

HOT (UK) Limited

Tax Strategy January 2020

HOT (UK) Limited Tax Strategy

Publication date: January 2020

Overview

This document, approved by the Board of Directors (“Board”) of HOT (UK) Limited (“HOT UK”), sets out HOT UK’s approach to conducting its tax affairs and dealing with tax risks. The document is communicated to all the relevant stakeholders and will be periodically reviewed, updated as appropriate, and approved by the Board.

The duty to publish a group tax strategy for qualifying UK groups for each financial year was included in Finance Act 2016. The publication of HOT UK’s Tax Strategy is therefore in accordance with FA 2016, schedule 19, part 2, paragraph 16 (2).

The reputation and success of HOT UK requires adherence to high ethical standards. HOT UK’s reputation for integrity is a fundamental part of our heritage and one of our most valuable assets. HOT UK is committed to:

- Adopting and following the tax strategy, across the business, with clear lines of responsibility and accountability;
- Following all applicable laws and regulations relating to its tax activities;
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity;
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate;
- Paying the right amount of tax required under the laws and regulations of the countries in which it operates.

Tax risk management

Managing HOT UK’s tax affairs is a complex process. Therefore, HOT UK ensures that all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved.

HOT UK’s attitude towards the level of control required over the processes designed to reduce tax risks is driven by the likelihood of occurrence and scale of impact of each risk. The identified tax risks are then assessed on a case by case basis. If there is uncertainty in how the relevant tax law should be applied, external advice is used to support the decision-making process.

When reviewing the tax risks associated with a specific decision or action, HOT UK considers the following:

- The legal duties of directors and employees,
- The applicable laws, rules, regulations and disclosure requirements,
- The maintenance of HOT UK's corporate reputation by having a constructive, professional and transparent relationship with tax authorities, based on the concepts of integrity, collaboration and mutual trust.

Furthermore, the Board is committed to ensuring that HOT UK is fully compliant with the local tax law.

Tax planning

HOT UK's tax planning aims to support the commercial needs of the business by ensuring that the company's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is therefore involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decision.

In cases where the tax guidance is unclear or HOT UK does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support HOT UK's decision-making process.

Working with HM Revenue & Customs

HOT UK is committed to the principles of openness and transparency in its approach to dealing with HMRC, and HOT UK commits to:

- Make fair, accurate and timely disclosures in correspondence and tax returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC in a timely manner;
- Be open and transparent about decision-making, governance and tax planning;
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently;
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.

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