

# TAX Strategies

PTT International Trading London Ltd ("PTTT LDN") as part of PTT Group strictly adheres to the principles of transparency and fairness when engaging with tax-related matters. Our tax policy is underpinned by our core values, "SPIRIT", particularly Responsibility for Society, Integrity and Ethics, and Trust and Respect. These principles are embedded at all levels of our organization, and are deployed under the "PTT Way of Conduct" to ensure alignment in our approach to tax matters among all PTT Group companies and to promote good governance and accountability at all times. We are committed to conducting our business in full compliance with relevant rules, laws and regulations in all areas where we operate, domestically and internationally, and firmly believing in paying our fair share of taxes.

## Our approach to tax risk management and governance

- Ultimate responsibility and oversight of our Tax Strategy rests with the Board of Directors. Executive management for tax matters is delegated to PTTT LDN's, aided by PTT International Trading Pte Ltd ("PTTT") under our service agreement with them.
- Day-to-day responsibility of the Group's tax affairs, including the application of this Tax Strategy, is delegated to PTTT LDN's General Manager, assisted by the Chief Finance Officer, PTTT (Service Provider). They provide regular updates to the Board of Directors (which meet Regularly) on tax matters affecting the Group.
- Day-to-day tax activities are carried out by a team of appropriately qualified and experienced tax professionals within PTTT, and where required, top tier external tax advisors. Where tax related activities are carried out outside the Group Tax department (eg HR), staff are appropriately qualified and experienced.
- Where required, PTTT LDN may outsource some tax activities to suitably experienced external advisors, but PTT Public Company Limited ("PTT") will oversee and retain ultimate responsibility for these activities and related filings. Our External Tax Advisor Policy Guideline sets out the guidelines on the engagement of an external tax advisor, only when required, to ensure that the external tax advice obtained is of a consistently high standard.
- We aim to provide reasonable assurance that we understand, monitor and manage the main uncertainties that we face in delivering our objectives, including in our tax affairs. We operate in a framework through which we can consistently identify, assess and prioritise, manage, monitor and report risks, including tax risk.
- Risks are assessed by considering the financial and reputational impacts, and how likely the risk is to materialise. Where a risk is identified, actions are taken to manage and monitor the risk, assess the adequacy of existing risk processes and controls and remediate deficiencies. In addition, where deficiencies are identified, these are reported and discussed with PTT's tax department, and appropriate corrections made.

- PTT Group operates a Group Tax Risk Management Framework which comprises of three layers:

1. The top layer “PTT Way of Conduct – Tax Policy” establishes principles that define how PTT Group manages its tax affairs.
2. The middle layer “Global Tax Policy Guidelines” serves as the policy guideline level to support the delivery and implementation of the Tax Policy. This layer provides guidelines on how tax risks are managed across the identified tax activity areas. The Global Tax Policy Guidelines consist of

- Tax Advisory and Compliance
- Tax Risk Management
- External Tax Advisor
- Tax Audit Management

3. The bottom layer “Operating Procedures” is the detailed process and procedures at the operating level to implementation of the first two layers.

### **Tax planning and compliance**

- We are fully aware of direct and indirect risks from aggressive tax planning and do not use contrived or abnormal tax structures that are intended for tax avoidance and have no commercial substance. PTTT LDN Management and Board of Directors do not support any activities, aiming to aggressively structure PTT Group’s tax affairs.
- Manage the taxation for stakeholders’ benefits by paying tax properly as required by law. PTTT LDN will maintain the organization’s reputation and strong relationships

with the relevant state tax agencies. Transactions between related parties are based on arm's length principle to ensure that the fair share of taxes is paid with respect to our function performed and our business strategies.

- For the benefit of stakeholders, PTTT LDN will consider tax incentives/exemption available for our commercial activities, in line with prevailing tax law.
- In structuring our operations, we consider a wide range of factors and their consequences to balance the commercial, cost (including tax) and regulatory requirements. In recent years, our key considerations have shifted towards reputation and other non-financial risks. PTT has thus instilled a policy across PTT Group to avoid setting up operations in foreign jurisdictions considered as tax havens. The jurisdictions of PTT Group foreign affiliates are disclosed to all relevant tax authorities in our annual reports and have been regularly reviewed by our group to ensure compliance with all tax requirements and other regulations.
- PTTT LDN shall consider hiring a highly experienced tax consultant prior to commence a complex investment project or transaction to ensure that all taxation risks are mitigated and complied with laws and regulations.
- PTTT LDN may also engage external advisor to assist us with tax matters which may be complex or unclear, so that we may obtain clarity or certainty around the interpretation of the tax law or the position taken, particularly where the matter may be material.

### **Level of acceptable tax risk**

- PTTT LDN takes a conservative approach to tax risk. Whilst we strive to keep tax risk at a low level, we do not have a prescriptive level or pre-defined limit to the amount of acceptable tax risk. The level of acceptable tax risk is assessed on a case by case basis within our governance framework and risk appetite.

### **Coordination with Government Agencies**

- Appoint a party responsible for overseeing tax matters. Coordination with government agencies about tax matters must be done through the designated responsible party to ensure that all relevant information will be submitted to governing authorities on a timely basis, and enhancing transparency of our tax affairs.
- Due to our size and limited operations in the UK, we have limited interaction with HMRC. However, where it is appropriate, we reach out to HMRC before transactions and we aim to respond to queries raised within the required timeframe.
- PTTT LDN seeks to ensure any engagement with tax authorities, including HMRC, is cooperative, professional, transparent and honest.

**We regard this publication as meeting the requirements of paragraph 19 (2) Schedule 19 FA 2016 to publish our tax strategy for our UK operations in respect of the year ended 31 December 2018.**

*Published on 3 October 2018*

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- Tax
- Tax Advisory and Compliance
- Transfer Pricing
- Tax Risk Management
- External Tax Advisor
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*Published on 2 October 2019*