

Contents

APPENDIX K: TAX EVASION PREVENTION POLICY ..... 2

    Policy for the Prevention of Tax Evasion..... 2

        About This Policy..... 2

        Responsibility for the Policy..... 2

        Who Must Comply With This Policy? ..... 2

        What is Tax Evasion and Tax Avoidance?..... 2

        Tax Efficiency ..... 3

        What Must Associated Persons Not Do? ..... 3

        Responsibilities of Associated Persons ..... 3

        Record-Keeping..... 3

        How to Raise a Concern ..... 4

# APPENDIX K: TAX EVASION PREVENTION POLICY

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## Policy for the Prevention of Tax Evasion

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### About This Policy

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It is the Firm's policy to conduct all of its business in an honest and ethical manner. The Firm takes a zero-tolerance approach to tax evasion, and to the facilitation of tax evasion, by any of its staff, clients, ARs underlying investors of the funds it manages or associated persons. The Firm is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and implementing and enforcing effective systems to counter tax evasion facilitation.

If the Firm fails to prevent its staff members, ARs, workers, agents or service providers facilitating tax evasion, the Firm can face criminal sanctions including an unlimited fine, as well as exclusion from tendering from certain contracts and damage to its reputation. The Firm therefore takes its legal responsibilities seriously.

Any staff member who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-staff member or AR, who breaches this policy may have their approval withdrawn (where applicable) or contract terminated with immediate effect.

This policy may be amended at any time. It will be reviewed at least annually and approved each time by the Firm's partners.

### Responsibility for the Policy

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The partners of the Firm are responsible for ensuring this policy complies with its legal, regulatory and ethical obligations and that those under its control comply with it.

The MLRO and the Compliance Officer have day-to-day responsibility for implementing the policy, answering queries about it, and checking its use and effectiveness through monitoring.

### Who Must Comply With This Policy?

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This policy applies to all persons working for the Firm or on the Firm's behalf in any capacity – known as associated persons in this policy – including staff members at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives, ARs, and business partners.

### What is Tax Evasion and Tax Avoidance?

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Tax evasion refers to the illegal non-payment or underpayment of tax.

Failure to prevent facilitation of UK tax evasion covers any offence of cheating the public revenue and any other fraudulent evasion of tax, thereby including duty and VAT fraud.

Failure to prevent facilitation of foreign tax evasion captures conduct that:

- Amounts to an offence under foreign law.
- Relates to a breach of duty relating to tax imposed under the law of that country.
- Would be regarded by the courts of any part of the UK as amounting to being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of that tax.

Facilitation offences include aiding, abetting and inchoate offences (e.g. incitement).

Tax avoidance is seeking to minimise a tax bill without deliberate deception (which would be tax evasion) by exploiting loopholes and gaps in tax and other legislation in ways not anticipated by the Law. Therefore it is seen as conduct not in the spirit in which the Law is written.

Tax avoiders face uncertainty when pursuing these activities because the schemes are normally based on interpretation of relevant legislation, including the intended meaning of the legislation. Legislation also changes frequently, so what was once possible may no longer be possible under amended/new legislation, which often seeks to close loopholes.

As an ethical organisation endeavouring to operate at the highest standards of professionalism and integrity, the Firm does not condone schemes or actions that are characteristic of tax avoidance.

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## Tax Efficiency

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This policy is not intended to, and does not, prohibit compliant tax efficient planning/structures that comply with both the rule and spirit of legislation, and seek to pay the right amount of tax in the right place at the right time. In other words, the substance of economic activities tallies with the place and form in which they are reported for tax purposes.

Tax efficiency seeks to pay the tax due but no more.

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## What Must Associated Persons Not Do?

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It is not acceptable for an associated person (or someone on their behalf) to:

- Engage in any form of conduct that facilitates tax evasion or foreign tax evasion.
- Aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person.
- Fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy.
- Engage in any other activity that might lead to a breach of this policy.
- 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.

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## Responsibilities of Associated Persons

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Associated Persons must ensure that they read, understand and comply with this policy.

Associated Persons are required to avoid any activity that might lead to, or suggest, a breach of this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for, or associated with, the Firm or under the Firm's control, including ARs.

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## Record-Keeping

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Associated persons must follow the relevant procedures contained in the Manual at all times. Where an associated person does not feel sufficiently confident to do so they must speak to the MLRO/Compliance Officer without delay.

All relevant records (e.g. accounts, invoices, due diligence on individuals and entities, including third parties) should be prepared with strict accuracy and completeness and in accordance with relevant

regulatory and legislative standards, and retained in shared files, in the correct file format for the required period of time.

No records should be kept 'off-book' unless there is an explicit instruction in the Manual to do so (e.g. a SAR).

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## How to Raise a Concern

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The Firm's whistleblowing, suspicious activity report (SAR) and suspicious transaction and order report (STOR) policies and procedures in the Manual should be used to highlight concerns to senior management and/or other relevant external authorities, where appropriate. Therefore, associated persons should ensure they are familiar with these policies and should request copies of them where required.

Individuals who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. The Firm encourages openness, honesty and transparency and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.