

# PUNCH

*Inspiring those moments*

## Anti-Tax Evasion Policy

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## Policy Statement

It is Punch's policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to facilitating tax evasion, whether under UK law or under the law of any foreign country.

Punch are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate; and to implementing and enforcing effective systems to counter tax evasion facilitation.

Punch Team Members, joint venture partners, temporary workers, contractors, and sub-contractors of Punch must not undertake any transactions which:

- (a) cause Punch to commit a tax evasion offence; or
- (b) facilitate a tax evasion offence by a third party who is not an associate Punch.

Punch 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 tax evasion facilitation.

## Purpose of this policy

The purpose of this policy is to set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion; and provide information and guidance to those working for us on how to recognise and avoid tax evasion.

As an employer, if we fail to prevent our Punch team members, joint venture partners, agents, or service providers facilitating tax evasion, we can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation. We therefore take our legal responsibilities seriously.

We have identified that the following are particular risks for our business:

- customers/clients who may be non-residents; and
- our use of agents.

To address these risks, our management ensures that any identified risks and procedures to mitigate against the same are communicated down the business chain and to relevant third parties to ensure that they are embedded and understood. Additionally, our management require our Punch team members, joint venture partners, those in our business chain and other relevant third parties to review, understand this and other relevant policies.

In this policy, third party means any individual or organisation with whom you come into contact during the course of your work for us, and includes actual and potential Publicans and Management Partners, suppliers, distributors, business contacts, agents, and advisers.

## Who must comply with this policy?

This policy applies to all persons working for Punch, including Punch team members at all levels, including but not limited to joint venture partners, agency workers, seconded workers, volunteers, interns, contractors, external consultants, third-party representatives and business partners, sponsors or any other person associated with us, wherever located.

## Who is responsible for this policy?

The Exec Board has overall responsibility for ensuring that this policy complies with our legal obligations, and Punch team members and associates comply with it.

This policy is adopted by Punch, it may be varied or withdrawn at any time, in the Punch's absolute discretion. Punch team members in leadership positions are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

## What is tax evasion?

For the purposes of this policy **tax evasion** means the offence of cheating the public revenue or fraudulently evading UK tax and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent;

**Foreign tax evasion** means evading tax in a foreign country, provided that that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent; and

**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, a separate criminal offence is automatically committed by a corporate entity or partnership (i.e. Punch) where the tax evasion is facilitated by a person working for or on behalf of Punch.

For the offence to be committed the person working for or on behalf of Punch must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If they accidentally, ignorantly, or negligently facilitate the tax evasion, then the corporate offence will not have been committed.

Punch (as a corporate entity) does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the person working for or on behalf of Punch has done so creates the liability for the company.

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 national insurance contributions (and their equivalents in any non-UK jurisdiction).

## What must you not do?

It is not acceptable for you to:

- ✘ engage in any form of facilitating 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; or
- ✘ 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.

## How to raise a concern

Punch maintains a policy of "stand up, speak up" in relation to any concerns. Punch Team members are encouraged to raise concerns about any issue or suspicion of Tax Evasion or Foreign Tax Evasion as soon as possible.

If there is any suspicion of any intention anyone is attempting to, or committing Tax Evasion or Foreign Tax Evasion, the details of the parties and the transaction must be reported to the Punch's tax department who will report the circumstances to HMRC.

Any queries or suspicions should be directed to the following:

- Paul Measures – Head of Tax
- Ed Bashforth – Company Secretary
- Steve Dando – Chief Finance Officer
- Via Punch's Whistleblowing procedures

## Breaches of this policy

Any Punch team member 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.

## Potential risk scenarios: 'red flags'

The following is a list of possible red flags that may arise while you work for us, and which may raise concerns related to tax evasion or foreign tax evasion.

The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to your line manager or someone listed on page 6 of this policy.

- 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;
- 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;
- 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;
- you become aware, in the course of your work, that a third party working for us as a Punch Team Member asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- a supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme;
- a third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 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;
- 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;
- you receive an invoice from a third party that appears to be non-standard or customised;
- 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;
- 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;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor, or supplier that is not typically used by or known to us.

- Suggested (Steve D to authorise) you suspect a publican or MP is deliberately avoiding tax liabilities with frequent or unexplained changes to limited company and/or company director identity.

## Associated Documents & Policies

This policy is intended to give an outline on Punch's stance on anti-tax evasion. It is not exhaustive and, in some sections, will refer to other policies which are more detailed and informative. Therefore, Punch team members should also make themselves familiar with the below listed documents which can be found on the intranet:

- Ethics & Code of Conduct Policy
- Expenses Policy
- Hospitality & Gifts Policy
- Whistle Blowing Policy
- Anti-Bribery Policy

## Version Control

Version Number	Author	Purpose/Change	Date
1-0	Donna Gracey	Final Version approved by Exec Board	June 18
1.1	Kirsty North	Update who reviews and controls the policy	Aug 25
1.2	Kirsty North	Update of potential risks	Mar 26