



# Rothschild & Co – UK Tax Strategy

29 November 2023

## Scope

The UK Tax Strategy applies to all UK entities ultimately controlled by Rothschild & Co SCA (“Rothschild & Co”), the French listed parent company.

The UK Tax Strategy is in line with the overall approach of the Rothschild & Co Group (the “Group”) to taxation matters.

The risk appetite of the Group is low and in line with its conservative approach to tax risk.

The Group’s UK Tax Strategy comprises the five key components set out below.

### 1. Definition of Tax Risk

The Group defines tax risk as the risk of adverse implications arising for the Group as a result of failure to manage tax appropriately. This risk can be split into the following three types: tax compliance and reporting risk; transactional risk; and reputational risk.

- Tax compliance and reporting risk. This is defined as the risk arising from the failure to submit timely and accurate returns, payments, claims and elections, or where controls and systems are insufficient to support the Group’s tax obligations, thereby exposing the Group to penalties, additional tax, audit investigations and inaccurate reporting.
- Transactional risk. This is defined as the risk of unforeseen tax loss resulting from transactions which are not properly assessed or carried out with regards to potential tax implications.
- Reputational risk. This arises where the Group’s reputation is damaged in the eyes of the tax authorities, shareholders, clients and the public more generally, as a result of failure to control tax compliance, reporting and transactional risks effectively.

### 2. Governance of Tax Risk

- The Group Executive Committee (“GEC”) of Rothschild & Co approves the Group’s Tax Policy and oversees its implementation.
- The Group Chief Financial Officer (“CFO”) of Rothschild & Co is the executive GEC member ultimately responsible for oversight of the tax affairs of the entities within the Group.
- Following approval of the Rothschild & Co Group Tax Policy, compliance with the UK Tax Strategy is also the responsibility of each of the boards of the UK companies, to which management reports.
- The management and oversight of UK tax affairs rest with the Finance Director of N.M. Rothschild & Sons Limited (“NMR”), the main UK operating subsidiary of Rothschild & Co. Day to day responsibility is delegated to the UK Head of Tax, who reports to the NMR Finance Director, the Group Head of Tax and ultimately the CFO of Rothschild & Co. The UK Head of Tax also reports on UK tax affairs, where appropriate, to the Senior Accounting Officers of the UK Group’s subsidiaries.
- The Group Head of Tax reports to the Rothschild & Co Audit Committee on at least an annual basis on key tax matters concerning the Group including the UK.
- The UK tax team is staffed with appropriately qualified tax professionals who have regular interactions with the core Group business units, the Global Tax Team, Human Resources, and the Legal, Compliance and Finance departments.



### **3. Attitude towards Tax Planning**

- The Group organises the UK and overseas affairs of the UK Group to manage taxation efficiently, consistent with commercial needs and with a conservative approach to tax risk.
- Arrangements will not be entered into, facilitated or promoted which lack business purpose or commercial rationale, which are outside the Group's risk appetite or Group Code of Conduct, or which run contrary to the intention of parliamentary legislation.

### **4. Managing UK Tax Risks**

- The UK tax team assists and works with the Finance department and other business areas to ensure full and timely compliance with UK tax reporting and other obligations as required by legislation.
- The Group proactively identifies and monitors key tax risks throughout the year, taking into account changes in the business and applicable tax legislation, ensuring that the control framework governing tax risk is updated appropriately.
- The UK tax team consults with external advisers on specific matters, where required, and engages with industry bodies to assess future legislative developments.
- The UK tax team maintains close working relationships with different parts of the business to ensure that the tax implications of transactions and any business changes are fully understood.

### **5. Approach towards dealings with HMRC**

- The Group seeks actively to engage and co-operate with HM Revenue & Customs ("HMRC") in an open, professional and transparent manner through the periodic Risk Assessment Meeting and other regular meetings and communications.
- The UK tax team ensures that HMRC is kept aware of significant transactions and key business developments. It seeks to discuss these as early as possible and agrees key tax issues with HMRC on a real time basis.
- Where current, future or retrospective tax law is unclear, external advice or clarification from HMRC is sought.
- The purpose of this approach is to reduce uncertainty for the Group's UK tax position, in line with the Group's appetite for a low level of tax risk.

### **Decision-making and supervision process**

The GEC of Rothschild & Co has oversight of the Rothschild & Co Group Tax Policy, which is reviewed and approved on an annual basis and forms the basis of the UK Tax Strategy. The GEC approved the Rothschild & Co Group Tax Policy on 11 October 2023. Following this, the main UK operating entities will be asked to approve the UK Tax Strategy at a subsequent board meeting.

Rothschild & Co Continuation Limited approved the publication of the UK Tax Strategy relating to the accounting period ending 31 December 2023 on *21 November 2023* and regards this publication as complying with its duty under paragraph 19(2) and 25(1) of Schedule 19 of Finance Act 2016.