



# ANTI-FACILITATION OF TAX EVASION POLICY

# Contents

INTRO .....	2
To whom does this policy apply?.....	2
What does this policy do? .....	2
What you must do .....	2
Who is responsible for the policy? .....	3
POLICY STATEMENT – PROHIBITION ON THE FACILITATION OF TAX EVASION .....	3
What is tax evasion facilitation? .....	4
Your responsibilities.....	4
WHAT YOU MUST NOT DO .....	5
POTENTIAL RISK SCENARIOS.....	5
HOW TO RAISE A CONCERN.....	6
PROTECTION.....	7
TRAINING AND COMMUNICATION.....	7
BREACHES OF THIS POLICY .....	7
ASKING QUESTIONS AND SEEKING GUIDANCE .....	8

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 1 of 8

# INTRO

## To whom does this policy apply?

- This policy applies to Nichols plc and its subsidiaries ("**Nichols**" or the "**Company**");
- All individuals working for Nichols, including directors, officers, employees (including interns and seconded employees), and independent contractors ("**Nichols Personnel**");
- Nichols' business partners may be required to comply with this policy under the terms of engagement between them and Nichols. "**Business Partner**" means any person (other than Nichols or Nichols Personnel) providing goods or performing services for or on behalf of Nichols and acting in such capacity, such as agents, suppliers, co-packing partners, licensee partners, consultants, advisers, distributors, resellers, vendors, joint venture partners, contractors and subcontractors.
- Where a Business Partner is required to comply with this policy, references to Nichols Personnel shall be amended to Business Partner as the context requires, and obligations and requirements on Nichols Personnel below shall apply equally to Business Partners where relevant.

## What does this policy do?

- This policy demonstrates Nichols' zero-tolerance approach to the facilitation of tax evasion and its commitment to upholding all laws relevant to countering tax evasion, including the UK Criminal Finances Act 2017, which creates a specific criminal offence of failing to prevent the facilitation of tax evasion.
- It provides Nichols Personnel with guidance on how to comply with anti-facilitation of tax evasion laws.
- It sets out standards of conduct for Nichols and Nichols Personnel to detect, prevent and respond to facilitation of tax evasion risks.

## What you must do

- Nichols Personnel must read, understand and comply with this Policy.
- Nichols Personnel must report known or suspected violations of this Policy to the Legal Director.
- Those with managerial responsibility for others must ensure that their team are familiar with and comply with this Policy.
- Nichols Personnel must tell the Legal Director immediately if they:
  - become aware that any person is seeking to use the Company in order to evade tax;

Owner:	Legal Team	Last Updated:	S Caddy, Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 2 of 8

- are asked to facilitate another person's evasion of tax; and/or
- suspect that another is or may be engaging in the evasion of tax or facilitating the evasion of tax;
- If Nichols Personnel are unsure whether a particular act may constitute tax evasion or the facilitation of tax evasion, they should raise such queries with their line manager or the Legal Director.

## Who is responsible for the policy?

- The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- The Legal Director has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and managing the audit of internal control systems and procedures to ensure they are effective in countering the facilitation of tax evasion.
- Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.
- You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Legal Director.

[Back to contents](#)

# POLICY STATEMENT – PROHIBITION ON THE FACILITATION OF TAX EVASION

Nichols prohibits the facilitation of tax evasion in all forms. We take a zero-tolerance approach to the facilitation of tax evasion and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter the facilitation of tax evasion.

All Nichols entities and Nichols Personnel must uphold all laws relevant to countering facilitation of tax evasion in all the jurisdictions in which we operate. A failure to do so may place both our reputation and business success in serious jeopardy and may subject Nichols and any Nichols Personnel concerned to serious criminal and civil liabilities, including unlimited fines and imprisonment for individuals.

We are bound by UK laws, including the Criminal Finances Act 2017, in respect of our conduct both at home and abroad.

Owner:	Legal Team	Last Updated:	S Caddy, Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 3 of 8

## What is tax evasion facilitation?

**"Tax evasion"** is the offence of cheating the public revenue or fraudulently evading tax, and is a criminal offence in most jurisdictions. The offence requires an element of fraud, which means there must be a deliberate action, or omission with dishonest intent;

**"Foreign tax evasion"** is referred to explicitly in the UK Criminal Finances Act 2017 as meaning evading tax in a non-UK country, provided that the conduct is an offence in that country and would be a criminal offence if committed in the UK. The offence requires an element of fraud, which means there must be a deliberate action, or omission with dishonest intent;

**"Tax evasion facilitation"** means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) 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.

