

UK Tax Strategy

This UK tax strategy is being published in accordance of the statutory obligation under Paragraph 16 of Schedule 19 Finance Act 2016. It was approved by the Board of Directors of the DEKRA UK entities for the Financial Year ended 31 December 2017.

This strategy applies to all DEKRA Group entities located in the UK including DEKRA UK Ltd., Chilworth Technology Ltd., DEKRA Personnel Ltd., DEKRA Certification Ltd., DEKRA Claims Services UK Ltd., Optimus Seventh Generation Holdings Ltd., DEKRA Organisational Reliability Ltd., DEKRA Expert Ltd., DEKRA Automotive Ltd. and Spearhead Communications Ltd. (together referred to as “DEKRA UK group”).

The ultimate owner of the DEKRA UK group is Dekra e.V, a company which is also registered in Germany. The consolidated financial statements of Dekra SE can be obtained from <http://www.dekra.com/en/annual-report>.

This strategy applies from the date of publication and for future year’s until it is superseded. References to ‘UK taxation’ are to the taxes and duties in the UK which include:

- All corporate income taxes
- Indirect taxes (VAT, Stamp Duty Land Tax)
- Employment taxes (PAYE / National Insurance / Construction Industry Scheme)
- All other applicable tax matters

The tax strategy sets out:

- the group's approach to risk management and governance arrangements,
- the level of risk in relation to UK taxation that the group is prepared to accepts,
- the group’s attitude to tax planning, and
- the group’s approach towards working with HMRC.

About DEKRA

DEKRA Group has been active in the field of safety for over 90 years. Founded in 1925 in Berlin as Deutscher Kraftfahrzeug-Überwachungs-Verein e.V., it is today one of the world’s leading expert organizations. As an internationally active service provider, DEKRA Group provides expert services focusing on three key areas of life: safety on the road, at work and at home. The Group’s services range from motor vehicle testing, damage reports, accident analyses and technical reports, safety tests, initial and in-service training, employment agency work, certification, environmental services, materials testing, building surveys, consulting to specialist publications.

The following table provides key figures of DEKRA Group for the fiscal year ended 31 December 2017:

Key figures	2017
Revenue (kEUR)	3,134.8
EBT (kEUR)	228.9
Headcount	44,057

Approach to Tax risk management and governance arrangements

DEKRA UK group is committed to adhering to all applicable laws, regulations and disclosure requirements in each jurisdiction in which DEKRA UK group operates. DEKRA UK group is committed to compliance in all our taxation affairs which means paying the correct amount of taxes at the right time, in accordance with local laws and regulations as well as international guidelines.

The day to day management of DEKRA UK group’s tax affairs is provided by the UK finance team as well as our external professional tax advisors who support the team in understanding changes to the UK tax system and filing the correct tax position in accordance with HMRC guidance.

Senior executives report to the Board of Directors regularly on tax matters. Management of the DEKRA UK group is primarily controlled by the UK Board of Directors, with oversight of the Board and management of Dekra SE and Dekra e.V. with regard to the group's overall business strategy. The UK Board of Directors ultimately oversees DEKRA UK group's approach to tax governance in line with this strategy.

DEKRA Group's Compliance Guidelines, along with the DEKRA UK group's system of internal controls, form the foundation of expected behavior on all matters, including UK taxation.

Acceptable risk levels and attitude concerning tax planning

DEKRA UK group only accepts unavoidable tax risks and will not undertake any transaction or planning on tax matters that may create reputational risk or jeopardize our good standing with the tax authorities. Instead, we aim for certainty on the tax positions we adopt, so diligent internal professional care and judgment is employed to assess tax risks arising from our commercial positions in conjunction with expert external tax advice. The adoption of high risk tax positions is, therefore, incompatible with this objective. Where there is uncertainty as to the application or interpretation of tax laws and regulations, we seek assurance from our external tax advisors to support the decision-making process.

As such, DEKRA UK group does not undertake any artificial transactions designed to seek a tax advantage or enter into any marketed tax avoidance schemes, minimizing tax risk. The group will not seek to act in a way which we believe to be contrary to the intentions of Parliament when tax legislation was drafted.

Relationship with HMRC

The DEKRA UK group seeks to maintain an open, honest, collaborative, transparent and positive working relationship HMRC in all tax matters, seeking to respond to information requests proactively and promptly.

Further, the DEKRA UK group regularly engages external tax professionals to assist with discussions and technical aspects of any negotiation including tax audit resolution, as such experts are often more knowledgeable in local tax law and demonstrate the same open, honest, collaborative, transparent and positive working relationship with the respective tax authorities that we expect from ourselves. Tax compliance regarding UK taxation is undertaken between the UK finance team and external tax advisors in the same fashion.