Our UK Tax Strategy

Introduction

GMO Internet Group, headquartered in Tokyo, Japan, is a leading force in the Internet industry offering one of the most comprehensive ranges of Internet services worldwide. Our UK subsidiaries, GMO-Z.com Trade UK Limited and GMO GlobalSign Ltd are part of the GMO Internet Group. Our global business activities incur a substantial amount and variety of taxes, including corporate income taxes, stamp taxes, business rates and, in the UK, employer’s national insurance. In addition, we collect and pay employment taxes and indirect taxes such as VAT. This tax policy satisfies paragraph 19 of schedule 19 to the UK Finance Act 2016. The tax policy has been published in accordance with paragraph 16(2). This strategy applies from the date of publication until it is superseded.

Managing tax risks

The Group’s UK tax policies are regularly reviewed and approved by management in accordance with the Group’s overall commercial risk appetite. The key role involved in managing the tax risks are the head of UK tax who oversees UK tax compliance. They report to the head of tax and financing in GMO Internet, the Japanese parent company who subsequently reports major tax strategies and issues in the Management meeting when necessary based on our group management rules. This is augmented by using external advisors who assist in ensuring that the Group stays updated on any new tax legislation which could impact the desired low-risk tax profile the Group intends to maintain. Our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business.

Tax Planning

With the complexity of tax legislation increasing especially for businesses which operate in multiple jurisdictions with the introduction and implementation of the Actions of the OECD’s “Base Erosion & Profit Shifting” project (“BEPS”), there is an increased risk for all businesses of non-compliance with new legislation.

In order to ensure we fully comply with new and existing UK tax legislation, we occasionally seek external tax advice to help us correctly interpret new technical and complex laws as well as confirming we are complying with all relevant statutes.

We make operating decisions purely on a commercial basis and only after this do we consider how these transactions can be implemented in a way which maximises shareholder value whilst adhering to the Group’s overall low-risk tax policies. We sometimes seek external views, especially with complex transactions as to whether our interpretation of legislation is correct, or if there are other considerations which will help increase shareholder value whilst achieving our commercial aims in a low-risk manner.
Level of Acceptable Tax Risks

We have management-led internal tax policies throughout the UK business which detail the low-risk approach to tax. This is rigid and does not change depending on the situation. Our internal tax policies are partially influenced by our stakeholders who demand that the business maintain a reasonable approach to tax and don’t take undue risks in an attempt to increase profitability.

Working with HMRC

We seek to ensure that our engagement with HMRC is professional, open and honest, and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. Where considered appropriate, we would be prepared to litigate on matters where agreement cannot be reached through discussion, although we would consider the potential impact on our reputation and on our working relationship with HMRC before doing so.

Michiari Kanno

Michiari Kanno
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