

GLOBAL TAX CODE OF CONDUCT

We believe in the following general principles:

- Governments need to impose and collect taxes to function effectively.
- Taxpayers have the right to manage their tax affairs provided they act within all applicable laws.
- This includes using lawful tax structures and jurisdictions where a client may be able to benefit legally from the structures we provide.
- A taxpayer should be able to access independent advice on their tax position.

This document sets out clear principles to assist employees of Harneys Fiduciary in the judgments they make in relation to advice given and services provided with respect to our clients' affairs which have or may have tax consequences. Governments enact laws and enter into treaties with other jurisdictions so as to determine how taxpayers should be taxed. These laws are then interpreted by taxpayers, authorities and ultimately the Courts.

Our Clients

Many of our clients have complex affairs across multiple jurisdictions and in the context of conflicting and competing laws it can be challenging to know where lines should be drawn.

We consider the evasion of tax to be unlawful wherever it occurs and with respect to any jurisdiction.

Further, tax crimes are a designated category of predicate offences under the FATF Recommendations on Combatting Money Laundering and the Financing of Terrorism and proliferation.

This Code of Conduct is one of a number of measures Harneys Fiduciary takes to mitigate against the risks of Harneys Fiduciary or any of its employees inadvertently facilitating tax evasion or other unlawful activity by third parties including our clients.

The use of the expression "tax avoidance" has widened considerably and as a result use of the term is more likely to give rise to confusion than clarity. In addition, legitimate tax planning is, increasingly, assessed in the public eye on being "fair" or "unfair" rather than what is or is not lawful.

We recognise and accept that reputations, including our own, can be seriously harmed without there being any breach of law. Whether or not we consider that to be reasonable is irrelevant.

Our Role

We provide corporate and trust services to structures formed under the laws of various jurisdictions including those which are widely referred to as offshore centres. We prefer to use the expression international financial centre (or IFC). We accept that the structures we help establish and the services we provide may have tax consequences inside and outside of the jurisdictions in which the structure is formed. While we cannot reasonably be expected to be experts in the tax laws and practice in every jurisdiction which may be impacted we must not and cannot ignore those tax consequences.

Our Approach

We will not act for any person who deliberately breaches applicable tax law in any jurisdiction or wilfully or recklessly presents a false position to a tax authority. Where we become aware of such behaviour by an existing client we will seek to terminate the engagement as soon as practicable. Further, we will make any appropriate reports required under compulsory disclosure legislation.

We reserve the right to cease to act for clients who we consider act in a way which conflicts with this Code of Conduct. In certain cases we are under obligations to report conduct that we become aware of to the relevant authorities.

We will not knowingly act, advise, condone or support our clients to act (and will take reasonable measures to prevent our clients acting) in any of the following ways:

- To engage in or facilitate any conduct with respect to tax matters which is not in accordance with applicable law and regulatory requirements.
- To take a position with respect to tax affairs which is not supported by a credible basis in tax law. In particular, we will be cautious of any artificial commercial transactions which might be considered a “sham”, or for which the only apparent objective is to disguise or re-characterise the real ownership or control of an entity or arrangement.
- To evade or hinder the collection of any taxes which are lawfully imposed in any jurisdiction.
- To evade or frustrate any mandatory reporting obligations to any tax authority or under an applicable information exchange regime.
- To misreport any asset, income or other particulars to any tax authority (including by omission).
- To fail to report or to seek clearance for any tax scheme or proposed tax scheme where required to do so under any applicable legal system.
- To make any statement or filing to any tax authority which is untrue or materially misleading in connection with tax matters.
- To conduct any tax affairs in a manner which relies for their effectiveness on any tax authority having less than the relevant facts including the identity of the ultimate beneficial owners of any assets or income streams.

For the avoidance of doubt, the above principles apply to both a structure or a transaction as a whole as well as its constituent parts.

We will be alert to the possibility of clients and other third parties acting in a manner which conflicts with the above principles and, in any such circumstances, will consider whether we should continue to act and whether we are subject to any mandatory reporting obligations. We may ask clients to provide us with additional clarification and, in appropriate cases, seek independent advice as to what is acceptable in a particular jurisdiction.

Harneys Fiduciary is not authorized to provide tax advice in any jurisdiction and clients may not directly rely on any guidance provided in the context of the delivery of other services.

Limitations

It is not our role:

- To make determinations or judgements on the proper interpretation of tax rules or guidelines.
- To investigate the affairs of each of our clients in the absence of any indication of impropriety.
- To assume that any of our clients are not telling us the truth in the absence of any indication of falsehood or impropriety.

- To make determinations as to the reasonableness of valuations, deductions or charges on books of account.
- To judge the morality or legality of tax laws. The fact that a tax law may be alleged to abuse individuals' rights because it is confiscatory, or retroactive, or has a disproportionate or discriminatory effect on a particular segment of society, are not of themselves grounds for unilaterally breaking such laws.

Our Expectations

We expect all of our clients:

- To comply with applicable tax laws and regulations in jurisdictions relevant to them (including any disclosure or reporting requirements).
- To consider and understand the tax consequences of their affairs and, where appropriate, to take tax advice from advisers with the relevant skills and experience.
- To disclose to us all relevant facts and circumstances on an open and transparent basis in order that we can provide advice and services in accordance with this Code of Conduct.

Tax Disputes

It is inevitable that from time-to-time disputes will arise between taxpayers on the one hand and tax authorities on the other. Our policy as well as our duty is always to comply with any lawful orders of any Court or other competent authority having jurisdiction in relation to the production of documents and records.

If any client wishes to challenge any such order for production, then the client should seek advice from a tax lawyer or tax-specialist accountant. However, our own obligations may take precedence, and we will comply with orders of any applicable Court or competent authority unless there is a valid stay or appeal process that extends to the obligations of Harneys Fiduciary. In appropriate cases, we may seek legal advice at the client's expense as to the effect of any order for production (or any appeal against such an order) and act upon that advice.

Reporting Concerns or irregularities

If a Harneys Fiduciary employee becomes aware of or suspects conduct which is in breach of this Code he or she must act to make an appropriate person aware. That will ordinarily be either his or her line manager who will escalate it as appropriate or, if the employee is uncomfortable raising an issue with their line manager or he or she is unsatisfied with the response that has been received then he or she must raise it with either the local compliance officer or the Global Compliance Officer or through the Whistleblowing Service.

© Harneys Fiduciary, May 25

Harneys Fiduciary is a leading offshore corporate service and trust provider. From more than 10 offices around the globe, Harneys Fiduciary provides services to the world's top law firms, financial institutions and corporations for products and services in British Virgin Islands, Cayman Islands, Cyprus, Hong Kong, Nevis, Singapore and the United Kingdom.

For more information about Harneys Fiduciary please visit www.HarneysFiduciary.com.