

TRAD GROUP POLICY
PREVENTION OF TAX EVASION POLICY

00	28-Jan-19	Transfer of company procedures into Group Policy
REV	DATE	STATUS / DESCRIPTION OF CHANGES

DOCUMENT NO.	TRAD-POL- 008
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STATEMENT

Introduction:

TRAD's Group CEO Des Moore and Company Heads are committed to the prevention of Tax Evasion and this Policy details how the Group prevents the facilitation of tax evasion (as required by the **Criminal Finances Act 2017**) and are fully supported by our parent company ALTRAD.

Note: This Group Policy is applicable to every company within the TRAD Group: TRAD Scaffolding Contractors, TRAD Hire & Sales Ltd, and TRAD Safety Systems Ltd and all companies will ensure full compliance.¹

TRAD are committed to acting professionally, fairly and with integrity in all our business details and relationships wherever we operate and to implementing and enforcing effective systems to counter tax evasion facilitation. Compliance in this area is monitored by the Senior Board members.

HMRC has set out six principles of developing reasonable procedures, which are as follows:

1. Carry out risk assessment;
2. Put in place reasonable prevention procedures proportionate to that level of risk;
3. Top level commitment;
4. Due diligence;
5. Communication, including training;
6. Continue to monitor and adapt.

General:

For the purposes of this policy:

- (a) Tax evasion means fraudulently evading tax, and is a criminal offence. The offence requires deliberate action, or omission with dishonest intent;
- (b) Tax evasion facilitation 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.

What you must do:

It is not acceptable for you (or someone acting on your behalf) to:

- (a) engage in any form of facilitating tax evasion;
- (b) aid, abet, counsel or procure the commission of a tax evasion offence by another person;
- (c) fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax, or any suspected fraudulent evasion of tax by another person, in accordance with this policy;
- (d) engage in any other activity that might lead to a breach of this policy; or
- (e) threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

Your responsibilities

- You must ensure that you read, understand and comply with this policy;

- The prevention, detection and reporting of tax are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy;
- You must notify the Group CEO by contacting the Group HR Director Ros Howe as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if an employee or supplier asks to be paid into an offshore bank account, without good reason, or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to applicable tax.

How to raise a concern

- You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage;
- If you become aware of any fraudulent evasion of tax by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, you must notify the Group CEO as soon as possible;
- The Group HR Director Ros Howe can be contacted by email on RosHowe@trad.co.uk and by phone on 020 8980 1155, who will pass it on to the Group CEO;
- If you are unsure about whether or not a particular act constitutes tax evasion, or foreign tax evasion, raise it with the Group CEO as soon as possible;
- You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion, or “turning a blind eye” to suspicious activity, could amount to criminal facilitation of tax evasion.

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

- (a) refusing to take part in, be concerned in or facilitate tax evasion or foreign tax evasion by another person;
- (b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- (c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place, or may take place in the future.

Training and communication

- Training on this policy will be provided as necessary. Such training may form part of wider financial crime detection and prevention training;
- Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

Breaches of this policy

- Any employee who breaches this policy will face disciplinary action, which could 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.

Examples

If you encounter any of these situations while working for us, you must report them promptly to the Group CEO (via Group HR Director Ros Howe):

- (a) 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;
- (b) 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;
- (c) 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;
- (d) you become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- (e) a supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme;
- (f) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (g) a third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly;
- (h) a third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- (i) you receive an invoice from a third party that appears to be non-standard or customised;
- (j) 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.

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Appendix A – Risk Assessment

