



### **B Lab Statement on Suandco Abogados' B Corp Certification**

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies providing tax advisory services:

*"Companies in the tax advisory industry are eligible for B Corp Certification if they are able to confirm that their tax philosophy, used to provide services and recommendations to clients, aligns with the company-specific principles listed in B Lab's framework, specifically, 1) the tax advice provided appropriately reflects the actual amount of income generated by the client over time; and, 2) the tax advice provided to a client for a jurisdiction appropriately reflects the actual operations of the client in that jurisdiction."*

Suandco Abogados SLP is required to disclose a summary of how it complies with the above requirements as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's position statement on Companies that Provide Tax Advisory Services and B Corp Certification [here](#).

### **Summary of Company**

Suandco Abogados is a law and economic consulting firm based in Spain. The company provides tax, accounting, legal, and consulting services to various clients including individuals, entrepreneurs, High-Net-Worth Individuals, and various companies. Suandco's tax advisory services contribute to 50% of its total annual revenue. Its tax-related consulting services include income tax on individuals, tax on non-residents, corporation tax, inheritance and donation tax, value-added tax, and temporary solidarity tax on large fortunes. In its service fee charges, some clients are charged at a flat rate and some clients are charged on a time basis and function of the revenue. The company does not charge fees on any tax amount saved. Suandco's tax advisory services are limited to individuals, professionals, and small and medium enterprises (SMEs) that operate within Spain.

### **Suandco Abogados SLP Policies and Practices**

In alignment with the requirements and principles stated in B Lab's position statement for companies that provide tax advisory services, Suandco Abogados SLP has a philosophy statement for the tax advice that it provides to its clients and its engagement with governments and tax regulators, which has been shared with all their employees. The philosophy statement reads as follows:

*"Transparency, good faith, and cooperation with the Tax Agency in business tax practice."*



1. *Good practices that must be promoted by Companies are all those that lead to the reduction of significant tax risks and the prevention of behaviors that may generate them,*
2. *Companies will avoid the use of opaque structures for tax purposes, understood as those in which, through the introduction of instrumental companies through tax havens or territories that do not cooperate with the tax authorities, they are designed with the purpose of preventing the knowledge, by the Tax Agency, of the ultimate person responsible for the activities or the ultimate owner of the assets or rights involved.*
3. *Companies and the Tax Agency will collaborate in the detection and search for solutions regarding those fraudulent tax practices that may develop in the markets in which they are present to eradicate those that already exist and prevent their extension.*
4. *The Board of Directors or equivalent body will be informed of the tax policies applied by the company. Before preparing the annual accounts and submitting the Corporate Tax return, the person responsible for the company's tax affairs will inform the Board, directly or through the Audit Committee, of the policies followed during the year."*

*Notwithstanding this, in the case of operations or matters that must be submitted to the approval of the Board of Directors or equivalent body, the tax consequences thereof will be reported when they constitute a relevant factor.*

Suandco is regulated and compliant with the Law on the Prevention of Money Laundering and Financing of Terrorism.

Suandco's Manual of Action for the Prevention of Money Laundering and Financing of Terrorism outlines the processes for client screening and due diligence. It also outlines the continuous monitoring of clients' operations and business to detect if variations occur and if they are incongruent with the declared activities, which could potentially be linked with money-laundering activities.

Suandco is guided by this manual which ensures the following:

- The company knows its clients and has client admission policies in place,
- It has personnel responsible for compliance with the provisions against money laundering and the financing of terrorism,
- It complies with the requirements established by law for obtaining documents and recording and communicating operations,
- It develops and implements appropriate control methods so that suspicious customer activity can be detected, is immediately examined, and guarantees that appropriate action is taken,
- The company reports suspicious activities to competent authorities following applicable legislation,
- It implements the necessary training programs on the prevention of money laundering and the financing of terrorism,



- It implements audit and quality systems regarding its policies and procedures against money laundering and terrorist financing.

Suandco has adopted the Spanish Tax Agency's Code of Best Tax Practices for large companies as its tax philosophy and is available on its [website](#). This philosophy, which conforms to non-aggressive tax practice, is also communicated with potential and existing clients by the assigned lawyer personally.

As a group of lawyers based in Spain and registered with the Madrid Bar Association, Suandco is bound by the principles of the [code of ethics](#) of the Spanish legal profession.

The code of ethics is enforced through client screening, due diligence, risk analysis, and monitoring processes. In ensuring that these processes are followed accordingly, the company ensures mandatory and regular training sessions for employees and partners. Suandco's internal control body organizes annual training plans and special courses aimed at its managers and employees. These courses may be in person or taught remotely (online training).

The training programs include international standards and national legislation against money laundering and the financing of terrorism, the latest trends in these criminal activities, as well as the rules and procedures, including how to recognize and report suspicious activities.

To assess its operational effectiveness on its client risk mitigation processes and procedures, Suandco has had an independent audit completed by Global Protection Gate, an external party. The audit concluded that the company has contributed significant efforts in complying with all the obligations established regarding the prevention of money laundering.

Suandco currently does not have clients in low tax jurisdictions. It is however open to accepting clients from any region if they would meet all legal requirements and abide by the company's tax philosophy. Suandco has prepared guidelines and processes concerning high-risk clients. In addition to its normal due diligence measures, Suandco would apply enhanced due diligence measures in the business areas, activities, products, services, distribution or marketing channels, business relationships and operations that present a higher risk of money laundering, capital, or terrorist financing.

The company's enhanced due diligence measures will be applied in the following cases:

- a. Business relations and operations with companies with bearer shares,
- b. Business relationships and operations with clients from risk countries, territories, or jurisdictions, or that involve the transfer of funds from or to such countries, territories



or jurisdictions, including, in any case, those countries for which the Financial Action Task Force (FATF) requires the application of enhanced diligence measures.

Suandco will consider the following countries, territories, or jurisdictions of risk:

- ☐ Countries, territories, or jurisdictions that do not have adequate systems for the prevention of money laundering and the financing of terrorism.
- ☐ Countries, territories, or jurisdictions subject to sanctions, embargoes, or similar measures approved by the European Union, the United Nations, or other international organizations.
- ☐ Countries, territories, or jurisdictions that have significant levels of corruption or other criminal activities.
- ☐ Countries, territories, or jurisdictions in which financing or support for terrorist activities is provided.
- ☐ Countries, territories, or jurisdictions that have a significant extraterritorial financial sector ("off-shore" centers).
- ☐ Countries, territories, or jurisdictions that are considered tax havens.

In determining the countries, territories, or jurisdictions at risk, Suandco relies on credible sources, such as the [Mutual Evaluation Reports of the Financial Action Task Force \(FATF\)](#) or its regional equivalents or the Reports of other international organizations such as the European Commission.

In preventing potential conflicts of interest between the company's various teams as well as in its hiring of new employees, Suandco does not have a particular policy. The company, however, does not hire individuals with public positions that would potentially be incompatible with the exercise of the profession.

In its 72 years as a law and tax advisory service provider, Suandco has not faced any litigation or penalties by the Spanish government agencies. Suandco has collaborated with the Spanish Tax Agency through meetings aimed at promoting possible legislative changes that could improve legal-tax certainty in commercial restructuring operations for companies.

The company also defends its clients and litigates with the Tax Administration when the Administration defends positions that Suandco believes to be unfair to taxpayers.

Suandco publicly declares its advocacy position through its [blogs](#).