



# Criminal Finances Act 2017 Policy

## **PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION POLICY**

This policy applies to all persons working for AFE Group Ltd or on AFE Group's behalf in any capacity. This includes; employees at all levels, directors, officers, agency workers, agents, contractors, external consultants, third-party representatives and business partners, or any other person associated with AFE Group, wherever located. The AFE Group Chief Executive Officer has overall responsibility for this policy and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy.

AFE Business unit Managing Directors and Finance Directors are responsible for implementing this policy in their division, monitoring its use and effectiveness, and dealing with any queries about it.

AFE Group Ltd recognises its corporate responsibility to ensure all its business divisions follow responsible tax practices and act in a professional, fair, transparent and compliant manner in contributing to the public expenditure and the overall welfare of the communities in which we operate.

AFE Group Ltd collects and pays significant amounts of taxes around the world as a result of its business activities. We seek to manage our taxation obligations in compliance with all applicable tax laws and regulations, as well as in line with the company's Code of Conduct. A robust tax governance framework has been established that operates with appropriate financial controls to ensure all taxes are accurately calculated, tax returns filed in a timely and accurate manner, and taxes paid on time.

The AFE Group Code of Conduct requires the company, its employees and agents to act in accordance with applicable laws and with fairness and integrity in all business dealings.

AFE Group Ltd has a zero tolerance approach towards involvement in criminal facilitation of tax evasion by staff and all associated third parties. Tax evasion involves deliberate and dishonest conduct. We can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and reputational damage if we fail to prevent tax evasion.

We are committed to ensuring that our staff, agents and third parties act ethically in all countries in which we operate and that they comply fully with the Criminal Finances Act 2017. Third party organisations include our agents, brokers, specifiers, dealers and distributors as well as contractors, consultants and suppliers.

AFE Group Ltd is committed to countering tax evasion risk and preventing criminal facilitation of tax evasion with suitable policies and procedures:-

- **Top Level Commitment**

Our Senior Management is committed to positive working relations with tax authorities by co-operating in a constructive open and timely manner

- **Risk Based Prevention Procedures**

Reasonable prevention procedures are in place to prevent and detect facilitation and suspicion of tax evasion by staff or associated persons. A whistleblowing policy is in place to ensure concerns can be reported appropriately where required.

- **Due Diligence**

Appropriate due diligence procedures are in place on associated third parties, both in the UK and internationally. We expect our third parties to have similar standards.

- **Awareness of Potential Risk Scenarios -‘Red Flags’**

The following is a list of possible red flags that may arise 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 any of these red flags (or other activity likely to fall under this policy), you must report them immediately to your Line Manager:

- 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; has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction); has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority;
- you become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- you become aware, in the course of your work, that an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party to whom AFE Group has provided / received goods or services requests that their invoice is addressed to a different entity, where AFE Group did not receive / supply goods or services from such entity directly;
- a third party to whom AFE Group have provided services asks for the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- you receive an invoice from a third party that appears to be non-standard or customised;
- 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;
- you notice that AFE Group has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- 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 AFE Group.

- **Communication and Training**

Staff training is provided to recognise and prevent facilitation of tax evasion.

- **Monitoring and Reviewing**

Financial controls and tax evasion procedures are regularly monitored and reviewed.

### **Breaches of This Policy**

Any employee who breaches this policy may face disciplinary action, which may result in dismissal for misconduct or gross misconduct. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

### **Procedure for Making a Disclosure - Whistleblowing**

Should you become concerned that a fellow employee or a third party is facilitating tax evasion, you should immediately report the incident via your line manager, a business unit director or via the AFE Group Whistleblowing line which is managed via our corporate head office on a confidential basis

### **Protection**

Individuals who raise concerns or report another's wrongdoing are sometimes worried about 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.

Employees who have any questions about this code, and compliance with it, may initially contact the Group Chief Executive Officer.

**Tim Smith**  
**Chief Executive Officer**  
**AFE Group Ltd**