

SHINKIN INTERNATIONAL LIMITED – UK TAX STRATEGY & POLICIES

This document is to satisfy the requirements under Section 161 and Schedule 19 (2) of the UK Finance Act 2016 that qualifying UK companies must publish details of their Tax Strategy, either on their web-site or in a freely available document.

Introduction

Shinkin International Limited (“the Company”) seeks to ensure that it makes an effective contribution to British public services and society through the taxes that it pays. The Company is also committed to providing transparent and balanced disclosure in communicating its tax affairs.

We are a wholly owned subsidiary of Shinkin Central Bank (“SCB”), the central financial institution in Japan for the nationwide network of *shinkin* banks (local cooperative financial institutions). SCB has a strong focus on corporate responsibility and further details on its governance, compliance and social responsibility can be found in SCB’s latest Annual Report:

<http://www.shinkin-central-bank.jp/e/financial/index.html>

Our Tax Strategy

- The Company is committed to acting with integrity and transparency in all tax matters.
- When entering into commercial transactions, we only use tax reliefs, incentives and exemptions in a manner that is wholly consistent with the aim of the legislation and we do not undertake tax planning unrelated to such commercial transactions.
- We make timely tax returns that fully and accurately reflect our fiscal obligations.
- We seek advice from professional tax advisors to support us in ensuring that we have interpreted tax law correctly.
- We expect our staff to adopt a corresponding approach in relation to their individual tax obligations and liabilities and all staff provide the Company with full details of their personal tax affairs.

Risk Management

- The Company meets all legal requirements including tax compliance and reporting responsibilities in full.
- The level of risk which the Company accepts in relation to UK taxation is consistent with our overall objective of achieving certainty in our tax affairs.
- We document all tax processes and identify key controls.
- We consider tax impacts when implementing business decisions.

- We manage tax risks through robust controls developed to meet the HMRC Senior Accounting Officer regime.
- We carry out appropriate training for all staff who manage or process matters which have tax implications.
- We seek external tax advice to ensure tax issues are fully understood and adequate processes are put in place to manage tax compliance.

Oversight

- The Board of Directors has ultimate responsibility for the tax affairs of the Company and the Board takes an active involvement in the tax affairs of the Company.
- Within the Board, the Managing Director (“MD”) has overall responsibility for tax affairs and strategy. The MD assesses tax strategy and policy issues on a case by case basis.
- Day-to-day tax matters are delegated to the Head of Administration Department (“HAD”) who manages tax on an ongoing basis. HAD reports to the Board with the briefings on current tax issues and the status of tax return submissions and audits as necessary.
- Where deemed appropriate, professional tax advisors are engaged to support those above with their responsibilities.

Working with HM Revenue & Customs (“HMRC”)

We engage with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Wherever possible, we do so on a real time basis, to minimise tax risk.

We will not take positions on tax matters that may create reputational risk or jeopardise our good standing with taxing authorities and will always seek to resolve any disputed matters through active and transparent discussion.