

In 2016, the UK government introduced legislation which requires large businesses operating in the UK to publish their UK tax strategy. With the ultimate parent based in Japan, the UK tax affairs of Marubeni are co-ordinated as a foreign group covering the entities listed in the appendix.

There is no head company in the UK but those companies listed collectively regard the publication of this 'Group' strategy as complying with their respective duty as follows:

Marubeni Sub Group companies in UK – para 19(2) of Schedule 19 of Finance Act 2016

Marubeni Qualifying companies in UK – para 22(2) of Schedule 19 of Finance Act 2016

Although the tax strategy is unified across the defined Marubeni Group in the UK, the following strategy is described at a 'company' level to reflect the legal relationship of the entities covered.

Tax Principles & Objectives

In accordance with Marubeni's corporate principles and code of conduct, each Company is committed to conducting its tax affairs in a manner consistent with the following objectives:

- Applying diligence and care in the management of the processes and procedures by which tax activities are undertaken, and ensuring that tax governance is appropriate;
- Observing and complying with all applicable tax laws, legislation and practice in the UK and all other territories in which we operate;
- Ensuring tax affairs are up to date, paying the right amount of tax due according to where true value is created within the normal course of commercial activity on a timely basis and claiming legitimate incentives, reliefs and allowances where available;
- Ensuring UK tax compliance is appropriately controlled and managed to meet each Company's legal, regulatory, reporting requirements and accounting disclosures;
- Each Company will only be involved in tax planning in line with legitimate business purpose and commercial rationale with economic substance. No tax planning is carried out that could have an adverse impact on the Companies or to the Marubeni Group reputation;
- Ensuring the Companies collectively develop and maintain a good, transparent and honest working relationship with the tax authorities and undertake all dealings based on the concepts of integrity, collaboration and mutual trust;
- Maintain a 'low-risk' status with HMRC for all entities covered by this strategy.

Tax Risk Management

The objective is to arrive at well-reasoned conclusions for managing the specific tax risks identified, and ensure governance and assurance procedures are appropriate. The framework for managing tax risks is set out below: -

- Tax risks are identified, evaluated, monitored and regularly reviewed on a case-by-case basis with diligent professional care and judgement to ensure they remain in line and consistent with the risk-averse tax policies of the whole Group;
- Where there is uncertainty as to the application or interpretation of tax law, professional written advice evidencing the facts, risks and conclusions is taken from external advisers to support and substantiate the decision-making process;
- Roles and responsibilities are well defined, and appropriate delegation of authority, accountability and training is given to those concerned with managing each Company's tax affairs, ensuring tax decisions are taken at an appropriate level;
- Tax advice and tax planning previously implemented is monitored for confirmation that it continues to be effective and is not impacted by changes to tax legislation or practice or changes to the facts on which the initial advice was based:

Engaging with UK Tax Authorities

All Companies are committed to maintaining a professional, transparent and honest working relationship with the UK Tax Authorities in accordance with the principles of the published 'Framework for Cooperative Compliance'.

The Tax Strategy aligns with this published Framework aiming at the following approach: -

- Engaging in open and timely dialogue with HMRC for discussing tax planning, tax risks and significant tax transactions;
- Making fair, accurate and timely disclosures in correspondence and returns, responding to HMRC's follow up queries in a timely and professional manner;
- Resolving enquiries raised by HMRC in a constructive and collaborative way, and consult HMRC to achieve certainty wherever possible;
- Litigation will be the last resort having always first sought to resolve any disputes in real time through active and transparent discussion with HMRC and before returns are filed or complex tax planning transaction is implemented.

Appendix

Relevant entities for Marubeni Group Financial Year Ending March 2019

Marubeni Companies in UK Sub-Groups

Marubeni Oil & Gas (U.K.) Limited
Marubeni North Sea Limited
Marubeni Oil & Gas (North Sea) Limited
Marubeni Oil & Gas (QATAR) Limited
Agrovista BV
Agrovista UK Limited
Marubeni Agrochemical Limited
Alpha Amenity Limited
South West Seeds Limited
John Ebbage Seeds Limited
Dignity Seeds Limited
Agronomy Connection Limited
Terra Firma (Scotland) Limited
Marubeni Agro Machinery Holding Limited
Spaldings Holdings Limited
Spaldings Limited
Central Spares Limited
Marubeni Auto Investment (UK) Limited
RRG Group Limited
Norton Way Motors Limited
RRG (West Yorkshire) Limited

Marubeni 'Qualifying Companies'

Marubeni Europe Plc
Marubeni Finance Europe Plc
Marubeni Energy Europe Limited
Marubeni Laffan Refinery UK Limited
Marubeni Gas Development UK Limited
Marubeni Copper Holdings Limited
MBC Europe Limited
Marnix Europe Limited
Marubeni Paper & Paperboard Investment Limited
Marubeni Europower Limited
Marubeni Offshore Power Limited
Marpit Investment Limited
Marubeni-Komatsu Limited
Orffa UK Limited
Panfoods Co., Limited

The following qualifying company elected to publish their tax strategy online separately:

[SmartestEnergy Limited](#)