

# UK TAX STRATEGY - General Motors UK Group and related companies.

General Motors UK Group and related companies<sup>1</sup>, referred to as the GM UK Group, are involved in the automotive industry. The business activities of the GM UK Group generate a substantial amount and variety of taxes. In the UK, we account for corporate income taxes and pay stamp duties, employment and other taxes. In addition, we collect and pay employee taxes as well as indirect taxes such as VAT. The taxes we pay and collect form a significant part of our economic contribution to the UK economy.

The GM UK Group is committed to complying with tax laws in a responsible manner and to conduct an open and constructive relationship with HM Revenue & Customs (“HMRC”).

GM UK Group operates under a Code of Conduct, Winning with Integrity, which is based on the fundamental commitment of conducting business ethically and honestly. GM UK Group is committed to its core values of customers, relationships and excellence. In doing so, GM UK Group strives to be a responsible corporate citizen and a good employer. The Code of Conduct sets out what is expected of all GM UK Group

employees and our tax strategy aligns with that.

GM UK Group’s Tax Strategy reflects the business practices and character, as demonstrated in the arrangements described below:

## **Approach to risk management and governance arrangements**

The Tax teams acting on behalf of the GM UK Group have many years of experience in UK and international direct and indirect taxation. Our internal processes and controls support the tax compliance and transactional tax obligations of the business providing our Boards and Senior Accounting Officers with a robust framework for calculation and payment of taxes due. Where any process weakness is identified, new processes and controls are implemented as necessary.

The Board and/or Senior Accounting Officer/Finance Director are involved in review processes and are also engaged in approving transactional details including any tax related aspects. The Tax team remains accountable to the wider business, frequently exchanging updates relating to business and tax developments. Management of tax risks is a constant process. We identify, assess and manage tax risks and account for them appropriately.

---

<sup>1</sup> This Tax Strategy applies to General Motors Europe Ltd, GM Global Treasury Centre Ltd, GM Holdings UK No. 1 Ltd, General Motors Ltd, Global Tooling Service Company Europe Ltd, OnStar Europe Ltd, GM (UK) Pension Trustees

Ltd, Millbrook Pension Management Ltd, GM Retirees Pension Trustees Ltd, IBC Pension Trustees Ltd and GM Investment Trustees Ltd., GMF Europe LLP

The Tax staff is responsible for ensuring that policies and procedures that support the UK Tax Strategy are in place, maintained and applied consistently and that the Tax team has the skills and experience to implement the Tax Strategy appropriately.

### **Attitude to tax planning**

In common with all taxpayers, GM UK Group engages in efficient tax planning that supports the business and reflects commercial and economic activity ensuring the correct amount of taxation is levied. We do not engage in artificial transactions that are designed purely to seek a tax advantage.

We adhere to relevant tax law and seek to minimize the risk of dispute arising from uncertain positions. External advice is sought when in-house Tax staff need assistance with interpretation of complex tax law.

The GM UK Group conduct transactions with other group companies on an arm's length basis and in accordance with current Organisation for Economic Cooperation and Development principles.

Businesses have a responsibility to their shareholders to minimise taxes due. However, in keeping with our corporate philosophy, we maintain our responsibilities as UK taxpayers and will continue to engage with HMRC to pay our appropriate amount of taxation.

### **Attitude to tax risk**

We have a balanced attitude to tax risk, weighing the need to ensure that our

shareholder is tax efficient with the need to pay the appropriate amount of tax.

### **Working with HMRC**

We seek to build and sustain a relationship with HMRC that is constructive and based on mutual respect. We work collaboratively wherever possible with HMRC to resolve disputes and to achieve early agreement and certainty.

We also engage with the government on the development of tax laws either directly or through industry and other representative bodies as appropriate to encourage an open, constructive tax legislature framework.

### **Further information**

Our UK Tax Strategy is applicable across the GM UK Group. We review, update and publish this annually in accordance with our obligations under paragraph 23(4), Schedule 19, Finance Act 2016.

Date published: 12/14/2017