

Tax Strategy: Financial year ending 31 December 2017

This strategy applies to Yuanta Securities (UK) Ltd (“YSUK”)

The strategy covers Yuanta Securities (UK) Ltd’s approach to arranging its tax affairs.

The tax strategy includes five key components:

1. Commitment to compliance

YSUK is committed to complying with UK tax law and practice. Compliance for YSUK means paying the right amount of tax at the right time. It involves disclosing all relevant facts and circumstances to the UK tax authorities and claiming reliefs and incentives where available.

2. Responsible attitude to arranging our tax affairs

In structuring its commercial activities YSUK will consider – amongst other factors – the UK tax laws, with a view to maximising value on a sustainable basis for the group and its shareholders. For example, YSUK will often look to take steps to reduce the risk of double taxation (i.e. the same income being taxed twice in two different jurisdictions). Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on YSUK’s reputation and broader goals. YSUK will not put in place any arrangements that are contrived or artificial.

3. Effective risk management

Given the scale of YSUK’s business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and the nature of YSUK’s compliance arrangements. YSUK will actively seek to identify, evaluate, monitor and manage the risks to ensure they remain in line with YSUK’s objectives. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought, particularly in relation to YSUK’s international tax obligations.

4. Constructive approach to engaging with HMRC

YSUK engages with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance, wherever possible, YSUK does so on a real time basis to minimise tax risk. Whilst YSUK does not take positions on tax matters that may create reputational risk or jeopardise YSUK’s good standing with the UK tax authorities, YSUK is however prepared to litigate where YSUK disagrees with a ruling decision of the UK tax authorities, having first sought to resolve any disputed matters through active and transparent discussion.

5. **Board ownership and oversight**

This tax strategy is aligned with the Group Rules and is approved, owned and overseen by the UK Board.

YSUK regards this document as complying with its duty under paragraph 16(2) and paragraph 25(1) of Schedule 19 to the Finance Act 2016.