

Toyota Tsusho Group – UK Tax Policy

Tax policy: Financial year ending 31 March 2020

Introduction

This policy applies to UK entities in Toyota Tsusho group. This policy covers Toyota Tsusho group's approach to arranging its tax affairs, managing tax risks and working with tax authorities. This policy applies from the date of publication until it is superseded.

Our approach to tax affairs

We are committed to compliance with all applicable tax laws and regulations in the UK in line with Toyota Tsusho group's Code of Ethics (Toyota Tsusho Global Code of Conduct & Ethics). We understand our responsibility to pay the right amount of tax in the right place at the right time. We fully support efforts to ensure companies are appropriately transparent about how tax affairs are managed.

Governance & risk management

We operate tax risk assessment and control as a part of the overall control framework for our financial reporting system. We actively seek to identify and evaluate key risks. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required. Risk Management measures are implemented, including process and control reviews, monitoring of tax return compliance, transfer pricing review and documentation. Appropriate training is carried out for staff and we seek professional advice from reputable independent external advisors when we consider appropriate.

Tax planning & level of risk

We undertake tax planning within the framework of transparency and compliance with prevailing laws and regulations. We engage in tax efficient planning and when entering into commercial transactions, we seek to take advantage of available tax incentives, reliefs and exemptions in line with tax legislation. We have established and maintained appropriate accounting arrangements that ensure continuous compliance with all tax laws and regulations. We do not engage in aggressive tax planning, nor undertake structure without commercial and economic substance to uphold our reputation as well as corporate value. We manage our tax risks by ensuring compliance with relevant laws and actively seek to minimize uncertainty in tax affairs in line with our group's Code of Ethics.

Constructive approach to engaging with HMRC

We seek to have a transparent, professional and constructive relationship with HMRC and are committed to prompt disclosure and transparency in all tax matters with HMRC. We engage in full, open and timely dialogue with HMRC on significant tax issues and developments in our business to avoid disputes with HMRC and thus minimise tax risk. Where necessary, we seek pre-transaction clearance from HMRC on material and significant matters in order to gain agreement on the tax implications, and to achieve certainty wherever possible.

Toyota Tsusho group regards the publication of this information set out above as complying with the duty and obligation contained in Part 2 of Schedule 19 of the Finance Act 2016.

Issued: March 2020