

Nippon Life Schroders Asset Management Europe Limited

UK Tax Strategy

Background

Nippon Life Schroders Asset Management Europe Limited ('NLSAMEL') is a UK based subsidiary of the Nippon Life Insurance Company ('NLIC') and a Joint Venture between NLIC and Schroders PLC ('Schroders'). NLIC is incorporated in Japan and heads a global network of companies that provide life insurance services both in Japan and internationally. Nippon Life has a mission to faithfully uphold its promise to policy holders over the long term and a mission to contribute to the creation of a sustainable society by investing the insurance premiums it receives from customers. To protect and maximise the interests of policyholders the group invests premiums in a manner that spreads risk and secures long-term stable investment returns. NLSAMEL's role in the group is to provide a range of portfolio management and advice to other group companies.

Tax profile

NLSAMEL pays corporation tax on the profits mainly earned in respect of investment management services. The majority of the company's sales are in the scope of VAT.

Commitment to compliance

Compliance at NLSAMEL goes beyond merely observing relevant laws and regulations, and extends to complying with all social norms (including those relating to tax), earning the trust of customers and society. All directors and employees bear the responsibility of compliance and, considering compliance to be a fundamental operating premise, strive to promote compliance throughout the company. This commitment is developed further in the company's employee handbook and is promoted and reinforced through regular training initiatives.

Tax governance and risk management

This Tax Strategy is owned and approved by the Board of directors of NLSAMEL which reviews it annually.

The tax compliance obligations of the group are discharged by the company with certain supporting activities (including instances of both preparation and review) performed by the Group Tax department within Schroders and appropriately skilled professional advisors. Where tax law is complex or subject to regular change we work with tax advisors to manage the inherent risk.

All tax returns and payments are subject to the review and approval of the CEO.

Tax planning

NLSAMEL recognises that it has a responsibility to pay an appropriate amount of tax. We aim to balance this with our responsibility to our shareholders and clients to structure our affairs and their affairs in an efficient manner. Accordingly, we may utilise tax incentives or opportunities for obtaining tax efficiencies where these:

- are not considered to carry significant reputational risk or significant risk of damaging our relationship with the tax authority,
- are aligned with the intended policy objectives of the governments which introduced the incentives, and

- are aligned with our business or operational objectives.

Tax risk appetite

The company has a low tax risk appetite. This is in line with the general risk appetite of the group, which emphasises sustainable long term business practices.

We have clearly understood expectations on risk management and reporting and a cultural commitment to compliance, as such we are confident we can deliver our low risk appetite.

HMRC relationship

NLSAMEL has a strong record of compliance and timely submission of tax returns and payments with the assistance of the Group Tax department within Schroders. As such, we typically have limited interaction with HMRC. Any HMRC interactions that do take place are undertaken in a spirit of co-operative compliance.

Where errors are identified through our own monitoring activity we rectify and communicate these errors to HMRC as soon as possible.

Compliance statement

The publication of this UK Tax Strategy statement is regarded by NSAMEL as satisfying the statutory obligation under Para 22(2), Schedule 19, Finance Act 2016 to publish the its tax strategy in the current financial year.