



AVTRADE
THE GLOBAL COMPONENT
SERVICE PROVIDER

Avtrade Limited

To meet the requirements set out in section 161 and section 19(2) of schedule 19 Finance Act 2016, this Tax Strategy details Avtrade Limited's ("Avtrade" the "Company" or "we") strategy and approach in relation to handling its tax affairs and managing any possible tax risk in relation to its companies situated in the United Kingdom.

This Tax Strategy applies to the following companies in the United Kingdom that form a part of the Avtrade group (the "Group") and is applicable for the Financial Year ending 31 July 2024:

Avtrade Limited

Avtrade Holdings Limited

Avtrade Leasing Limited

The Company focuses on the administration, compliance, and payment of taxation as a core part of its corporate responsibility.

In particular, Avtrade's Code of Conduct reflects our commitment to honest and ethical business practices. The Code provides standards and guidelines of conduct for all directors, officers, and employees, as well as for others that do business with the Company, such as customers and suppliers. Avtrade, like all businesses which are successful over a long period of time, is built on the ethical foundations of integrity and honesty. These principles have guided Avtrade throughout our history and the Company remains fully committed to them in the future.

Company Tax Strategy

The Company's overall tax strategy, implemented on a consistent basis throughout the Group, seeks to:

- Operate within an environment where the approach to tax is considered in the overall context of the reputation and brand of the Company.
- Take into consideration the impact of tax in major or complex business decisions, such as acquisitions, mergers, and divestitures.
- Utilise tax reliefs and incentives where they are available and through a means which is consistent with the intention of the government's policy objectives and the intended spirit of the legislation.
- Meet all legal requirements in respect of completing and filing all appropriate tax returns and other compliance documents, as well as making all tax payments due, by their respective deadlines.
- Implement and follow all appropriate tax processes and to ensure that there is Board oversight into compliance and payment of taxation as well as the Company's intended tax strategy.

The tax strategy is reviewed regularly and updated where necessary, to ensure it remains correct and up to date.

Risk Management and Governance Arrangements

The Chief Financial Officer holds responsibility for tax governance and strategy within the Company, with oversight of the Board.

The day to day responsibility for the implementation of the Tax Strategy and general management of the Group's tax affairs is overseen by the Chief Financial Officer, who engages the services of appropriately experienced and qualified professional service firms such as RSM International, PWC, and UHY Hacker Young, to support the tax function by undertaking the tax compliance work in relation to the group and providing any tax advisory services in relation to commercial opportunities and circumstances as they arise, with the intention of meeting the aims stated in this tax strategy report.

The Chief Financial Officer is the signatory for tax compliance documents where they require one and seeks to have regular and open communication with the professional service firms who oversee the tax compliance needs of the Group, to ensure that all tax needs for the Group are met.

Internally within the Group, the Chief Financial Officer is supported by a finance department, who can assist with any internal tax work where the external support of professional service firms is not required.

The Company seeks to be open, honest and compliant with tax legislation in relation to its tax affairs. In doing so, it recognises that managing tax compliance in a global environment is complex and is becoming increasingly more complex over time.

Because of this, the Company's internal structure is set up to ensure the following:

- The Board of Directors understands the importance of tax compliance and how their oversight is important to ensure this is achieved.
- There is regular and consistent communication between the Board and the Chief Finance Officer, as well as the Chief Finance Officer and the professional service firms, regarding the means in which the Company manages its tax risk.
- The Company emphasises a positive view towards tax compliance and the important of meeting its obligations in relation to the compliance and payment of taxation.

Avtrade ensures that it reviews its tax obligations on a regular basis by seeking external professional tax advice and by maintaining a positive and open dialogue with HMRC. The Company also maintains internal systems and controls to manage tax risk. Given that tax legislation and case law change on a regular basis, these are monitored on an ongoing basis.

Tax Planning

The Group structures transactions in a cost-effective manner to meet its obligations to shareholders, with tax being one of the many factors considered. Professional advice is sought where necessary with the depth of such advice driven by the assessment of the risk presented.

The Group's tax planning is focused on efficiently structuring commercially driven transactions, in line with the objectives of the business. However, the Company does not enter into artificial arrangements to avoid taxation and it does also not enter into arrangements which are not in the spirit of the law and its intended objectives.

Further to this point, the Group does not undertake any transactions which have no commercial substance beyond the avoidance of taxation. Where a commercial result is sought, the Company will intend to take the most tax efficient route provided the decisions taken have not been based on aggressive interpretations of the tax legislation.

The Group also has an affirmative responsibility to minimise any risk in its tax strategy as to not receive negative publicity relating to this, which it recognises in the decisions that it takes.

The Group aims to claim tax reliefs and tax exemptions where it meets the conditions to be entitled to them and where claiming them is within the spirit of the tax legislation.

The Group does not undertake any tax planning which it would not be willing to disclose to HMRC.

Acceptable Level of Risk

Tax risk is one of the commercial risks which the Group is exposed to as a result of the worldwide activities that it undertakes. As such, compliance with tax legislation represents a key aspect to managing tax risk. In this context, management of tax risk means the Group pays and collects the correct amount of tax and meets local reporting and disclosure requirements in alignment with its business objectives. The Company understands the importance of tax in the wider context of business decisions and maintains processes that are in place to ensure that tax is considered as part of the business decision-making processes.

The Group's appetite for tax risk is low and as such it seeks to avoid all unnecessary tax risk. However, this does not mean that the Group intends to avoid all tax risk, as this would be unlikely to be compatible with the Group's aim of enhancing shareholder value.

The Group seeks to manage its key UK tax risks in line with other commercial and operational risks and has established tax risk management processes to ensure such tax risks can be identified, evaluated and mitigated to an acceptably low level.

Relationship with HMRC (HM Revenue and Customs)

The Group seeks to maintain an open, respectful and constructive relationship with HMRC, and that such communication is typically focused around timely tax compliance, which includes relevant filing and payment deadlines.

Avtrade engages the services of professional tax advisors to act as our agents, and where necessary in a number of cases, these advisors liaise with HMRC on our behalf regarding current, past, and future tax risks, important tax events, and the interpretation of tax law. Avtrade views such communication as a means in which it can maintain a good relationship with HMRC and also reduce its tax risk.

While the company deems it unlikely, should it prove not possible for a tax matter to be resolved through open and honest communication with HMRC, and the Company believes that its position in relate to that tax dispute is defensible, the Company is prepared to consider litigation. However, given the Group's low risk profile for tax purposes, it is expected that the majority of disputes can be resolved by open and honest dialogue with HMRC. This tax strategy was last approved by Avtrade's Chief Financial Officer Chris Christou on 11 July 2024.