



Anti-Facilitation Of Tax Evasion Policy

DOCUMENT REFERENCE	POL-42	ISSUE DATE	01/04/2026
VERSION	3.0	REVIEW DATE	01/04/2027
OWNER	Ajay Badhan, Managing Director	CLASSIFICATION	Confidential — Controlled Copy



POLICY ENDORSEMENT

This policy is endorsed by KBG Security Solutions Limited (KBG) Director and will be reviewed regularly. This policy may be changed from time to time, and you will be informed of any such changes. This policy is not contractual.



POLICY STATEMENT

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

We 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. We will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017.

This policy also reflects the requirements of the following UK laws and regulatory guidance:

HMRC Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion (Criminal Finances Act 2017, Sections 45–46).

Proceeds of Crime Act 2002 (as amended), particularly on “tipping off” offences, confiscation, and money laundering risks associated with tax evasion.

Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017), as updated in 2023–2024, requiring enhanced due diligence and reporting of suspicious activities.

UK Bribery Act 2010, which aligns with the principles of corporate accountability and associated person liability in preventing financial crime.





WE GUARD | WE PROTECT | WE SECURE

HMRC’s 2023 guidance on “Tackling tax evasion: corporate offences” (updated March 2024), which sets expectations on risk assessment, due diligence, and top-level commitment to compliance.

By embedding these requirements, KBG Security Solutions Limited demonstrates its commitment not only to the Criminal Finances Act 2017 but also to a wider framework of UK legislation designed to prevent financial crime, promote transparency, and protect the company from liability.

ABOUT THIS POLICY

The purpose of this policy is to:

set out our responsibilities, and 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 KBG SECURITY SOLUTIONS LIMITED fails to prevent its employees, workers, agents or service providers facilitating tax evasion, it can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to its reputation. We therefore take our legal responsibilities seriously. This liability arises directly under the Criminal Finances Act 2017 (Part 3: Corporate Criminal Offences), which makes failure to prevent facilitation of UK or foreign tax evasion a strict liability offence. Companies convicted under this Act may also be excluded from government tenders under the Public Contracts Regulations 2015 (as amended 2023).

In this policy, third party means any individual or organisation you encounter during your work for KBG SECURITY SOLUTIONS LIMITED, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

This policy does not form part of any employee's contract of employment, and we may amend it at any time. Updates will also take account of emerging legislation such as the Economic Crime and Corporate Transparency Act 2023, which introduces new reporting requirements and strengthens enforcement powers against corporate misconduct connected to tax evasion.

WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all persons working for KBG SECURITY SOLUTIONS LIMITED or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.



This wide application reflects the requirements of the Criminal Finances Act 2017, which defines liability in relation to “associated persons” and ensures compliance with UK corporate offence law.

WHO IS RESPONSIBLE FOR THE POLICY?

KBG Director has overall responsibility for ensuring this policy complies with KBG legal and ethical obligations. The Executive Committee has overall responsibility for ensuring that all persons who work for or on behalf of KBG comply with the policy.

The Company Secretary has primary and day-to-day responsibility for implementing this policy, ensuring that all employees are given adequate and regular training on it, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion. Managers at all levels are responsible for ensuring those reporting to them understand and comply with this policy.

This structure is consistent with HMRC’s 2023 guidance on “reasonable prevention procedures,” which requires top-level commitment, clear roles, and monitoring to satisfy obligations under the Criminal Finances Act 2017.

WHAT IS TAX EVASION FACILITATION?

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, if 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.

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 where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The company does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person 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).

This section reflects the definitions applied by HMRC and enforced under both the Criminal Finances Act 2017 and the Proceeds of Crime Act 2002, which together criminalise deliberate facilitation and handling of proceeds linked to tax evasion.

WHAT YOU MUST NOT DO

It is not acceptable for you (or someone on your behalf) 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 report promptly 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.

These prohibitions are reinforced by UK legislation, including the Criminal Finances Act 2017 (Part 3), which makes failure to prevent facilitation of tax evasion a corporate offence, and the Proceeds of Crime Act 2002, which criminalises the concealment, arrangement, or acquisition of criminal property arising from tax evasion. Employees must also be aware that under the Fraud Act 2006, dishonestly making or supporting false representations connected to tax can result in prosecution.

YOUR RESPONSIBILITIES

You must ensure that you read, understand and comply with this policy. The prevention, detection and reporting of tax evasion and foreign 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.

You must notify the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if an employee or supplier asks to be paid into an offshore bank account, without good reason, or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to VAT. Further “red flags” that may indicate potential tax evasion or foreign tax evasion are set out below.



