



## **APL LOGISTICS EUROPE B.V. – UK BRANCH UK TAX STRATEGY**

### **Introduction**

In compliance with the UK legislative requirements of paragraph 22(2) Schedule 19 Finance Act 2016, APL Logistics Europe B.V – UK Branch is publishing its tax strategy for the year 2017.

As a global supply chain specialist, APL Logistics Group offers a comprehensive range of origin and destination services in more than 60 countries, serving the automotive, consumer, industrials and retail verticals, as well as providing transportation as a service. Major customers cover a wide range of industries, mainly in the retail sector.

Our global business activities incur/pay substantial amount for variety types of taxes including corporate income taxes, business rate, value added tax etc.

APL Logistics Europe B.V. has branches in the UK and the Netherlands and holds investments in other group companies. As a UK branch of APL Logistics Europe B.V, its primary trade is to support the logistics management by having a range of staff covering sales and marketing, operations, finance, human resources, engineering, IT, and administration.

In the UK, APL Logistics Europe B.V. incurs corporate income taxes, business rates, value added taxes, national insurance and collect and pay employment taxes. .

### **1. Approach to tax risk management and governance**

Identification, mitigation and management of risks are central to our strategy and our enterprise-wide risk management processes are designed to effectively manage risk.

The Corporate management sets and oversees the risk management strategy and the effectiveness of the Group's internal control framework. We continuously identify and manage those risks and opportunities that could affect the achievement of our business plans and strategic objectives, our shareholder value and our reputation, through our risk management process.

Tax risk arises due to the complexity of tax legislation and potential differences in interpretation and in relation to our business operating model. We have established policies and processes in place to ensure the integrity of our tax filings and other tax compliance obligations in the UK and worldwide and our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business.

## **2. Attitude towards tax planning**

We engage in tax planning that supports our business activities and that has commercial substance. We seek to balance shareholders' interests with ensuring that any arrangements comply with current tax legislation and the need for underlying commercial substance.

Intercompany transactions are conducted on arm's length principles, in accordance with OECD guidelines.

## **3. The level of risk on UK taxation that the group is prepared to accept**

Tax risk is considered as part of our broader enterprise-wide risk management processes and is overseen by the Board.

Our internal policies and governance framework operate to ensure compliance with tax laws and regulations, both in the UK and worldwide, and to ensure that we identify and mitigate tax risks.

Where uncertainty exists, we may seek appropriate external advice or engage directly with HMRC.

## **4. Approach towards dealings with HMRC**

We seek to ensure that our engagement with HMRC is professional, open and honest and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. Where considered appropriate, we would be prepared to litigate on matters where agreement cannot be reached through discussion, although we would consider the potential impact on our reputation and on our working relationship with HMRC before doing so.