

Tax Strategy

International Personal Finance plc – calendar year 2018

Scope

This Tax Strategy relates to International Personal Finance plc and subsidiaries (“the Group”). It is effective for the financial year ending 31 December 2018¹ and subsequent periods until superseded. This Tax Strategy has been agreed by the Group’s Board of Directors, and will be reviewed and approved annually.

This Strategy reflects the Group’s approach to taxation generally in all countries in which it operates, including the UK.

With regards to the UK, this strategy is intended to satisfy the disclosure requirements of Schedule 19 of Finance Act 2016.

Key Aims

The Group is committed to ensuring compliance with tax law and practice in all of the territories in which we operate, and to operating in a straightforward and transparent manner in our dealings with tax authorities.

The Group’s tax strategy covers the following key components:

Approach to Tax Risk Management and Governance

Responsibility for this tax strategy and the supporting governance framework ultimately rests with the CFO at Executive level. The tax strategy is aligned with the Group’s Code of Ethics.

This strategy is supported by a Tax Policy and Control Framework which is owned by the Group’s Head of Tax. Tax risk is considered to be one of the principal risks facing the Group and is subject to regular and robust review by the Risk Advisory Group and by the Audit and Risk Committee.

Commitment to compliance

The Group is committed to paying the appropriate amount of tax in accordance with relevant legislation and guidance, in each of the countries in which we operate, and to make tax payments and filings when due. To achieve this we invest in systems and processes to ensure tax calculations are robust, and where the law relating to significant items is unclear or uncertain we seek rulings and clearances where available and appropriate. The Group employs suitably qualified and experienced tax professionals both in each market where the complexity of the tax rules and obligations warrants this, and in the UK head office to manage UK and Group tax issues.

The Group rejects tax evasion and expects its senior management as well as all staff to avoid behaviour aimed at the evasion of tax liabilities of group entities or of any other person.

Attitude to tax planning

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Group companies do not implement structures that are without legal or economic substance and which give a result which is inconsistent with the underlying economic position. The Group recognises that it has responsibility to pay an appropriate amount of tax, in accordance with the relevant legislation and guidance, in each of the jurisdictions in which it operates. We do not seek to reduce the group's effective tax rate ("ETR") through cross-border profit shifting or similar artificial arrangements and we expect the Group's ETR to reflect the headline rates in the countries in which we operate.

The Group seeks to comply fully with its regulatory obligations and to act in a way which upholds its reputation as a responsible corporate citizen in all markets in which we have a presence. External advice is sought to supplement in-house tax expertise in relation to significant transactions and to assist in advising on actions to mitigate significant risks.

Tax risk

The Group seeks to ensure that we comply with all tax payment obligations in accordance with the law, but we are also mindful of the need to protect shareholder value by taking advantage of legitimate deductions and reliefs and endeavouring to structure the group and its operations in such a manner as to optimise the tax position.

We seek to minimise our exposure to tax risk and to obtain certainty where possible by applying for rulings and guidelines in markets where this is available and appropriate, and by endeavouring to effect transactions between group companies on arm's length terms in accordance with internationally agreed principles. Processes are in place to ensure we generate appropriate documentation and support for the pricing of cross border transactions across the group in order to comply with tax requirements in each country in which we operate and to minimise the risk of double taxation.

Transparency and cooperation with tax authorities

In markets where it is possible under the local tax system (for example in the UK), the Group provides comprehensive disclosures in its annual tax returns to ensure that the tax authority official is able to review the tax returns and computations in the light of the relevant facts and information. Where possible, real time discussions with the tax authority regarding significant business developments are sought.

Where there are uncertainties regarding the treatment of the Group's activities, transactions or products we seek to engage in an open, transparent and constructive dialogue with the relevant authority where this is available, and seek to obtain rulings in advance where appropriate.

In accordance with our Code of Ethics, the Group seeks to maintain open and honest relationships with the tax authorities in the jurisdictions in which we operate. We aim to fully co-operate with the tax authorities of any jurisdiction in any legitimate investigation or enquiry which the tax authority validly conducts under local law.