



**SWIFT**

# SWIFT GROUP TAX POLICY

## INTRODUCTION

This policy applies to all Swift employees and tax professionals working in or engaged by companies within Swift Group.

Swift Group believes its obligation is to pay the amount of tax legally due in any territory in accordance with rules set by governments.

It is not appropriate for the specific details of the Group's tax affairs to appear in the public domain. Swift Group will however only enter into transactions which would be fully justifiable should they become public.

### Responsibilities and Professional Conduct

Swift Group staff and tax professionals engaged by Swift Group will aim to

- Effectively manage risk in relation to tax
- Observe all applicable laws, rules, regulations and disclosure requirements
- Apply appropriate professional care and judgement to arrive at supportable conclusions
- Ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved
- The Group aims for certainty on tax positions it adopts but where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate to ensure that the position would, more likely than not, be settled in Swift Group's favour
- Where the tax treatment of an item is so uncertain and/or unquantifiable preventing the assessment of more likely than not filing positions should be subject to robust risk assessment and supported by full disclosure
- Develop and foster good working relationships with tax authorities, government bodies and other related third parties as appropriate
- Undertake all dealings with tax authorities, government bodies and other related third parties in a professional, courteous and timely manner
- Be compliant with all anti-bribery legislation
- Seek to influence applicable industry bodies or associations, governments and other external bodies where possible and appropriate to shape future tax legislation and practice

### Commercial Rationale

The commercial needs of the Group are paramount and all tax planning will be undertaken in this context.

Due consideration will be given to the Group's reputation, brand, corporate and social responsibilities when considering tax initiatives, as well as the applicable legal and fiduciary duties of directors and employees of the Group and will form part of the overall decision-making and risk assessment process.

### Policy on Disclosure

Compliance with all relevant legal disclosure and approval requirements will be adopted and all information will be clearly presented to the tax authorities or other relevant bodies, as appropriate. Openness, honesty and transparency will be paramount in all dealings with the tax authorities and other relevant bodies.

### Assurance

Should any person have specific queries about this Code, or would like advice on implementing it, they should speak with their line manager and, if not adequately addressed, those queries should be brought to the attention of the Senior Accounting Officer.

### Tax Risk Management - General

Over-riding principle: Tax risk is ideally managed by the prevention of unnecessary disputes. The avoidance of all tax dispute would suggest an overly prudent position that is not in line with our main objective to enhance business value.

Prevention of unnecessary dispute is desired and appropriate and best achieved:

- From strong technical positions
- Clear explanation of those positions
- Thorough documentation, particularly of facts
- Well established relationships with tax authorities

- Strong compliance procedures ensuring accurate and complete tax returns

Assessment or risk should take due account of

- Both short and long term considerations and risks
- The impact on corporate reputation/brand
- The impact on relationships with external bodies
- The consequence of disagreements with tax authorities over the application of law
- The benefit of certainty in respect of uncertain or disputed tax positions

It is the desire of the Group to maintain a low risk tax strategy

### 1. Tax Risk Management for Interactions with the Business

Within the context of the commercial needs of the Group, the aim of our approach to tax risk management is to provide clear, timely relevant and business focused advice across all aspects of tax. The most tax efficient approach in compliance with all relevant laws will endeavour to be achieved.

We will ensure that the business understands that taxation should be considered throughout from planning to implementation to avoid failure in implementation, documentation or maintenance without corrective action.

The prominence of the commercial needs will in no circumstances override compliance with all applicable laws. The accounting function will therefore provide appropriate input as part of the approval process for business proposals to ensure a clear understanding of the tax consequences. The accounting function will also then ensure accurate representation in tax returns and accounts. Such business decisions and input include assessment quantification and presentation of provisions in respect of taxes.

