Tax Strategy

Introduction

Recruit Global Treasury Services Group (including UK entities Recruit Global Treasury Services Ltd and Recruit Global Treasury Services AUD Ltd, hereafter ‘the Group’) of companies provides financial treasury management services to Recruit group subsidiaries.

The principal activity of the group is that continuing group subsidiaries’ business development and growth strategy in line with the overseas development plan of Recruit Group.

For the Group to fulfil Recruit group’s principal objectives, utmost cash efficiencies and minimization of foreign currency exposure, it enters into transactions with the main group companies and counterparty financial institutions. In particular, the former is realized by using the counterparty bank’s multicurrency pooling service that manages stable fund supplies in each currency and a minimization of currency risk.

The nature of the Group’s business activities means that a substantial amount of taxes are paid and the Group is also obliged to comply with a variety of reporting requirements. The major taxes are:
- Corporation tax, and
- Employment taxes

With regards to tax, the core aims of the Group are to:
- Maintain accounting systems and controls to successfully support tax compliance obligations;
- Comply with all relevant laws and disclosure obligations;
- Only undertake tax planning in the context of wider business activities having a commercial, and economic basis; and
- Deal transparently, professionally and appropriately with all tax authorities.

The Group operates a strict policy and governance environment to maintain compliance with all relevant tax authorities in whatever areas or geographical zones in which we transact our business.

We have an open, professional and transparent relationship with the authorities and we strive to achieve clarity of business tax consequences wherever we operate within the world.

We do not enter into schemes where the sole purpose is the avoidance of tax and we will not be party to tax evasion.
Strategic Tax Objectives of the Group

The Group is committed to compliance with all statutory obligations and full disclosure to relevant tax authorities with the aim of:

- Maximising long term shareholder value in relation to the tax impacts of the Group’s business activities at a level consistent with all applicable rules and the Group’s reputation;
- Providing robust and transparent disclosures for the purposes of financial reporting; and
- Anticipating, managing and communicating material tax risks arising out of tax legislation or economic changes within the Group’s operating environment.

The group’s strategic objectives are met through application of the Recruit Group Tax Policy. The Tax Policy is part of a framework of policies which are periodically reviewed and updated by the Board of directors. Ownership of the Tax Policy rests with the Board. Overall responsibility for implementing the Tax Policy rests with the Managing Director, with professionals in the wider finance/accounting team supporting its day-to-day implementation. Our overall approach to tax is periodically reviewed in relation to changes regarding:

- The general business environment;
- Our business operations;
- Legislative and regulatory changes; and
- Emerging business and tax risks.

Our attitude to tax planning

The Group only undertakes tax planning in the context of wider business activities having a commercial and economic basis. The majority of tax work is undertaken internally within the finance/accounting team with experienced professionals. The Group may use external advisers to help comply with tax obligations and may also consult externally when undertaking tax planning or structuring exercises in order to comply with complex legislation to ensure that business decisions are made within the framework of current and expected interpretations of legislation and guidance.

Level of risk

The Group has a low appetite in terms of risk in relation to UK taxation. It does not participate in structured arrangements or aggressive planning in order to minimise its tax liabilities. The Group identifies tax risk as “risk that can arise from unclear laws and regulations as well as differences in their interpretation”. It has established a strong framework of robust policies and compliance processes to ensure the integrity of its returns.
Approach towards dealing with HMRC

The Group deals with all tax authorities in a professional, constructive and transparent manner. It maintains regular dialogue on open matters and has no material historical matters outstanding. The Group proactively seeks clarification on potentially unusual or contentious issues and also keeps HMRC actively informed of any changes relating to the Group and the nature of its business transactions. The Group’s Tax Policy encourages contributions to tax consultations on proposed legislative changes, either directly or through representative bodies. The Group regards the preparation and publication of this tax strategy as complying with the UK legislative requirement under paragraph 19(2) of Schedule 19, Finance Act 2016.