



Policy Procedure - In respect of the Corporate Criminal Offences

As a general matter, please note that Fowler and Holden takes very seriously its obligations in respect of the Corporate Criminal Offences (“CCO”) of failing to prevent those acting on its behalf from the criminal facilitation of tax evasion under the Criminal Finance Act 2017 (the “Act”).

We recognise that the Act introduced two new criminal offences and that the CCO rules apply if Fowler and Holden fails to prevent its 'associated persons' (broadly, anyone acting for or on behalf of Fowler and Holden) from facilitating either UK or overseas tax evasion. Put simply, tax evasion is the use of illegal means to evade paying taxes: examples include failing to file a tax return when required to do so by law, not declaring a company's full income for tax purposes, or hiding taxable assets.

The only defence Fowler and Holden would have under the CCO rules is that it had reasonable prevention procedures in place to stop the facilitation of tax evasion from taking place. Fowler and Holden consequently follows the HMRC guidance regarding what could constitute “reasonable prevention procedures”, specifically seeking to operate in accordance with the six guiding principles set out by the HMRC, as described in more detail below (the “HMRC Guiding Principles”). In pursuing this goal, Fowler and Holden requires input from individuals involved in operations, finance, tax, legal, risk and compliance. The directors as a team take ownership of CCO risk management.

Fowler and Holden seeks to operationalise the HMRC Guiding Principles as follows:

(1) RISK ASSESSMENT

Fowler and Holden follows a carefully evaluated risk assessment approach taking into account those transactional points that might be regarded as tax evasion. Fowler and Holden limits in particular relevant transactions which are dealt with by only one staff member. For example, the directors as a team are typically involved in overseeing matters that could give rise to tax evasion.

(2) TOP-LEVEL COMMITMENT

Management seeks to foster a culture where tax evasion is unacceptable. Clear instructions are given to relevant staff stressing the need to be alert to the risks and prioritise prevention

procedures across all applicable regulatory obligations, including those relating to tax evasion.

(3) PROPORTIONALITY OF PROCEDURES

Fowler and Holden also takes into account the HMRC guidance regarding “proportionality of procedures”, noting that Fowler and Holden is a small company operating only in the UK with relatively limited exposure to tax evasion risk, with a small team of individual responsible for tax matters. The directors review management accounts on a monthly basis, evaluate VAT obligations and ensure that qualified external accountants are engaged in every aspect of financial review and compliance relating to tax matters.

(4) TRAINING AND COMMUNICATION

Fowler and Holden communicates its policies to applicable staff on the importance of preventing tax evasion and detecting financial crime generally.

(5) MONITORING AND REVIEW

The directors meet on a monthly basis to review and monitor all legal and compliance matters relating to Fowler and Holden’s operations, including in respect of tax evasion and compliance with the Act.

(6) DUE DILIGENCE

Fowler and Holden notes that where relevant in conducting due diligence on third parties, it will consider whether matters relating to tax evasion should form part of the diligence process.



Eric Kolodner

Director