



## **Tax Strategy**

**Risk Management | Investment | Innovation | Excellence**

# Rothesay Group Tax Strategy

Rothesay Life is one of the UK's largest pension insurers. We manage over £50bn of assets and pay the pensions of over 800,000 people.

We are a responsible tax payer and make a significant contribution to the UK's economy through the investments we make, the services we provide and the tax we pay. We conduct our business dealings in accordance with all tax laws, disclosure obligations and prevailing practice in the markets in which we operate.

This document is intended to meet the requirement to publish the Group tax strategy as set out under paragraph 16(2) of Schedule 19 of the Finance Act 2016.

## **Tax Strategy**

The Group's strategy in relation to taxation is to ensure compliance with the tax laws of those countries in which the Group operates and our intention is to pay the right amount of tax at the right time in each of the countries in which we operate.

## **Governance and implementation**

The Group's tax strategy and tax policy are governed by the Board. The strategy is then implemented through internal policies and procedures and actively communicated to all employees. The Group's Chief Financial Officer is responsible for ensuring that tax processes are appropriately followed, documented and controlled.

Operational responsibility for tax compliance, risk management and general tax matters falls to the Financial Controller and the tax accountant, supported by external advisors. Employment tax matters are dealt with by the HR team and policyholder taxes are the responsibility of the Operations team.

## **Approach to risk management**

As well as tax compliance, a key focus of the finance function is to manage tax risk on both a legal entity and transactional basis in a cost effective manner which complements the Group's business model and overall strategy and is in line with the Board's risk limits. For complex or unusual transactions the opinion of external advisors is sought in order to assist in interpretation of legislation.

Tax processes are subject to oversight by the Group's risk and compliance functions and by internal audit.

**Attitude to tax planning**

When thinking about tax planning, the Group will aim to utilise any entitlement to legitimate tax incentives and reliefs but any tax planning undertaken will have commercial and economic substance and will have regard to the Group's corporate responsibilities and brand and the potential impact on shareholders, policyholders and other shareholders. We will not undertake planning that is contrived or artificial. The Group has zero tolerance for tax evasion of any kind.

**Relationship with tax authorities**

The Group seeks transparency in all of its tax disclosures and we aim to have an open, fair and proactive relationship with tax authorities at all times. In the most recent Business Risk Review, the Group was awarded a low risk rating by HMRC.

(Updated May 2020)