
MAGNIT GLOBAL UK TAX STRATEGY

Effective 1 January 2023

The UK tax strategy applies to the UK subsidiaries of Magnit Global Solutions Inc, a company incorporated in the USA. These include Ultium Business Outsourcing Group Limited and its UK subsidiaries, Magnit Global Limited and Magnit UK WFQ Limited which are other UK subsidiaries of Magnit Global Solutions Inc (all these identified UK companies are hereinafter referred to as the “UK group”). The strategy is applicable in accordance with the requirements under paragraph 19 of Schedule 19 of the Finance Act 2016 and applies from the date of publication until it is superseded. It is reviewed annually and updated where appropriate.

OVERVIEW

The tax strategy of the UK group aligns with that of the ultimate parent company of the group, Magnit Global Solutions Inc. Responsibility for the operation of the UK tax strategy is delegated to the EMEA Finance team and Global Tax function. The group’s tax objectives and guiding principles are set out below:

- To comply with all applicable tax laws and regulations.
- Seek to utilise available tax reliefs and incentives where available in a manner which is consistent with the government’s policy objectives.
- Ensure the group suffers no adverse reputational risk by not engaging in aggressive tax planning.
- To adopt the principles of collaborative compliance in its engagement with HMRC.

THE APPROACH OF THE GROUP TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS REGARDING UK TAXATION

The UK group’s approach to governance is to ensure that the group’s tax objectives and principles are met by having an efficient and effective tax control environment consistent with the organisation’s size and complexity. The UK group’s tax control environment comprises risk identification and assessment, tax processes and controls, and communication and monitoring activity. The EMEA Finance team and Global Tax function are responsible for the implementation of this approach. They are actively engaged with the business to promote and embed tax compliant business decisions. They also engage with UK tax professionals to support the group ensuring that the tax strategy aligns and complies with UK tax legislation.

MAGNIT GLOBAL’S APPROACH TO GOVERNANCE AND RISK MANAGEMENT INVOLVES:

Tax risk identification – the UK group, in conjunction with its advisors, conducts a process of risk identification based on a top-down/bottom-up approach. Having identified tax risk, the UK group ensures it has appropriate processes and controls in place to manage that risk to meet its tax compliance requirements.

Communication – Those responsible for tax matters (primarily the Global tax function) regularly liaise with business units to monitor activity and discuss issues which could have an impact from a tax perspective which feeds into the risk identification process. Similarly, the EMEA finance team and its advisors raise awareness of tax matters that could impact the group’s risk profile.

Processes and controls – through a combination of appropriately qualified personnel (supplemented by external advisers where necessary), policies, procedures and systems, the tax risk associated with the group’s transactions and activity is managed and controlled to meet the group’s primary tax objective of compliance with all tax laws.

Monitoring activity – ongoing checks are made of processes and procedures to ensure staff responsible for processing tax-related matters perform their functions correctly. This includes input from external advisers who review the work undertaken by internal staff and where additional support and expertise are required to supplement internal resources in preparing tax returns.

THE ATTITUDE OF THE GROUP TOWARDS TAX PLANNING (SO AS AFFECTING UK TAXATION)

The UK group’s approach to tax planning is to only undertake tax planning aligned with economic activity and in accordance with the intention of the legislation. As such, the group does not undertake tax planning that could be regarded as tax avoidance.

The UK group will therefore seek to use intended government tax incentives and exemptions. Relief for Research and Development activity is the most significant of such incentives being designed to promote investment in leading-edge scientific innovation.

THE LEVEL OF RISK ABOUT UK TAXATION THAT THE GROUP IS PREPARED TO ACCEPT

The UK group adopts an approach to risk acceptance consistent with its objective of aiming to comply with all tax laws.

The UK group actively seek to identify, evaluate, manage, and monitor any risks which may arise to maintain compliance, minimise financial penalties and protect the business reputation of the Group. The EMEA finance team and Global tax function ensure due care is taken within its established processes to continually review activities and the performance of controls to reduce the level of tax risk arising from its operations which may impact the groups compliance with tax obligations.

Tax legislation is often complex and subject to interpretation. Consequently, if uncertainty arises about a significant and complex tax position, the group seeks to minimize the level of risk caused by the uncertainty as to the interpretation by seeking an expert and independent advice or through discussion with HMRC.

Concerning uncertainty about tax matters, the UK group will only adopt a filing position where, notwithstanding the uncertainty, the group believes the filing position it has taken would prevail if the matter were to be litigated in the courts.

THE GROUP’S APPROACH TOWARDS ITS DEALINGS WITH HMRC

The UK group seeks to adopt an open, cooperative, professional working with HMRC. In the event of any inadvertent errors in submissions made to HMRC or misinterpretation of relevant legislation, appropriate disclosures will be made as soon as possible after they are identified. Should disagreements over tax arise, the UK group endeavours to work proactively in a transparent manner with HMRC to seek to resolve all issues by agreement where possible.