



# TAX STRATEGY

February 2018

## Background

This strategy applies to TCI Fund Holdings Limited and its subsidiaries (together “the Group”) in accordance with Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out in the appendix. The strategy has been published on the internet in accordance with paragraph 16(4) of the Schedule by being accessible to the public free of charge.

This strategy has been reviewed and approved by the Board of Directors and applies from the date of publication until it is superseded.

References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

## Aim

The Group is committed to complete disclosure to relevant tax authorities and full compliance with all its statutory obligations. The Group has high standards of governance and its tax affairs are managed in a way to reflect this and take into account the Group’s wider reputation.

## Risk Management

The Board of Directors has oversight of tax and overall responsibility for tax compliance and tax governance within the Group.

The Group’s Risk Committee is responsible for the assessment and review of risk within the business, monitoring internal controls and the risk management framework, including all taxes.

The Group’s Risk Committee is supported by staff with specific responsibilities for maintaining risk management policies, procedures and standards and conducting appropriate reviews of key risks, reporting back to the Risk Committee.

The Group’s Management Committee is responsible for the overall smooth running of the non-investment business, and supports the Risk Committee in the identification of risks and issues across that part of the

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business, and to enable the efficient running of the Group as a whole, under the chairmanship of the Chief Operating Officer (“COO”). The Management Committee includes all department heads to ensure that all the components of the business can be considered.

The Chief Financial Officer (“CFO”) is the person with executive responsibility for tax matters and is supported in the day-to-day management of the Group’s tax affairs by the Finance Team, which is staffed with appropriately qualified individuals.

### **Tax Planning**

When structuring our commercial activities the Group will consider a variety of factors, notably the tax laws of the countries in which the Group operate, with a view to not creating unintended tax costs for our stakeholders, in excess of what is reasonably understood to be intended by the relevant tax legislation.

The Group will plan to make beneficial claims and elections but will not undertake transactions whose sole purpose is to create a tax benefit which is in excess of what is reasonably understood to be intended by relevant tax legislation.

Where necessary the Group will engage appropriately qualified and experienced external tax advisors to discuss and assist us in complying with the tax legislation of the jurisdictions in which the Group operates.

### **Tax Risks**

The Group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the correct amount of tax but does not have rigid policies on levels of acceptable tax risk.

The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group’s tax affairs. At all times the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.

The Group has a very low tolerance for tax risk for errors or omissions on and/or late submission of tax returns/ tax payments for routine & established tax compliance obligations.

### **Working with HMRC**

The Group will strive to have a relationship with HMRC built on the principles of openness and transparency. All meetings and communication with HMRC are conducted in an appropriate and professional manner. The Group will also seek to discuss current, future and past tax risks in relation to all relevant taxes as soon as possible, keeping HMRC aware of significant changes to the business.

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The Group aims to reach early agreement on potentially contentious matters and seek tax clearances to provide certainty where there is more than one possible interpretation of law. However, on occasions, the Group's interpretation of tax legislation that impacts the business may differ from that of HMRC. The Group aims to resolve these differences through constructive dialogue with HMRC. In exceptional cases, the Group may not reach an agreement, and a matter may be taken to a relevant tax tribunal or court if the Group's position is supported by external advice or the interpretation has significant importance to the fund management industry.

Full disclosures are made as soon as practically possible if any unintentional errors in submissions to HMRC are discovered.

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## **APPENDIX**

### **List of entities covered by this Tax Strategy**

TCI Fund Holdings Limited  
TCI Advisory Services LLP  
TCI Fund Management (UK) Limited  
TCI Fund Management Limited  
TCI Fund Services (UK) Limited  
TCI Fund Services (Finance) LLP  
TCI Fund Services LLP  
TCI Investments Limited  
TCI General Partner Limited

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