

Anti-Facilitation



POLICY NUMBER:	28 CORE CONFIDENTIAL	VERSION:	/259322.3
EFFECTIVE DATE:	7 May 2018	REVISION DATES:	19 th June 2018 11 February 2020

POLICY STATEMENT

Vistra values its reputation for ethical behaviour and financial integrity and is committed to conducting its business fairly, honestly and in accordance with all applicable laws and regulations.

Tax evasion is a global problem for all jurisdictions with taxpayers being able to invest and deposit assets around the world and not just in their country of residence. Vast amounts of money have the potential to be untaxed and cause harm to local economies by individuals or entities failing to declare their true taxable assets to the local authorities.

Vistra has a zero-tolerance approach to tax evasion in all its forms and we will not tolerate the facilitation of tax evasion in our dealings. It is illegal and also harmful for business. Any involvement with the facilitation of tax evasion by any employee, agent or other person or body acting for or on behalf of Vistra or its clients reflects adversely on our image and reputation and undermines the confidence of our customers and other business partners in us.

The purpose of this policy is to enable all Vistra employees to:

- understand Vistra's stance against tax evasion and its facilitation;
- determine what their responsibilities are when relevant positive indicators of tax evasion are identified; and
- understand what action might result if there is a failure to uphold the requirements of this policy.

The prevention, detection and reporting of the facilitation of tax evasion is the responsibility of all employees throughout the Company.

Suitable channels of communication by which employees or others can report any suspicion of a facilitation offence by any associated person of Vistra confidentially and without fear of retribution, are set out in the Whistleblowing Policy.

For any queries regarding whether an action may constitute a facilitation offence, please contact the Chief Compliance Officer.

AUTHORITY

All laws, regulations and other rules and government policies that prohibit the evasion of taxes and the facilitation of such offences in all the jurisdictions in which Vistra and its clients operate.

APPLICATION

This policy applies to all Vistra offices.

This policy also applies to all persons providing services for or on behalf of us and our subsidiary companies in any capacity, including employees wherever located. Such persons include, but are not limited to, suppliers, contractors and business partners.

The Managing Director is ultimately responsible for the implementation of this Policy in local offices.

CUSTODIAN

The custodian of this policy is the Board.

The Board issued a statement in 2018 setting out its firm stance of zero tolerance for any actions that may facilitate the evasion of tax globally. This statement is maintained annually and published on our website and available for Vistra staff to read [here](#).

The Board is supported by all Managing Directors of Vistra in implementing this policy.

The Chief Compliance Officer is responsible for the administration and revision of this policy. This policy will be reviewed annually and appropriate changes will be made as required.

Staff 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 Chief Compliance Officer.

DEFINITIONS

Where the context admits words and phrases used in this document shall bear the same meaning as in the **Vistra Glossary of Terms** or be interpreted as follows:

Tax Evasion	<p>The term tax evasion covers a wide variety of illegal actions including any fraudulent activity that intends to divert funds from the public revenue, which constitutes the common law offence of cheating the public revenue. There are also a range of statutory offences of “fraudulently evading” various taxes.</p> <p>For completeness, the range of offences includes that of dishonestly acting to “take steps with a view to” or “be knowingly concerned in” the evasion of the tax.</p>
Facilitation Offence	<p>The facilitation of tax evasion means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax by another person, or aiding, abetting, counselling or procuring the commission of that offence.</p> <p>As the facilitation of tax evasion is also a criminal offence in a number of jurisdictions in which Vistra operates, the deliberate and dishonest actions of associated persons amounting to facilitation may result in liability arising for the individual as well as the Company, even if the board or officers of the Company had no knowledge of the offence.</p>

BACKGROUND

- 1.1 Vistra is mindful that there are various legal and regulatory sources criminalising Tax Evasion. The United Kingdom’s Criminal Finances Act 2017 (CFA) is particularly noteworthy as requires companies to have reasonable procedures to prevent the facilitation of tax evasion, within the UK and internationally, by parties providing services for or on its behalf. If it is found that a party which provides services to Vistra - while acting in that capacity - has facilitated the evasion of tax, there is a risk that Vistra may be found criminally liable for that facilitation offence.
- 1.2 The CFA introduced a corporate offence of failure to prevent the criminal facilitation of tax evasion. The offence has three ingredients, all of which must exist for criminal liability to arise:
 - 1.1.1 criminal tax evasion by a taxpayer, e.g. by a client or supplier of Vistra;
 - 1.1.2 criminal facilitation of that tax evasion by a Vistra employee, agent or any other person performing services for or on our behalf; and
 - 1.1.3 failure by Vistra to prevent its employees, agents etc. from committing the criminal facilitation.
- 1.3 This corporate offence can be committed regardless of whether the tax evaded is owed in the UK or in a foreign country and can occur in both the public and private sectors.
- 1.4 Vistra may face significant financial penalties if a facilitation offence takes place involving its associated persons, alongside reputational damage and possible ancillary orders.
- 1.5 There is only one relevant defence to the corporate offence of failure to prevent the criminal facilitation of tax evasion: when the tax evasion facilitation offence was committed, Vistra had reasonable prevention procedures in place. This policy is a core pillar of those prevention procedures.

