporated entity e.g., a limited company or LLP (Limited Liability Partnerships) incorporated under UK law; or
- Relevant body carrying on a business or other undertaking from a permanent establishment ("PE") in the UK; or
- Relevant body whose associated person is located within the UK at the time of the facilitation offence e.g., a US company whose employee helps another person to commit a foreign tax evasion offence when in the UK.

The Policy

Wilmington Group's policy is to conduct all its business in an honest, ethical and legal manner. Wilmington Group take a zero-tolerance approach to any criminal activity including tax evasion or facilitation of tax evasion committed by directors, employees, contractors or any associated persons, wherever located.

If an associated person of Wilmington Group (including employees) is found to have facilitated tax evasion, the company could be charged with a criminal offence, bringing the risks of an unlimited fine, reputational damage and repercussions for directors.

Who is Covered by This Policy?

This policy is aimed at every director and employee who works for or provides services on behalf of the Group.

Your Responsibilities

You must ensure that you read, understand and comply with this policy. The prevention, detection and reporting of instances of facilitation of tax evasion are the responsibility of all those working for or providing services on behalf of Wilmington Group.

Please note that under this legislation you are not required to prevent another party (e.g. customer, supplier, contractor, colleague) from committing tax evasion however, if you continue to work with and/or for them in the knowledge that is their intention, you could be found to have committed the offence of the facilitation of tax evasion. This would open Wilmington Group up to the criminal

offence. Any director or employee who breaches this policy will face serious disciplinary action which may result in dismissal.

Risk Assessment

In order to provide a framework for identifying the degree of potential facilitation of tax evasion risk, a risk assessment has been conducted on Wilmington Group's activities to determine the inherent risk. The risk assessment will be reviewed and where appropriate, updated on a regular basis.

The CCO Risk Assessment must also be updated whenever material changes occur to products and services, clients, geographies or changes to legislation that would impact the risk assessment.

Training

All employees have received a copy of this policy document, which includes a summary of the rules.

How to Raise a Concern

If a member of staff has a concern about tax evasion or the facilitation of tax evasion, they should raise the issue with the Chief Financial Officer. This may be done orally or in writing.

If a member of staff is in any doubt about how to report suspicions, they should refer to the Group's Whistleblowing Policy.

How the Group Will Handle the Matter

Once a member of staff has raised a concern, we will look into it to assess initially what action should be taken. This will usually involve making internal enquiries first, but it may be necessary to carry out an investigation at a later stage, which may be formal or informal depending on the nature of the concern raised.

If a member of staff is found to have deliberately and dishonestly facilitated tax evasion, action will be taken by Wilmington Group in accordance with the firm's disciplinary procedures. Wilmington Group may also be required to report the matter externally and there may be other legal implications for the member of staff as a result.

Record Keeping

Record keeping is an essential part of the audit trail to evidence that Wilmington Group has reasonable procedures and processes in place, to act as a defence should an investigation into facilitation of tax evasion occur.

Any records will be retained by Group Finance.