

## **IWG UK Group** **Our UK tax strategy**<sup>i,ii</sup>

### **Introduction**

IWG is the global leader in the fast-growing Workspace-as-a-Service (WaaS) sector with more than 3,300 locations in over 110 countries and 1,100 cities across the world. As the owner and operator of internationally renowned brands like Regus, Spaces, Signature, Open Office and Basepoint, we provide local and global networks for all kinds of businesses. From independent sole traders and fledgling start-ups to the world's largest corporations, we provide cutting-edge, inspirational workspaces that support effective working and collaboration. IWG operates in the UK through a number of legal entities.

Our global business activities incur a substantial amount and variety of taxes, including corporate income taxes, stamp taxes, business rates and, in the UK, employer's national insurance. In addition, we collect and pay employment taxes and indirect taxes such as VAT.

### **1. Our approach to tax risk management and governance**

Identification, mitigation and management of risks are central to our strategy, and our enterprise-wide risk management processes are designed to effectively manage risk.

The Board sets and oversees the risk management strategy and the effectiveness of the Group's internal control framework. We continuously identify and manage those risks and opportunities that could affect the achievement of our business plans and strategic objectives, our shareholder value and our reputation, through our risk management process.

Tax risk arises due to the complexity of tax legislation and potential differences in interpretation, and in relation to our business operating model. We have established policies and processes in place to ensure the integrity of our tax filings and other tax compliance obligations in the UK and worldwide, and our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business.

### **2. Our attitude towards tax planning**

We engage in tax planning that supports our business activities and that has commercial substance. We do not use artificial arrangements. We seek to balance shareholders' interests with ensuring that any arrangements comply with current tax legislation and the need for underlying commercial substance.

Intercompany transactions are conducted on arm's length principles, in accordance with OECD guidelines.

### **3. The level of tax risk we are prepared to accept**

Tax risk is considered as part of our broader enterprise-wide risk management processes and is overseen by the Board.

Our policies and governance framework operate to ensure compliance with tax laws and regulations, both in the UK and worldwide, and to ensure that we identify and mitigate tax risks.

Where uncertainty exists, we may seek appropriate external advice or engage directly with HMRC.

### **4. Our approach to dealings with HMRC**

We seek to ensure that our engagement with HMRC is professional, open and honest, and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. Where considered appropriate, we would be prepared to litigate on matters where agreement cannot be reached through discussion, although we would consider the potential impact on our reputation and on our working relationship with HMRC before doing so.

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<sup>i</sup> The purpose of this statement is to satisfy the UK legislative requirements of paragraph 16(2) Schedule 19 Finance Act 2016 in relation to the publication of tax strategy insofar as it affects our UK group.

<sup>ii</sup> This document was updated as at 14 August 2019