

Atradius Tax Policy 2019



The parent entity of the Atradius Group, Atradius N.V., is a Dutch company that is majority owned by Grupo Catalana Occidente, S.A., a Spanish company that is listed on the Spanish stock exchange.

The Atradius Group's tax policy is aligned with the tax policy of Grupo Catalana Occidente. Accordingly, it is aimed at ensuring compliance with applicable tax regulations and seeks to establish an appropriate coordination of the tax practices of the entities in the Atradius Group.

The tax policy operates within the framework of fulfilling the corporate interest and supporting a long-term business strategy that seeks to minimise tax risks and inefficiencies in the implementation of business decisions.

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Principles

The Atradius Group has adopted the principles of integrity, honesty, transparency and professionalism as the foundations that inform and guide our business, including our approach to tax matters.

As a responsible corporate citizen we aim to:

- Ensure compliance with applicable tax regulations in all jurisdictions in which we operate
- Promote reciprocal and cooperative relationships with tax authorities that are based on the above principles as well as on respect for the law, cooperation, transparency and good faith
- Ensure that our tax policies are applied consistently across the Atradius Group and Grupo Catalana Occidente, S.A.
- Promote responsible actions that take into account the interests of stakeholders and the economic development of the communities in which the Atradius Group is integrated. This includes the payment of all taxes due in accordance with the tax regulations of each jurisdiction in which the Atradius Group operates as an important part of its contribution to the economies of all the jurisdictions in which it operates
- Prevent and minimise significant tax risks, ensuring that the tax profile of the Atradius Group bears an appropriate relationship to the structure and location of activities, resources including human resources, and business risks

Tax management and governance

Each legal entity / branch in the Atradius Group has the primary responsibility for determining, coordinating and supervising the compliance with tax regulations in each jurisdiction in which it operates. The Group Tax team based in Amsterdam supports all entities in the Atradius Group in respect of tax matters and ensures that a consistent approach is taken across the group with respect to tax policies.

In most cases, tax matters are managed through the cooperation of our Group Tax team and Local Finance teams, with the assistance of independent tax advisors.

The Atradius Group has a tax control framework (TCF), which is embedded in its risk governance and internal control framework. The Management Board owns, implements and oversees Atradius group-wide risk governance through the Risk Strategy Management Board (RSMB).

The RSMB consists of all members of the Management Board, as well as the directors of the Group Risk Management, Strategy and Corporate Development and Group Finance. The Supervisory Board and relevant committees thereof (e.g. Audit Committee with assistance of the internal audit team) are responsible for overseeing that the Management Board implements, amongst other things, a suitable risk management and internal control system.

We mitigate potential tax risks by:

- Ensuring specific controls are included in the quarterly Financial Reporting Controls.
- Putting control mechanisms in place to ensure compliance with tax regulations and with the principles outlined above. This is a part of an appropriate business management process, which can also include the use of independent tax advisors
- Employing processes and controls to ensure due consideration is given to tax implications; for example by requiring input from our Group Tax team in respect of new products, mergers and acquisitions or intragroup transactions
- Requesting services from reputable independent tax experts; for example where the application of law is unclear or where we do not have the required expertise or resources available internally
- Following the available and applicable guidance from tax authorities and codes of good tax practices in the jurisdictions in which we operate
- Seeking guidance from tax authorities prior to tax positions being taken, which may include requesting tax rulings from a tax authority

The internal Guidelines on Financial Reporting Controls prepared by the Group Risk Management team defines roles and responsibilities and provides a description of the related processes such as improvement points, assessment and sign-off, management testing and retaining evidence (periodically audited by the internal audit team).

In addition, a bi-annual detailed tax risk review process forms part of our TCF. The Management Board is frequently updated in respect of tax matters.

Tax risk profile

We seek to maintain a low to moderate tax risk profile and we aim to always comply with both the spirit and the letter of the law.

Within the Atradius Group tax exposures and tax risks can arise for numerous reasons. Typically, tax risks are much more likely to arise in respect of cross-border transactions given the multitude of tax jurisdictions in which we operate and the different interpretation of the various tax authorities.

We assess our exposure to tax risks in a number of ways including: short and long term fiscal impact; the impact on our corporate reputation; the impact on our relationships with governments and tax authorities; and the impact on our stakeholders including shareholders, clients, and the broader communities in which we operate.

Tax planning

Tax planning is used to support and ethically align our business operations with tax regulations in the jurisdictions in which we operate.

As such, our Group does not make use of aggressive tax planning strategies. We do not operate through opaque or artificial structures, or structures that are intended to result in tax avoidance. We do not use tax havens and our presence in any so called low-tax jurisdiction is related to our effective business activities in those jurisdictions and is not aimed at shifting profits to such jurisdictions in order to reduce our tax burden or obfuscate our transparency.

Atradius is driven by commercial objectives. While the identification and consideration of tax matters, including tax risks and ensuring our continuing compliance with applicable tax regulations, forms an important part of our day to day business activities, tax is not a key driver in our decision making process.

Transfer pricing

As a global organisation with different types and levels of resources and expertise in each jurisdiction in which we operate, intragroup transactions play a significant role as we strive for success. With these transactions come transfer pricing considerations that are presided by the principles of free competition, value creation and the assumption of risks and benefits.

We seek to comply with the OECD Transfer Pricing Guidelines and the transfer pricing regulations in each of the jurisdictions in which we operate. As a result our profits are derived and taxed where value is created and our transfer pricing policies are based on compliance with the arm's length principle. We do not enter into related-party transactions solely to erode the tax base or to transfer profits to low-tax jurisdictions.

A formal tax governance process is in place to ensure that the perspectives of all relevant stakeholders (internal and external) are considered prior to significant decisions regarding transfer pricing policies being made.

Products

In the elaboration and design of any product, we consider the tax implications that it may have on our customers, and provide them with transparent, clear and responsible guidance to assist them in fulfilling their tax obligations.

The products we offer are designed to provide commercial solutions to our customers and are not designed to produce or facilitate tax avoidance or evasion.

Interactions with tax authorities

We aim to maintain and develop relationships with tax authorities that are governed by the principles of cooperation, transparency, mutual trust and good faith. Our interactions with tax authorities are carried out in a professional and honest manner.

We cooperate and proactively collaborate with tax authorities to provide certainty with respect to tax matters and to ensure our compliance with tax regulations. We respond to requests from tax authorities for information or documents as soon as possible.

Atradius N.V. has its fiscal residency in the Netherlands. Since 26 September 2012 it has entered into a covenant with the Dutch tax authorities regarding horizontal monitoring. This means that uncertain tax positions relating to any of the Dutch entities within the Atradius Group are discussed with the tax authorities up front, before submitting the tax returns. Horizontal monitoring is based on mutual trust between the taxpayer and the Dutch tax authorities and establishes a more equal position between both parties. Review of the TCF forms part of the process.

Likewise, we cooperate with the competent tax authorities in the detection of, and search for, solutions for fraudulent tax practices of which the Group is aware that may be used in the markets in which the Group has a presence.

Scope and references

This tax policy applies to financial year 1 January 2019 – 31 December 2019. It is applicable to Atradius N.V. and all of its direct and indirect majority owned shareholdings, including branches. It has been prepared in accordance with the requirements of the UK Finance Bill 2016 Schedule 19, paragraph 19(2).

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