

## **Nippon Life Global Investors Europe PLC**

### **UK Tax Strategy**

#### **Background**

Nippon Life Global Investors Europe PLC ('NLGIE') is a UK based subsidiary of the Nippon Life Insurance Company ('NLIC'). 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. NLGIE's role in the group is to provide a range of investment research and advice, and also other administrative services to other group companies.

#### **Tax profile**

NLGIE pays corporation tax on the profits earned in respect of intercompany services and employment tax and national insurance contributions on the salaries and wages it pays. The majority of the company's sales are outside the scope of VAT (where for example they are made to group companies based in the Japan or the US) and as such, NLGIE is typically entitled to a refund of the VAT charged by suppliers.

#### **Commitment to compliance**

Compliance at NLGIE 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 NLGIE which reviews it annually.

The tax compliance obligations of the group are discharged by the company's compliance officer with certain supporting activities (including instances of both preparation and review) performed by 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.

Any tax penalties (regardless of size) or late filings of returns are reported at the earliest opportunity to both the Board of NLGIE and the group's headquarters in Japan.

#### **Tax planning**

The company's approach to tax planning is informed by our compliance with social norms (noted above) and public expectations in respect of tax. This means that we do not engage in aggressive tax avoidance to unfairly minimise our tax contribution.

As a general rule we are a very prudent business; on matters of choice and judgement we prefer the more conservative approach, both in our day to day business affairs and in respect of tax.

The intercompany transactions are made at arm's length, in compliance with OECD principles and supported by a benchmarking analysis.

### **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**

NLGIE has a strong record of compliance and timely submission of tax returns and payments. 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 as satisfying the statutory obligation under Para 22(2), Schedule 19, Finance Act 2016 in respect of the period ended 31 December 2018.