

**UCFS Europe Company**  
**UK Tax Strategy**  
**December 2021**

**Introduction**

UCFS Europe Company (UCFSE) provides short-term consumer financing through merchants and distributors for many different types of goods and services. We believe that business success is best achieved by building long lasting and mutually beneficial relationships.

Our UK tax strategy applies to all UK entities that are part of our immediate parent company, UCFS International Holding Company, and its parent company Scott Fetzer Financial Group (SFFG), and their related subsidiaries. We manage our tax matters in alignment with the principles and values of integrity, responsibility and respect. These principles guide the decisions we make regarding UK tax matters.

Publication of this strategy is considered as satisfying Para 22 (2), Schedule 19 of the UK Finance Act 2016 in respect of UCFSE's financial year ending 31 December 2021.

**Governance**

At UCFSE we seek to comply with all relevant UK tax laws, rules, regulations and reporting and disclosure requirements. We seek to ensure that all decisions are taken at an appropriate level, with diligent professional care and judgment and supported with documentation that evidences the facts, conclusions and risks involved.

A team consisting of the president, controller and tax manager oversees the tax strategy, which is then ultimately supervised by the controller. We rely on local tax experts for tax compliance, risk management and general tax matters (Corporation tax, Value Added Tax, Employment tax matters and PAYE).

**Management of tax risk:**

The overall goal of UCFSE's approach to tax is to identify & manage possible risks, comply with applicable laws and regulations, and maintain transparency with Her Majesty's Revenue and Customs (HMRC). We manage risk and maintain compliance with tax laws and legislation through a strong system of internal controls using appropriately qualified and experienced staff.

Tax is managed in a manner that is consistent with other areas of operational risk by introducing and maintaining appropriate monitoring and management procedures across the organization. The business does not have a fixed monetary level of acceptable risk but seeks to minimize the risk of operational failure by continuously identifying, communicating and monitoring risk.

**Attitude to planning**

When engaging in commercial activity, the business seeks to understand the relevant tax implications for the group. Our approach to tax planning focuses on the effective management of the group's tax position in line with the broader commercial objectives to deliver long term economic value to our shareholders.

Our intention is to ensure all tax positions are built on sound business activities. We pursue tax credits when appropriate, and elect to take low risk provisions that are intended to lower the cost of doing business. We expect employees to act in an ethical manner and to comply with all applicable laws and regulations. Where the tax treatment is significant or uncertain we may obtain professional opinions from external tax advisors.

We shall not use artificial structures that are unrelated to the Company's business for the sole purpose of reducing the tax burden.

**Working with HMRC**

At UCFSE we seek to manage our tax affairs responsibly and engage with HMRC in a professional, courteous and timely manner this includes;

- being open and timely with HMRC about the management compliance
- raising material issues, uncertainties and/or irregularities with HMRC as they arise
- promptly responding to HMRC question and queries
- maintaining clear accountabilities up to and including the Board for the management of tax

We shall never deliberately conceal or knowingly misrepresent issues to HMRC. If we discover errors, we shall disclose them as soon as reasonably practical.

If our interpretation of the correct tax treatment differs from that of the tax authorities we will typically ask for independent advice and work with the tax authorities to achieve resolution in an open and constructive manner.