POLICY

2. Policy Statement

- 2.1 It is Vistra’s policy to conduct business in an honest, transparent and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion anywhere in the world. We are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships wherever we operate. We implement, enforce and monitor effective systems and controls to counter and prevent the facilitation of tax evasion.
- 2.2 If you have any questions about this policy or your responsibilities under it, please contact the Chief Compliance Officer.

3. Employees’ responsibilities

- 3.1 It is not acceptable for any employee or third party associated person to:
 - 3.1.1 engage in any form of facilitation of tax evasion;
 - 3.1.2 aid, abet, counsel or procure the commission of a tax evasion offence by another person;

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Classification: Internal

- 3.1.3 fail to promptly report any request or demand from any party to facilitate the fraudulent evasion of tax, or any suspected fraudulent evasion of tax by another person, in accordance with this policy; or
- 3.1.4 Threaten or retaliate against another individual who has refused to commit a domestic or foreign tax evasion offence, or who has raised concerns under this policy.

3.2 Vistra employees must ensure that they read, understand and comply with this policy. The prevention detection and reporting of tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to or suggest a breach of this policy.

- 3.3 Employees should familiarise themselves with the possible 'red flags' that may arise during their employment which may raise concerns related to tax evasion. A non-exhaustive list of possible 'red flags' appears in the Appendix to this Policy.
- 3.4 Employees must notify their Managing Director, MLRO or the Chief Compliance Officer as may be appropriate and as soon as possible if they believe or suspect that a breach of this policy has occurred or may occur in the future. The company's whistleblowing hotline may be utilised during the reporting process as per the Vistra's [Whistleblowing Policy](#).
- 3.5 If employees have any suspicions of Tax Evasion they must deal with these in accordance with local money laundering / suspicious activity reporting requirements.

4. Management responsibilities

4.1 Managing Director

Responsible for establishing and maintaining a sound and appropriate system of internal control within their local office that properly supports the achievement of Vistra's policies, aims and objectives. The system of internal control is an ongoing process intended to identify the principal risks to Vistra, evaluate the nature and extent of those risks and to manage them effectively.

Responsible to ensure that the Group Legal Department is promptly notified of any matter relating to tax evasion or its facilitation to ensure a reasonable response is applied to any concern, including, but not limited to, self-reporting to the relevant tax authority by the Chief Compliance Officer or local MLRO.

4.2 The Board (local office)

Must be alert to the possibility that an associated person may facilitate a tax evasion offence and take due notice of any indication of irregularity. Particular attention should be paid to invoicing, payment instructions, administration by third party associated persons and tax advice attained by or on behalf of clients.

Should have an oversight of all potential risk areas (potential or actual) and, alongside the Chief Compliance Officer, ensure the identification and communication of any risks as they present themselves to ensure that reasonable prevention procedures are in place.

5. How to raise a concern

- 5.1 Employees are encouraged to raise concerns about any issue or suspicion of tax evasion at the earliest possible stage.
- 5.2 If you are asked to facilitate a tax evasion offence, or if you believe or suspect that any tax evasion offence has occurred or may occur within Vistra's operations, you must notify your manager or the Chief Compliance Officer or report it in accordance with local money laundering / suspicious activity reporting requirements and/or in accordance with Vistra's [Whistleblowing Policy](#).
- 5.3 If you are unsure about whether a specific act constitutes a facilitation offence, raise it with your manager, the MLRO or the Chief Compliance Officer as may be appropriate or report it in accordance with Vistra's [Whistleblowing Policy](#).

6. Protection

- 6.1 Individuals who refuse to facilitate tax evasion, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Vistra aims 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.
- 6.2 Vistra is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in the facilitation of tax evasion, or because of reporting in good faith their suspicion that an actual or potential facilitation

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 the Chief People Officer immediately.

7. Communication and awareness of this policy

- 7.1 Training on this policy will be provided as necessary. Each office must consider the risk its business faces from facilitation of tax evasion and provide appropriate staff awareness and training accordingly.
- 7.2 Our zero-tolerance approach to domestic and foreign tax evasion must be communicated to all agents, contractors, suppliers, business partners and any other party providing services for or on behalf of Vistra at the outset of its business relationship and reinforced as appropriate thereafter.

8. Breaches of this policy

- 8.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal.
- 8.2 Vistra may terminate its relationship with other individuals and organisations working on Vistra's behalf if they breach this policy.
- 8.3 Alongside internal disciplinary action, those parties guilty of committing a tax evasion or facilitation offence may be subject to personal liability and attract various legal repercussions as a result.

ANNEXURE: POTENTIAL TAX EVASION 'RED FLAGS'

- A third party to whom Vistra or a Vistra client has provided services requests that their invoice is addressed to a different entity, where wither Vistra or the Vistra client did not provide services to such entity directly
- A third party to whom Vistra or a Vistra client has provided services asks us / the client to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided
- 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
- A third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business
- You become aware 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
- You receive an invoice from a third party that appears to be non-standard or customised
- Over/under valuation of assets
- Refusal to obtain tax advice or to provide a copy of tax advice received, especially in the case of complex multi-jurisdictional structures / transactions
- Layered / multi-jurisdictional transactions with no verifiable commercial rationale
- You notice that Vistra or a Vistra client has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided
- You become aware that a third party has made or intends to make a false or misleading statement relating to tax, has failed to disclose income or gains to, or to register with the relevant tax authority, 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
- 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