



# TAX STRATEGY CHEMSON LTD

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## **Tax Strategy Chemson Ltd**

Chemson Ltd belongs to Chemson Group with its headquarters in Arnoldstein, Austria. Chemson Group is one of the world's largest producers of PVC additives.

To fulfill the new requirements under UK<sup>1</sup> law and to support transparency of our approach to taxation, this document sets out:

1. Chemson Ltd's approach to governance, risk management and compliance
2. Chemson Ltd's approach to tax planning
3. Chemson Ltd's approach towards dealings with Tax Authorities
4. The level of tax risk Chemson Ltd is prepared to accept

### **1) Governance, Risk Management and Compliance**

The responsibility of the tax strategy and management of tax risk ultimately lies with the Chief Financial Officer (CFO) of Chemson Group. Tax issues are discussed at board level when required. Day-to-day responsibility for each of these areas lies with the local entity and thus with the Managing Director of Chemson Ltd. The Managing Director reports to Group on a regular basis and reports to the Board annually.

Tax risks can arise from complex regulations as well as from different interpretations of said regulations. Typically for an entity pertaining to an international group, the most significant source of uncertainties arises for intercompany transactions where the different tax authorities involved might take a different stand on appropriate intercompany pricing.

Chemson Ltd seeks to ensure that all tax risks arising are managed appropriately, in line with the normal business risk approach. In case there is a significant uncertainty or complexity in relation to a risk, external advice is sought. In addition to obtaining advice on specific tax risks, Chemson Ltd. engages a tax advisor on a constant basis to assist in drawing up declarations and reports and to alert the company to new tax regulations that might affect it.

Chemson Ltd is committed to compliance with tax law and practice in the UK, which it interprets as paying the correct amount of tax in the right place at the right time.

<sup>1</sup>Chemson Ltd regards this Tax Policy as complying with the UK legislative requirement under paragraph 19 (2), Schedule 19 Finance (No. 2) Bill 2016.

## **2) Tax Planning**

Chemson Ltd. aims for its tax affairs to be transparent and sustainable in the long term. Any business decisions or transactions that are carried out have an economic reason. While all actions are judged also considering their tax impact, no transaction is carried out with the single goal of tax optimization.

Chemson Ltd. aims to balance its responsibility towards its shareholders and other stakeholders and to structure its affairs in an efficient manner with a view to maximizing value on a sustainable basis for partners and employees. It may utilize government tax incentives or opportunities for obtaining tax efficiencies where these are aligned with its business or operational objectives, risk appetite and reputational interests.

## **3) Dealings with Tax Authorities**

Chemson Ltd. seeks to comply with the applicable tax filing, tax reporting and tax payment obligations.

It will engage with HMRC in open and transparent communication, guided by honesty, integrity and timeliness. Whilst Chemson Ltd. is not willing to take positions on tax matters that may harm its reputation or jeopardize its good standing with tax authorities, it is prepared to litigate in case of a disagreement with a ruling or decision of a tax authority, having always first sought to resolve any disputed matter through amicable discussion.

## **4) Level of accepted risk**

Whilst Chemson Ltd. is not willing to take positions on tax matters that may harm its reputation, it is prepared to litigate in case of a disagreement.