

PARK24 INTERNATIONAL LIMITED – UK Tax Strategy

Overview

PARK24 INTERNATIONAL LIMITED is a private company limited by shares, tax resident in the United Kingdom. PARK24 INTERNATIONAL LIMITED is a wholly owned subsidiary of PARK24 CO., LTD (P24JAPAN), a company tax resident in Japan. Any references to ‘the Group’ include PARK24 INTERNATIONAL LIMITED and P24JAPAN.

PARK24 INTERNATIONAL LIMITED has adopted a Code of Conduct (the “Code”) which is outlined on the Group’s website. The Code sets out 24 items of conduct to be practiced by all officers and employees of the Group. The fundamental principles of the Code guides the members of the Group in relation to its interactions with stakeholders, customers, partners and the wider community in pursuit of its corporate and social mission.

The principles set out within the Code ensure that the company operates compliantly and ethically and in accordance with international and national regulations and laws. As part of the Group, the UK company’s conduct reflects that of the Group.

The Tax Strategy applies to all taxes relevant to the UK business and takes effect from the date of publication until superseded or otherwise replaced. It will be reviewed annually.

UK Tax Strategy

The Strategy is published in accordance with the requirements of para22(2) of Schedule 19, Finance Act 2016 and sets out the UK Company’s approach to conducting its tax affairs and dealing with tax risk for the year ending 30 September 2023.

Risk management and governance arrangements

PARK24 INTERNATIONAL LIMITED is committed to ensuring that its tax affairs are transparent and compliant with all tax laws applicable in the UK and are in line with international best practices (e.g. OECD Transfer Pricing Guidelines).

Ultimate responsibility for the tax affairs of the UK Company sits with the Board of Directors. The Board of Directors understand the importance of tax compliance and how it is achieved.

The Group has an in-house tax team who are responsible for ensuring tax compliance across the Group. The UK Company does not have an internal tax specialist active/employed in the UK; the day-to-day tax activities are undertaken by the financial management team. The UK Company seeks support of UK external tax advisors for ensuring the UK company complies, in an accurate and timely manner, with all applicable tax laws and regulations, including:

- filing all mandatory tax returns, reports and disclosures;
- paying all direct and indirect taxes, levies and duties by the due date;
- maintenance of the proper records and documentation to support the tax filings;
- utilising, as appropriate, available tax reliefs and incentives. The UK Company will not, however, use such reliefs and incentives for purposes which are knowingly contradictory to the intent of the legislation.

With reference to non-current or extraordinary transactions or operations, the tax consequences and risks are identified by the financial management team and UK external tax advisers.

The Group supervises the commitment of the UK Company in ensuring that it complies with the group policy. The Strategy aims to minimise the UK level of risk which, together with strong internal controls, substantially reduces the tax risk to materially acceptable levels.

Attitude towards tax planning (in the context of UK taxation) and level of risk in relation to UK taxation that the group is prepared to accept

The UK Company's tax planning approach reflects the strategy adopted at the worldwide group level. The Group has a small presence in the UK with the majority of its operations arising outside the UK.

The UK Company takes a conservative approach to tax planning and does not engage in tax planning arrangements where there is considered to be a significant risk of challenge by HMRC. The UK Company aims to ensure full disclosure and be transparent about the filing position that it has taken.

The UK Company's tax planning aims to support the commercial needs of the business. External advisers provide appropriate input into business proposals to ensure that there is a clear understanding of the tax consequences of any decisions made.

External tax advice is also sought with respect to areas of complexity or uncertainty in relation to current tax legislation. Advice may also be sought from HMRC directly for assistance in interpretation or application of tax legislation.

The Company's approach towards its dealings with HMRC

The UK company ensures an open, cooperative and professional approach in its relationship with HMRC. Due to the relatively small size of its UK operations, PARK24 INTERNATIONAL LIMITED does not have a customer compliance manager.

The UK company is committed to:

- Making fair, accurate and timely disclosures in correspondence and returns, and responding to queries and information requests in a timely fashion;
- Seeking to resolve issues with HMRC in a timely manner, and where disagreements arise, to work with HMRC to resolve issues by agreement where possible;
- Being open and transparent about decision-making, governance and tax planning;
- Structuring transactions in order to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament; and
- Interpreting the relevant laws in a reasonable way and ensuring transactions are structured consistently. Where appropriate, pre transaction clearance from HMRC will be sought.