



# ***MINMETALS (U.K) LIMITED***

*Registered in England No.1899182*

## **UK Tax Strategy 2022**

This document sets out the ***strategic tax objectives of the UK operations of Minmetals UK Limited and Minmetals Iron & Steel UK Limited (collectively described as “Minmetals UK”)***

# Tax Strategy

## **Company overview**

Minmetals UK Limited and its UK subsidiary, Minmetals Iron & Steel UK Limited are the UK subsidiaries of China Minmetals Corporation (CMC). China Minmetals Corporation is a leading global conglomerate focused on exploration & development, refining & processing, and trading of metal and mineral products, as well as providing financial services, real estate construction, and mining & metallurgy technologies. Over the past 60-plus years, CMC has beautifully painted a history of development. It has grown from the main channel for China's imports of construction materials, to a professional trader of metal and mineral products having presence in global markets, and to a transnational corporation now possessing a vertically-integrated, trade-based and resource-backed production chain.

The principal activity of the UK group is that of acting as principal and agent, dealing and trading in metals, minerals and other commodities, as well as activities in property management.

Minmetals UK is committed to establishing, developing and preserving client relationship based on mutual trust, mutual support and mutual benefit.

This tax strategy has been approved by UK Board of Minmetals UK Limited and Minmetals Iron & Steel UK Limited, satisfies Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending 31 December 2022.

## **Tax Strategy statement**

### **The approach of the group to risk management and governance arrangements in relation to UK taxation**

Minmetals UK manages tax in line with our Group Governance Framework and risk management procedures and the management of our tax affairs reflects the regulatory, legal and commercial environment in which our businesses operate. Minmetals UK is committed to complying with all applicable laws and are guided by relevant international standards (for example OECD Guidelines). We aim to comply with the spirit as well as the letter of the law and seek to pay the right amount of tax, at the right time in the right place.

Our Group Risk Management Framework requires all of our functions and businesses to establish processes for identifying, evaluating and managing the key risks faced by the Group. These processes and controls are periodically monitored, reviewed and tested by our Internal Audit function.

Ownership of our tax strategy, as with the wider business strategy, rests with the company's Board. The day to day responsibility for our UK tax affairs rests with our nominated Senior Accounting Officers who are responsible for monitoring the ongoing tax operations of their respective companies.

# Tax Strategy

## **The attitude of the group towards tax planning (so far as affecting UK taxation)**

Minmetals UK has a robust and comprehensive approach to managing risk which is underpinned by our Code of Conduct (“Employee Handbook”).

Minmetals UK’s appetite for tax risk is low and we only structure our operations based on sound commercial and business principles. All decisions are taken after careful consideration of all the issues and potential impacts. Where we have a choice on how to structure a particular business, transaction or investment, tax will be one of several considerations guiding how that transaction is structured and we will structure it in a tax-efficient manner, where we have concluded that it is a responsible and sustainable choice, consistent with our business strategy. All transactions will follow the arm’s length principles in line with our transfer pricing policies and the principles of the OECD guidelines.

Tax is a business expense which needs to be managed, like any other, and therefore we will seek to utilise legitimate tax incentives and statutory alternatives offered by governments in the spirit of which they were intended.

Where any tax law is unclear or subject to interpretation, we will engage with external tax advisers to ensure we remain compliant in all our operations.

## **The level of risk in relation to UK taxation that the group is prepared to accept**

Minmetals UK does not have defined levels of acceptable tax risk, but rather tax as with other risks is managed within the overall risk framework and the risk appetite as defined by the Board.

Our Group Risk Management Framework of internal controls provides a robust and comprehensive approach to managing risk in relation to the taxation of our own affairs. This framework is structured to deliver a level of governance and oversight which is consistent with our risk appetite. This framework is subject to periodic independent review by our internal audit team with results reported to our Senior Accounting Officer and the UK Board.

## **The approach of the group towards its dealings with HMRC**

We are transparent and honest in all our dealings with HMRC, and ensure appropriate disclosure of corporate information where applicable. We operate with integrity in our tax compliance and reporting, and as an organisation we strive to ensure we adhere to our compliance obligations.

Where any tax law is unclear or subject to interpretation, we will engage with external tax advisers to ensure we remain compliant in all our operations. Where necessary we will seek formal or informal clearance from HMRC on uncertain tax positions insofar as they relate to our tax affairs.