TASK RISK ASSESSMENTS										
Hazard	Hazardous event	At risk	Initial Risk			Risk Control Measures	Residual risk			
			L	S	R		L	S	R	RR
Carrying out Financial transactions on behalf of the group	Tax evasion	Group	3	5	15	<ul style="list-style-type: none"> • TRAD are committed to acting professionally, fairly and with integrity in all our business details and relationships wherever we operate and to implementing and enforcing effective systems to counter tax evasion facilitation; • Compliance in this area is monitored by the Senior Board members; • TRAD have determined who will conduct the risk assessment and who will have oversight of the risk assessment process (and how the process is subject to proper internal interrogation). • Group Finance Director to carry out Risk Assessment (this Appendix A) and the Group CEO and Group Financial Consultant will maintain and oversight of the risk assessment process to ensure it is subject to proper internal interrogation; • TRAD's Group FD and his Group Financial Controller, Accountants and others will continually actively monitor the risks; • TRAD have identified all internal and external sources of information that enables TRAD to risk assess the process (and to continually risk assess the process), including identifying any gaps in information; • TRAD have assessed the risks presented by the profile and demographic of our customer/client base, the geographical areas in which we operate, the services in which we operate, the services and products we offer and the type of transactions we are involved in, including existing and future business partnerships and opportunities and the way in which our business operates; • TRAD have accurately and appropriately documented the risk assessment as part of a wider business assessment; • TRAD implement systems and controls to ensure our group wide risk assessment remains up to date (and will review this as a minimum annually but due to its importance will continually review emerging risks and revise the risk assessment in a timely manner); • TRAD will continually identify and implement such prevention procedures as reasonable and appropriate to the risks. 	1	5	5	Low
Carrying out Financial transactions on behalf of the group	Tax evasion (and prosecution for failure to comply with Criminal Finances Act 2017 (CFA 2017))	Group	3	5	15	<ul style="list-style-type: none"> • TRAD will carry out all required due diligence, including active monitoring; • Training on this policy will be provided as necessary (including training as part of a wider financial crime detection and prevention training); • TRAD will ensure that employees where required are informed of the risk of tax evasion (including via communication of this Group Policy); • TRAD will ensure all required control measures are communicated to staff (including TRAD Directors, Managers and Supervisors, as well as the finance team and others who are involved in the process); • Our zero-tolerance approach to tax evasion and foreign tax evasion will be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that; • TRAD will continually identify and implement such prevention procedures as reasonable and appropriate to the risks and as part of the overview of the strategy will ensure there is a timeframe to implement new prevention procedures; • TRAD will continue to consider how best we can communicate our policies to all associated persons. 	1	5	5	Low

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TASK RISK ASSESSMENTS										
Hazard	Hazardous event	At risk	Initial Risk			Risk Control Measures	Residual risk			
			L	S	R		L	S	R	RR
Carrying out Financial transactions on behalf of the group	Failure to inform authorities	Group	3	5	15	<ul style="list-style-type: none"> TRAD will ensure that a whistle blowing process in place (via the Group HR Director); TRAD ensure there is a clear pathway for reporting wrongdoings by employees and agents (via the Group HR Director); Where required by the risk, TRAD have introduced contractual terms and conditions for employees and agents requiring them not to engage in facilitating tax evasion and to report any concerns immediately; TRAD have existing policies around reporting criminal actions by employees and agents; TRAD have made provision for disciplinary and enforcement action taken against those persons breaching our policies; TRAD's existing procedures require the disclosure of client information in line with existing legal requirements, such as for example reporting under the common reporting standard and the Proceeds of Crime Act 2002; The prevention, detection and reporting of tax are the responsibility of all those working for us or under our control; You are required to avoid any activity that might lead to, or suggest, a breach of this policy; You must notify the Group CEO by contacting the Group HR Director Ros Howe as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. 	1	5	5	Low

LIKELIHOOD (L) = Frequent (5) - Probable (4) - Occasional (3) - Improbable (2) - Remote (1)
 SEVERITY (S) = Catastrophic (5) - Major (4) - Reportable (3) - Serious (2) - Minor (1) DEGREE OF RISK (DR) = LIKELIHOOD x SEVERITY

Note for RAMS writer: if residual risk (AFTER control measures have been written) is higher than 12 then the work MUST NOT go ahead and alternative control measures must be put in place to reduce the risk.

Prepared by Group Finance Director *James Fassenfelt* Date as front page

Risk Assessment Matrix

	5	4	3	2	1
5	25	20	15	10	5
4	20	16	12	8	4
3	15	12	9	6	3
2	10	8	6	4	2
1	5	4	3	2	1

Low 1-6 Medium 8-12 High 15-25



Declaration

The TRAD Group is fully committed to ensuring compliance both with the letter and spirit of the principles of this Policy. For that reason, the directors named below have been appointed with the responsibility and authority to oversee and drive compliance. The policy will be reviewed annually and the Policy will be disseminated throughout the Group as required.

For and on behalf of the TRAD Group

Des Moore, TRAD Group CEO

Dated: as front page

John Paterson, TRAD Hire & Sales, Managing Director

Dated: as front page

Jim Gorman, TRAD Safety Systems, Managing Director

Dated: as front page

Neil Garner, TRAD Scaffolding Contractors, Managing Director¹

Dated: as front page

¹ Please note that TRAD Scaffolding Contractors is a brand name for TRAD Scaffolding Co Limited.