Under the Criminal Finances Act 2017, where the tax evasion is facilitated by Nichols Personnel or any person associated with Nichols that provides services for or on its behalf, such as Business Partners, a separate corporate criminal offence is automatically committed by Nichols. The person facilitating the tax evasion must do so deliberately and dishonestly in order for the offence to be committed. If the person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence is not committed.

Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

In this policy, all references to tax include, but are not limited to, corporation tax, income tax, value added tax, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation (however described).

## Your responsibilities

The prevention, detection and reporting of tax evasion are the responsibility of all Nichols Personnel. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the Legal Director immediately if you believe or suspect that a violation of this policy has occurred or may occur in the future.

[Back to contents](#)

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 4 of 8

## WHAT YOU MUST NOT DO

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

- a) engage in or be concerned with 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 in accordance with this Policy any request or demand from any Third Party to facilitate the fraudulent evasion of tax, or any suspected fraudulent evasion of tax by any Third Party;
- 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 who has raised concerns under this Policy.

**"Third Party"** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential customers, business contacts, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

[Back to contents](#)

## POTENTIAL RISK SCENARIOS

The following is a list of possible concerns that may arise which may raise concerns related to tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these concerns while working for us, you must report them promptly to the Legal Director or use the procedure set out in the [Whistleblowing Policy](#):

- 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, the tax authorities; 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 Business Partner 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 Business Partner working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 5 of 8

- e) a Business Partner requests that payment is made to a country or geographic location different from where the Business Partner resides or conducts business;
- f) a Third Party to whom Nichols has provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly;
- g) a Third Party to whom Nichols has 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;
- h) you receive an invoice from a Business Partner that appears to be non-standard or customised;
- i) a Business Partner 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;
- j) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- k) a Business Partner requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

Nichols Personnel in higher risk functions should take particular care, such as:

- a) accounts payable / receivables, due to their close proximity to the payment process;
- b) HR and Payroll, due to their role in the determination of employment status and the operation of PAYE withholding; and
- c) staff responsible for negotiating arrangements with suppliers.

Enhanced consideration to tax evasion risks should be given when transacting with certain higher risk countries, including those identified by the Financial Action Task Force from time to time, including, for example, **Anguilla, Democratic People's Republic of Korea; Iran; the Bahamas; Barbados; Botswana; British Virgin Islands, Cambodia; Costa Rica, Ghana; Jamaica; Marshall Islands, Mauritius; Myanmar; Nicaragua; Pakistan; Panama; Russia; Syria; Turks and Caicos Islands; Uganda; Yemen and Zimbabwe.**

[Back to contents](#)

## HOW TO RAISE A CONCERN

You must raise concerns about any issue or suspicion of tax evasion immediately.

If you become aware of any fraudulent evasion of tax by another person anywhere in the world in the course of your work, or you are asked to assist another person in any conduct that you consider may constitute 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 report it to your line manager or the Legal Director.

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 6 of 8

Please refer to our [Whistleblowing Policy](#).

If you are unsure about whether a particular act constitutes tax evasion, confer with your line manager or the Legal Director.

[Back to contents](#)

## 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.

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 by another person;
- b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence by another person; or
- c) 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 such treatment, you should inform your line manager immediately. If the matter is not remedied, and you are Nichols Personnel, you should raise it formally with the Legal Director.

[Back to contents](#)

## TRAINING AND COMMUNICATION

Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

Our zero-tolerance approach to the facilitation of tax evasion must be communicated to all Business Partners at the outset of our business relationship with them and as appropriate thereafter.

[Back to contents](#)

## BREACHES OF THIS POLICY

Any Nichols Personnel who breaches this policy will face [disciplinary action](#), which could result in dismissal for misconduct or gross misconduct.

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 7 of 8





In addition, relevant enforcement agencies may hold such Nichols Personnel liable in their personal capacity for violating anti-facilitation of tax evasion laws. In certain cases, individuals may face significant fines, penalties, and/or imprisonment.

We may terminate our relationship with Business Partners and Third Parties and organisations working on our behalf, if they breach this policy or any anti-facilitation of tax laws.

[Back to contents](#)

## ASKING QUESTIONS AND SEEKING GUIDANCE

If you have any questions in relation to this policy or require guidance on whether a proposed course of action may be in breach of it, contact the Legal Director.

[Back to contents](#)

Owner:	Legal Team	Last Updated:	S Caddy. Nichols Legal (24/07/23)	
Approved by:	Nichols Legal and Nichols Board (24/07/23)	Version No:	1.1	Page 8 of 8