IGUAKO CAPITAL · Group policy

Prevention of the Facilitation of Tax Evasion

The group does not facilitate tax evasion by any client, counterparty or associated person, and it does not accept mandates whose purpose is concealment. This policy sets the diligence, contractual and reporting requirements that prevent facilitation, and states the group position on structures that lack commercial substance. It reaches 28 jurisdictions of domicile and every vehicle the group manages.

CODE	CATEGORY	VERSION
IGC-FC-006	Financial crime	3.1
EFFECTIVE	**REVIEW**	**OWNER**
2024-05-13	Annual, with a half-yearly review of the tax risk register	Group Head of Tax

1. Purpose and scope

The group holds and moves capital across borders as a matter of business. Cross-border structuring is lawful and ordinary. Helping another person to evade tax is a criminal offence in several jurisdictions where the group operates and would cost the relevant licence within weeks of a finding.

This policy covers group entities, staff, directors and any associated person providing services for or on behalf of the group. Associated persons include introducers, administrators, corporate service providers and any adviser instructed by the group rather than by the client.

It covers advice, structuring, booking, payments and reporting. It does not make the group responsible for the tax position of a client. It makes the group responsible for never assisting a client to hide one, and for withdrawing where concealment becomes the evident purpose.

2. Definitions

Tax evasion is the deliberate and dishonest non-payment of tax lawfully due. Tax planning is the lawful arrangement of affairs. The distinguishing feature is dishonesty rather than complexity, and the group applies that test instead of a test of how aggressive a structure appears.

Facilitation is any act that aids, abets, counsels or procures evasion by another, or that is knowingly concerned in it. Deliberately closing eyes to an obvious purpose is facilitation. Silence in the face of a stated intention to conceal is facilitation.

An associated person is anyone performing services for the group in any capacity. The group can be liable for what an associated person does in the course of that service, which is why appointment diligence carries the weight set out under roles and responsibilities.

3. Principles

Substance precedes structure. Every vehicle the group establishes has a stated commercial purpose recorded before formation, directors who take decisions where the vehicle is resident, and books and records maintained in that jurisdiction rather than elsewhere in the group.

The group answers questions from authorities fully and promptly. It does not assist a client to withhold information the client is obliged to provide. Where a client asks the group to do so, the request is refused and the relationship is exited on the timetable in the mandate.

Tax advice is given only by qualified people and only within the mandate agreed with the client. Relationship staff do not give tax advice, do not confirm a tax outcome and do not comment on the residence position of a client, however straightforward the question appears.

4. Requirements

Requirement 4.1. Tax residence self-certification is collected from every client and every beneficial owner at onboarding and refreshed on any change of circumstances. A relationship does not open on the basis of a promise to provide certification later.

Requirement 4.2. Any structure spanning three or more jurisdictions requires a written analysis from an external tax adviser before implementation. The analysis is retained with the file and refreshed whenever the structure is amended or a jurisdiction is added.

Requirement 4.3. Every contract with an associated person contains a prevention clause, a right to information and a right to terminate immediately on suspected facilitation. Contracts signed before 2023 were amended by the end of 2024 or allowed to lapse.

Requirement 4.4. Requests to invoice a party other than the counterparty, to route payments through an unconnected jurisdiction, or to describe a service inaccurately are refused and reported to the Group Head of Tax within 24 hours of being made.

5. Roles and responsibilities

The Group Head of Tax owns this policy and the tax risk register. Appointment of an associated person requires tax diligence alongside the financial crime diligence required by IGC-FC-002, and both must be complete before the first instruction is given.

The Chief Financial Officer is accountable for the tax position of the group and for the annual review of the register. The General Counsel and Group Head of Compliance decides on any disclosure to an authority and instructs external counsel where one is needed.

Division heads confirm each year that no mandate in their division was accepted or continued where concealment was the evident purpose. Confirmations are given in writing and held with the annual conduct attestations for the same retention period.

6. Monitoring and reporting

The tax risk register records each identified facilitation risk, the control applied, the owner and the residual rating. It is reviewed twice a year by the Group Head of Tax and once a year by the Audit Committee alongside the external audit plan.

Refusals are reported. Where a request is refused under requirement 4.4, the refusal is logged with the client name, the request and the outcome. Refusal logs are reviewed each quarter for patterns by counterparty, by jurisdiction and by introducer.

- The register names a control owner and a residual rating for every identified risk.
- Refusals are logged with the client name, the request made and the outcome.
- The Audit Committee reviews the register once a year.

7. Breaches and review

A breach reaches the Group Head of Tax and the General Counsel and Group Head of Compliance within 24 hours. Where facilitation is suspected, the relationship is frozen, the file is preserved and external counsel is instructed before any contact is made with the client.

This policy is reviewed annually. Version 3.1 took effect on 13 May 2024 and extended the prevention clause requirement to corporate service providers. Certifications, external analyses and refusal logs are retained for 10 years after the relationship ends.

Key controls

- Tax residence self-certification is collected at onboarding from every client and beneficial owner.
- Structures spanning three or more jurisdictions require a written external analysis before implementation.
- Every associated person contract carries a prevention clause, an information right and a termination right.
- Improper invoicing or routing requests are refused and reported to the Group Head of Tax within 24 hours.
- The tax risk register is reviewed twice a year and once a year by the Audit Committee.
- Division heads confirm in writing each year that no mandate had concealment as its purpose.
- Certifications, analyses and refusal logs are retained for 10 years after exit.

Related policies

- Know Your Client and Client Due Diligence (IGC-FC-002)
- Cross-Border Services and Perimeter (IGC-CC-008)
- Third-Party Risk and Outsourcing (IGC-DT-006)