## 2. Tax Risk Assessment Procedures for Decision Making

The accounting function must be involved in the planning, implementation and documentation for:

- All business or share acquisitions and disposals
- All changes in corporate structure
- All financing arrangements
- All significant business transactions
- All cross-border trading arrangements
- All significant new processes affecting tax compliance

The accounting function must be involved in the planning, implementation and documentation for:

- All business or share acquisitions and disposals
- All changes in corporate structure
- All financing arrangements
- All significant business transactions
- All cross-border trading arrangements
- All significant new processes affecting tax compliance

The Senior Accounting Officer will lead all such engagements appropriately supported by external advice.

All decisions should consider the financial return potential, reputational risk and financial risk (likelihood of payment and the cash and profit and loss impact).

A detailed assessment of the risk will be carried out in respect of the decision making process, covering:

1. A full description of the issue including a clear summary statement of the facts
2. An assessment of the costs and benefits of all potential scenarios
3. An assessment of the probability of the risk crystallising
4. Commentary on the likely process of dispute resolution
5. Recommendations

For transactions deemed as low risk, a qualified accountant within Swift has authority to make the decision, if required supported by appropriate external taxation advice and the Senior Accounting Officer.

For medium risk transactions, the Senior Accounting Officer has authority to make the decision, if required, supported by appropriate external taxation advice.

For high risk transactions, the Senior Accounting Officer supported by external taxation advice, together with the Managing Director, have authority to make the decision.

## 3. Tax Risk Management and Compliance Life Cycle

### A. Compliance Principles

The Group must comply with all tax regulations and disclosure requirements in all countries in which it operates. This requires that

- The Group should submit all returns by their due dates in line with local tax law
- All material positions taken in tax returns must be supportable in terms of documentation and legal interpretation
- The accounting function will robustly defend tax positions taken in the Group's tax returns
- The accounting function will monitor changes in relevant tax law and practice and undertake regular training in order to assess any consequences for the Group
- The accounting function will manage its compliance affairs to minimise the risk of any adverse public comment
- Appropriate administrative safeguards with regard to back up and security procedures will be established and executed by the accounting team and IT function

### B. Tax Authority Relationships

The aim of the Group is to foster good relationships with tax authorities, governments and related third parties and to undertake all such dealings in a professional, courteous and timely manner

- The accounting function will pro-actively manage the relationship with the tax authorities with the aim of minimising the risk of challenge, dispute or damage to Swift Group's credibility arising if tax matters are inadvertently incorrect
- The accounting function will participate in any tax authority formal consultation process with appropriate external professional input
- It is Swift Group's policy to be transparent and proactive in all interactions with tax authorities

### C. Audit and Enquiry Management

Audits and tax authority enquiries will be handled by the accounting team. Such enquiries will be handled in a courteous, timely and professional manner, and be led by the Senior Accounting Officer.

On occasion a more formal structured approach will be considered by the Senior Accounting Officer. Characteristics of enquiries to be taken into consideration include:

- The overall liability at stake including tax and potential penalties
- The degree to which international concepts and/or consistency is relevant to the Group
- The likelihood of litigation and need to adapt terms of engagement with the tax authority
- Similarly the need to adapt internal interactions and information tracking
- The likely resource requirement and options to source this
- The reliance on expertise
- The risk of reputational damage

## 4. Best Practice

At all times all members of the accounting function should seek to share knowledge and to seek input on any and all matters that could improve the management of tax risk and to maximise shareholder value.

The accounting function should seek to enhance business value by reflecting best practice, experience and views in

- Positions taken in tax returns
- Co-ordinating knowledge of potential tax laws that are subject to consultation processes
- Relevant EC legislation, draft directives, ECJ cases and similar legislation and decisions
- In so doing the confidentiality of financial matters is respected but much can be learned from understanding
- Technical positions/rationale and the treatment of certain expenses or income
- Subjects of audit interest in various jurisdictions and the drivers of that interest
- Experiences of building mutual trust with tax authorities
- Audit procedures, activity, status and tactics

The accounting function has prepared and maintains documented policies and instructions in relation to all key taxation streams that are relevant to the company.

All qualified accountants employed by the company fully maintain continuous professional development requirements specific to their qualification.