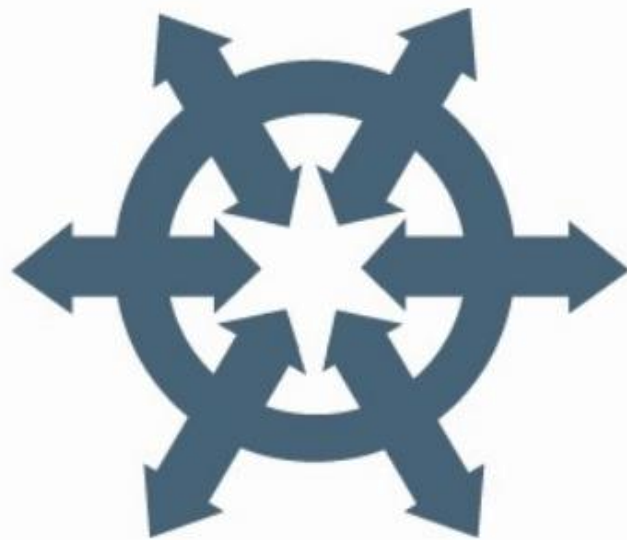


# FORTH PORTS LIMITED

## CRIMINAL FACILITATION OF TAX EVASION POLICY



**ISSUE 1**  
October 2023

**PREPARED BY**  
Tax Department

**NEXT SCHEDULED REVIEW**  
October 2025

Forth Ports Limited and its subsidiaries ("the Group") is committed to the prevention, deterrence and detection of criminal facilitation of tax evasion. This document sets out the Group's policy for preventing the criminal facilitation of tax evasion and the standards and procedures required to ensure compliance with the policy.

This policy has been approved and endorsed by the Executive Board of Directors of Forth Ports Limited.

This policy supplements existing employee policies and all employees are expected to be familiar with this and all other employee policies.

The Responsible Officer for the purposes of this policy is the Chief Financial Officer.

1. Criminal Finance Act 2017 (CFA 2017)

Part 3 of the CFA 2017, introduces a new corporate criminal offence of failure to prevent the facilitation of tax evasion. This is applicable to the Group and applies to situations where the Group fails to prevent Associated Persons from assisting in the evasion of tax by another party.

'Associated Persons' includes the Group's officers, employees, workers, agents, sub-contractors or other people or organisations that provide services for or on the Group's behalf.

This means that Group employees do not have to have deliberately or dishonestly facilitated tax evasion themselves; the fact that the Associated Person has done so creates an offence for the Group.

It is of course, in any case, a criminal offence for anyone to evade paying tax of any kind, and for helping someone to do so. Any individual found to be guilty of this could be subject to individual criminal proceedings under existing legislation.

However, under the CFA 2017 in the event of there being both:

- Criminal tax evasion by either a UK or overseas taxpayer (as an individual or an entity) under existing law; and
- Criminal Facilitation of this offence by an Associated Person of the Group

The Group will automatically be charged with the offence of failing to prevent its representatives from committing the criminal act of facilitation unless it can demonstrate that it had reasonable procedures in place to prevent that facilitation.

The Group, if found guilty, could face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation.

Examples of situations where Associated Persons could be considered to be assisting 3rd parties to commit criminal tax evasion can be found in Annex 1 attached to this document.

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

Tax means all forms of UK taxation, including but not limited to corporation tax, income tax,

value added tax, stamp duty, stamp duty land tax, land and buildings transaction tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation e.g. business rates.

In this policy the third parties that either Group employees or Associated Persons come into contact with during the course of their work includes (but is not limited to) actual and potential customers, suppliers, distributors, business contacts, agents, advisers, government/other public bodies and their advisers/representatives, politicians and political parties.

## 2. Obligation of Staff and Associated Persons

Staff and Associated Persons are reminded that they are required at all times to abide by the Group's policies and procedures. Failure to comply with these policies, and the obligations detailed in this policy, is likely to result in disciplinary action for staff and the termination of contracts with Associated Persons. Should staff and Associated Persons become concerned that a fellow employee or Associated Person is facilitating a third party's tax evasion, they should immediately contact the Group Projects & Tax Manager.

Members of staff may also raise concerns under the Group's separate Whistleblowing Policy.

## 3. Responsible Officer

The Group has nominated a key officer responsible for CFA 2017 within our organisation - the key officer for CFA 2017 is:

Carole Cran, Chief Financial Officer

Any information, training and general queries on this Act, or any concerns about the facilitation of tax evasion should be directed to Lynsey Yeoman, Group Projects & Tax Manager ([lynsey.yeoman@forthports.co.uk](mailto:lynsey.yeoman@forthports.co.uk)).

## 4. Risk assessment

The Group has undertaken a review of its risks and associated processes and procedures to ensure that all appropriate steps are taken to prevent facilitation of tax evasion. A register of possible risks of the facilitation of tax evasion by its staff and Associated Persons is maintained which also lists controls in place to mitigate those risks, and any ongoing actions required to improve those controls. This register will be regularly reviewed and updated.

Should you perceive there to be an area of risk in this regard, please advise the Group Projects & Tax Manager.

## 5. Reporting Suspected Non-Compliance

It is important that any breaches or potential breaches of this policy are promptly reported. If an employee becomes aware of any such matter they must report it to either their Line Manager or, if an employee feels unable to tell their immediate superior, the Group Projects & Tax Manager.

Any such report must be made in good faith and will be dealt with under the Whistleblowing Policy.

6. Non-Compliance

Violation or non-compliance with this policy by an employee may constitute gross misconduct and will be dealt with in accordance with the Disciplinary Procedure and may result in termination of employment.

Other relevant policies and documents:-

Disciplinary Procedure

Whistleblowing Policy

Whistleblowing Policy Third Parties

Business Ethics and Conduct Policy

**Annex 1 – Examples of Aiding and abetting Criminal Tax Evasion:**

1. A member of the finance teams agrees to pay funds to the bank account of a supplier in a tax haven in the knowledge that the income is not being declared for tax purposes.
2. A person agrees to mis-describe the nature of goods or services supplied on an invoice without altering the amount to allow a customer to obtain a more favourable tax treatment (e.g. a lower rate of sales tax or a revenue deduction rather than a capital treatment for tax purposes).
3. Being asked and agreeing to send a bill to a different party than the party the work was done for (e.g. to a Company rather than a director, a non-UK affiliate rather than the UK client) or to the wrong address (e.g. to an offshore address).
4. Helping another employee or 3<sup>rd</sup> party claim an expense rather than another type of payment which would be subject to tax e.g. a manager allows an employee to claim home to work mileage in the knowledge it is being described as a fictitious work-related journey to enable them to be paid for mileage without it being treated as taxable remuneration.
5. An associated organisation asks us to recover VAT on a service that has been supplied to them.
6. A staff member colludes with a customer to disguise the source of goods or a commodity type in order to the reduce level of duties paid when a customer imports goods.
7. An employee becomes aware that someone working for us as an employee asks to be treated as self-employed contractor but without any material changes to their working conditions.
8. A sub-contractor requests to be paid without deduction of tax under the Construction Industry Scheme (CIS) but a Group employee knows they should be paid net of tax under the rules of the scheme.

Tax evasion is implicit in all of these examples and the relevant party runs the risk of being charged with a criminal offence unless there are proper policies and procedures in place and it can be evidenced that those are being complied with.