

2020/21 TAX STRATEGY

ISHIDA EUROPE LIMITED 2020/21 TAX STRATEGY

Paragraph 16(2), Schedule 19 of the Finance Act 2016 requires Ishida Europe Ltd. (hereinafter Ishida) to publish its tax strategy. In compliance with this, we set out below our strategy for the financial year ending 20 March 2020. This was reviewed and approved by the Board of Directors on 9th March 2020.

Introduction

Ishida is a world leader in the design, manufacture and installation of packaging machines for food and non-food products. We primarily trade with countries within Europe, Middle East and Africa. Our business activities incur a variety of taxes, including corporation tax, customs duties and business rates. We also collect and pay VAT and employment taxes.

As Ishida continually strives to deliver high performance for our clients, our company and our stakeholders, we remain committed to upholding the highest ethical and professional standards consistent with our Governing Principles and our Code of Conduct.

Risk management and governance arrangements

Ishida is committed to responsible administration and payment of taxation, endeavouring to comply with all relevant laws, regulations and disclosure requirements. This is in line with our Japanese parent's corporate philosophy of Three-Way Harmony, ensuring balance between our company interests, those of our customers, and those of the wider society.

Ownership of tax governance and strategy rests with the Finance Director, with input and review from the rest of the Board of Directors. The day-to-day management of tax affairs is delegated to a team of qualified in-house professionals.

Tax risks are continuously assessed and managed in first instance by the in-house team, to ensure we can identify compliance needs and risks early, and to keep abreast of changes in the legislative and commercial environment. Issues are brought to the attention of the Finance Director where appropriate and the Board is also duly informed of matters that warrant escalation.

The services of suitably qualified external advisors are also employed to review how we meet our tax obligations and we obtain professional advice on tax matters, to ensure compliance with the law and to minimise risk exposure.

Attitude to tax planning

Ishida will not engage in tax planning beyond that permitted and envisaged by law. Moreover, we will not engage in tax planning schemes that are clearly separate from the underlying commercial context of transactions.

We make use of incentives and reliefs where these are directly applicable, seeking the advice of qualified experts to substantiate any such claims.

We will not use contrived or abnormal tax structures intended for tax avoidance. Similarly, we will not implement tax planning strategies that are considered contrary to the spirit of tax legislation.

Risk appetite

We have a low appetite for tax risk and as such we do not accept any level of risk in relation to taxation that may compromise our reputation or adversely impact our relationships with any stakeholder.

As a global business, with customers and suppliers based in a multitude of countries, we are aware of potentially increased tax risks arising from cross-border transactions and are mindful to observe relevant guidance issued by the OECD regarding international tax matters.

As such, risks are carefully managed by the Finance Director and the finance team to ensure tax reflects the commercial reality of transactions, and that we pay and collect an appropriate amount of taxes.

Wherever uncertainty exists surrounding tax legislation and its application, Ishida will seek professional advice, as well as the advice of authorities, to be satisfied that our understanding is correct and to minimise risk.

Approach to dealings with HMRC

Ishida values maintaining good relationships with tax authorities and therefore we comply with HMRC requirements in regard to reporting, filing, and payment obligations and deadlines.

We seek to provide HMRC with all required information in an accurate, transparent and timely manner. We aim to respond to information requests in the same proactive and timely fashion.

Ishida is committed to interpreting and applying tax laws in a fair and reasonable way, with the help of expert advisors where necessary. We refrain from abusive practices that would be inconsistent with the intended consequences of the law, and that would as such put a strain on our relationship with HMRC.