



## Tax Strategy

This document sets out the approach for ECOM Agroindustrial Corp. Ltd (“**ECOM**”) and its subsidiaries to conducting their tax affairs and dealing with tax risks for the year ending 31 December 2020. In addition this document was prepared to comply with the requirements set out in Part 2, Schedule 19 of the UK Finance Act 2016 (Sections 19 and 20).

The ECOM group (the “**Group**”) is committed to:

- Following all applicable laws and regulations relating to its tax activities.
- Maintaining an open and honest relationship with tax authorities based on collaboration and integrity.
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate.
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

### APPROACH TO TAX RISK MANAGEMENT AND GOVERNANCE

Managing the Group’s tax affairs is a complex process across many functional areas of the business and as such there will inevitably be risks of error or omission within those processes (“Tax Risks”) which may result in the incorrect application of tax rules or calculation of tax returns. The Group does not seek to eliminate risk entirely, which would be impossible, but to ensure any tax risk is managed within agreed parameters. The Group’s attitude towards the level of control required over the processes designed to reduce these Tax Risks is driven by the likelihood of occurrence and scale of impact of each Tax Risk.

The identified Tax Risks are assessed on a case by case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual Tax Risk should be managed. Where there is uncertainty in how a relevant tax law should be applied, external advice may be sought to support the Group’s decision making process.

When reviewing the Tax Risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The maintenance of the Group’s corporate reputation, having particular regard to the way we interact with the communities around us.



## **ATTITUDE TOWARDS TAX PLANNING**

The Group has clearly defined lines of responsibility for its tax affairs, with decisions being taken in line with the Group's tax authority thresholds, ensuring that they are taken at an appropriate level.

The Group's tax planning aims to support the commercial needs of the business by ensuring that the companies affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is therefore involved in commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the Group's decision making process.

## **APPROACH TOWARDS DEALINGS WITH TAX AUTHORITIES**

The Group is committed to the principles of openness and transparency in its approach to dealing with all tax authorities, including the UK tax authorities ("HMRC"). In the UK, where relevant, the Group commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Be open and transparent about decision-making, governance and tax planning.
- Reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently.
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.