In line with the Criminal Finances Act 2017, all employees, contractors and associated persons have a legal duty to prevent the facilitation of tax evasion and to report suspicions without delay. Failure to do so could result not only in internal disciplinary action but also in potential criminal liability for the company. Under the Proceeds of Crime Act 2002, any individual who knowingly fails to report suspicions of tax evasion connected to money laundering, or who “turns a blind eye” to such activity, may be personally criminally liable. Employees should also be aware that the Fraud Act 2006 criminalises false representation and abuse of position, both of which can be relevant where tax-related dishonesty is suspected.

All staff must therefore follow HMRC’s latest guidance (2023 update) on “reasonable prevention procedures”, which highlights the importance of due diligence, maintaining accurate records, and escalating concerns through appropriate reporting channels.

HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.

If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must notify the Company Secretary or report it in accordance with KBG Security Solutions Ltd Whistleblowing Policy as soon as possible.

If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your line manager or the Company Secretary as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or “turning a blind eye” to suspicious activity could amount to criminal facilitation of tax evasion.

Please note that if you intend to or have raised a concern about any issue or suspicion of tax evasion or foreign tax evasion, you must not:

tell or notify the person whom you suspect of aiding, abetting, counselling or procuring the commission of tax evasion or tax fraud; or

tell or notify any person or client whom you suspect of committing criminal tax fraud or tax evasion,

that, in either case, you are going to or have made a report to your line manager or the Company Secretary. Such notification may constitute the crime of “tipping off” under the Proceeds of Crime Act 2002.



WE GUARD | WE PROTECT | WE SECURE

Employees should also be aware that the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as updated 2023–24) require suspicious activity reports (SARs) to be made to the National Crime Agency (NCA) where appropriate. Failure to raise a concern in these circumstances could amount to a criminal offence.

In addition, the Economic Crime and Corporate Transparency Act 2023 strengthens whistleblower protections in relation to economic crime and increases enforcement powers, meaning reports of suspected tax evasion may be more closely scrutinised by regulators.

PROTECTION

Individuals who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. We aim 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.

We are committed to ensuring no one suffers any detrimental treatment because of:

refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person.

refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or

reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion 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 Company Secretary immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

These protections align with the Public Interest Disclosure Act 1998 (as amended by the Enterprise and Regulatory Reform Act 2013), which provides legal protection to whistleblowers raising genuine concerns about financial crime, including tax evasion.

Employees who raise concerns in good faith are legally protected from dismissal or detriment.

The Economic Crime and Corporate Transparency Act 2023 also strengthens regulatory oversight of corporate wrongdoing, increasing the importance of protecting staff who report suspected facilitation of tax evasion.

TRAINING AND COMMUNICATION



WE GUARD | WE PROTECT | WE SECURE

An explanation of this policy forms part of the induction process for all individuals who work for us, and training will be provided on it periodically.

Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

In accordance with HMRC guidance (2023 update) on the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion, training must be tailored to the roles and risks faced by employees and “associated persons.” This includes regular refresher sessions and updates when legislation changes, such as the Criminal Finances Act 2017, the Proceeds of Crime Act 2002, and the Economic Crime and Corporate Transparency Act 2023.

Suppliers, contractors, and business partners must also be informed that compliance with this policy is a condition of continuing business with KBG Security Solutions Limited. This is consistent with the Money Laundering Regulations 2017 (as updated 2023–24), which require enhanced due diligence on high-risk third parties.

BREACHES OF THIS POLICY

Any employee 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.

Breaches of this policy may also expose both the company and individuals to criminal liability under the Criminal Finances Act 2017, which makes it an offence for a corporate body to fail to prevent the facilitation of UK or foreign tax evasion.

In serious cases, breaches could also result in prosecution under the Proceeds of Crime Act 2002 (for dealing with criminal property arising from tax evasion), the Fraud Act 2006 (for false representation or abuse of position), or the Economic Crime and Corporate Transparency Act 2023 (which expands enforcement powers against corporate misconduct).

Potential consequences include unlimited fines, confiscation orders, director disqualification under the Company Directors Disqualification Act 1986, and exclusion from government contracts under the Public Contracts Regulations 2015.

POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible red flags that may arise during you working 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



WE GUARD | WE PROTECT | WE SECURE

illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to the Company Secretary or using the procedure set out in the Whistleblowing 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 an employee 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 request or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

These red flags reflect risk indicators identified by HMRC in its guidance on the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion (updated 2023). Staff must treat these scenarios as potential criminal conduct under the Criminal Finances Act 2017, the Proceeds of Crime Act 2002, and the Fraud Act 2006. Where relevant, suspicious activity may also trigger obligations under the Money Laundering Regulations 2017 to file a Suspicious Activity Report (SAR) with the National Crime Agency.



KBG Security Solutions Ltd

POL-42

Issue Date: 01/04/2026

CONFIDENTIAL

WE GUARD | WE PROTECT | WE SECURE

Ajay Badhan

Managing Director

01/04/2026