

## **UK Tax Strategy**

We consider that the publication of this UK tax strategy complies with the obligations of the Mercuria UK Group under Paragraph 19(2) of Schedule 19, Finance Act 2016 for the year ending 31 December 2019.

The core business of the Mercuria Energy Group is the trading of physical commodities, from crude oil to refined oil products, natural gas, power, emissions, coal, natural gas liquids, metals and bulk commodities. The Group has a very broad geographical diversification, with a local presence in over 40 countries.

## **Approach to risk management and governance arrangements in relation to UK taxation**

Mercuria's UK tax function is responsible to ensure that tax legislation, regulations and obligations for the UK and other relevant jurisdictions are adhered to and that the right amount of tax is paid on a timely basis.

## **Attitude towards tax planning**

Any Mercuria tax planning must:

1. Align with the commercial activities and economic substance of the business operations carried out; and
2. Adhere to applicable tax legislation, regulations and obligations.

## **Level of tax risk that we are prepared to accept**

For areas of material complexity or uncertainty, Mercuria will engage independent UK and international tax advisors to determine and assess tax risks; and to confirm that associated tax filings and disclosures are compliant and in accordance with legislative requirements. Where advance Tax rulings are available, these will generally be sought.

## **Approach towards dealings with HMRC**

Mercuria's Code of Conduct, (available on [www.mercuria.com/our-values/governance](http://www.mercuria.com/our-values/governance)) makes clear its commitment to a co-operative engagement with all of the authorities that regulate its businesses. Mercuria UK pursues an open, transparent and trust-based relationship with HMRC by always seeking to:

- Comply with UK tax legislation, regulations and obligations;
- Pay the right amount of tax on a timely basis; and
- Work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible.