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Anti-Tax Evasion Policy

1. Introduction

This tax evasion policy is written by Southteq Ltd and is effective from 23/11/2024. This is our version 1 of this policy and we may update/amend the policy from time to time. All associated persons and required to comply with this policy.

This policy outlines the commitment of Southteq Ltd to comply with all applicable tax laws and regulations, prevent tax evasion, and protect the integrity of our operations. The company recognizes the importance of transparency, ethical conduct, and good corporate governance in maintaining the trust of stakeholders, employees, clients, tax authorities, and the general public.

2. Objective

The purpose of this policy is to:

- Ensure compliance with all local, national, and international tax laws and regulations.
- Prevent, detect, and respond to any instances of tax evasion or aggressive tax avoidance.
- Promote a culture of ethical tax behaviour among employees, partners, and other stakeholders.

3. Scope

This policy applies to all employees, contractors, officers, directors, subsidiaries, and affiliates of Southteq Ltd involved in financial, accounting, or tax-related activities, as well as any external parties engaged with the company.

4. Definitions

- **Tax Evasion:** The illegal act of deliberately underreporting income, inflating deductions, or engaging in other fraudulent activities to reduce tax liability.
- **Tax Avoidance:** The legal use of tax laws and loopholes to reduce tax liabilities, though it may be viewed as unethical if it goes against the spirit of the law.
- **Transfer Pricing:** The pricing of goods, services, or intangible assets between related entities, which must be in accordance with arm's length principles.

5. Legal Compliance

- **Adherence to Tax Laws:** All business activities and transactions must comply with applicable tax laws and reporting requirements in the jurisdictions where the company operates.
- **Cooperation with Tax Authorities:** Southteq Ltd will fully cooperate with tax authorities during audits, investigations, and inquiries. Any attempt to mislead or obstruct these authorities is prohibited.
- **Accurate Reporting:** Financial statements, tax filings, and all related documents must accurately reflect the company's financial position and operations. False or misleading statements will not be tolerated.

6. Prevention Measures

- **Employee Training:** Employees, especially those in finance, accounting, and senior management, will undergo regular training on tax compliance and the consequences of tax evasion.
- **Clear Financial Policies:** All financial practices, including transactions and record-keeping, must be conducted with transparency and in accordance with established financial reporting standards.
- **Internal Controls:** Effective internal controls will be implemented to ensure that financial transactions are legitimate, properly documented, and accurately reported.
- **Third-Party Vendors:** The company will conduct due diligence on third-party vendors, contractors, and partners to ensure they also comply with tax laws and do not engage in illegal tax practices.

7. Reporting and Monitoring

- **Whistleblower Protection:** Employees are encouraged to report any concerns or suspicions of tax evasion through the company's whistleblowing mechanisms. Reports can be made confidentially and without fear of retaliation.
- **Monitoring and Audits:** Southteq Ltd are happy for regular internal and external audits to be conducted to identify any potential tax compliance issues or discrepancies.

8. Consequences of Non-Compliance

- **Disciplinary Action:** Any employee found to be involved in tax evasion or unethical tax avoidance will face disciplinary action, which may include termination, legal action, and financial restitution.
- **Legal Liability:** Southteq Ltd will cooperate fully with tax authorities in investigating and prosecuting any instances of tax evasion. Individuals involved in tax evasion may face legal and financial consequences, including fines and imprisonment.
- **Reputation Damage:** Tax evasion can severely damage the company's reputation, affecting customer trust, investor confidence, and relationships with regulatory bodies.

9. Ethical Tax Planning

While the company is committed to minimizing its tax liabilities through legitimate means, all tax planning activities will adhere to the following principles:

- **Substance Over Form:** The company will not engage in artificial arrangements designed solely to avoid taxes.
- **Transparency:** All tax planning and structuring decisions will be documented and disclosed appropriately to tax authorities, in line with the spirit of the law.
- **Global Tax Compliance:** The company will ensure that cross-border tax arrangements comply with both local and international tax laws, particularly with regard to transfer pricing and tax treaties.

10. Review and Updates

This policy will be reviewed annually to ensure that it remains compliant with evolving tax laws and best practices. Any updates to the policy will be communicated to all employees and relevant stakeholders.

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