



# GfK Public UK Tax Strategy

This document sets out the Public UK Tax Strategy of the wholly owned UK subsidiaries of GfK Societas Europaea



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# 1 GfK UK Tax Strategy

Our UK Tax Strategy, which has been approved by the CFO UK, Nordics and Baltics, articulates our approach to UK taxation. It has been published to satisfy the requirements of Schedule 19 of the UK Finance Act 2016 in respect of our financial year ending 31 December 2017 for the wholly owned UK subsidiaries of GfK Societas Europaea, henceforth referred to as “GfK”.

## 1.1 Our business

We turn research into smart business decisions. GfK makes research matter by delivering the future. In a digitized world, we are the trusted source of relevant market and consumer information that empowers our clients to make smarter decisions. As thought leaders in our industry, we have a deep understanding of consumer experiences and choices. Our goal is simple: Enable our clients to create winning strategies to enrich consumers’ lives.

We will strive for sustainable, long-term growth in the context of our Code of Conduct and corporate values, which every employee is obligated to adhere to.

## 1.2 Our tax objectives

Overall, in line with our business objective to achieve long term sustainable growth and in the context of our Code of Conduct, Corporate Values and Risk Management System, our approach to tax is to seek to be fully compliant with all relevant tax obligations, and to act as a trusted and responsible corporate citizen.

### 1.2.1 The mastery of risks determines the success of GfK

A company can only accept challenges in a responsible entrepreneurial manner if it understands its essential risks in good time and deals with them systematically. Our tax affairs are an integral part of our business and as such they are managed through GfK’s standardised, documented risk management system. GfK’s internal control system comprises the principles, structures, processes and measures introduced by the company’s management, which are set to ensure the commercial success of GfK, the correctness and reliability of internal and external financial reporting as well as compliance with the appropriate laws and standards.

We follow the concept of the “Three Lines of Defence”. At a Group level the Management Board defines the overall risk management aims and the Risk Management Committee is responsible for the central coordination and further development of the risk management system. The Group Management Board defines rigid levels of acceptable tax risk through the internally published Financial Risk Guideline.

Day to day management of risk in the UK is supported by the Regional and UK Risk Management Coordinators, but risk management is the duty of every employee.

Accountability for the management and oversight of UK taxation risk rests with the CFO UK, Nordics and Baltics and the Regional Business Management. Day to day responsibility for UK Taxation risk sits with GfK UK Finance with support from Group Tax and our external tax advisers, who are aware of our UK Tax Strategy. We have defined risk categories, and tax risks are specifically included within the Financial and Legal & Compliance risk categories. In accordance with the Risk Management Manual, tax risks have to be systematically identified, assessed and managed in the context of GfK's size, complexity and any changes to our business.

Internal Audit periodically reviews and assesses the risk management process to ensure compliance with the standards set out in the Risk Management Manual.

### **1.2.2 Achieve sustainable long-term growth whilst complying with all applicable laws and regulations**

To ensure GfK's continuing success in the market, opportunities must be consistently exploited, while at the same time taking on risk in a manner that is acceptable from both a business and moral perspective. We strive to conduct commercial transactions in a tax efficient manner to support the sustainable, long term growth of our business and utilise legislated tax incentives such as Capital Allowances and Research & Development credits. We will not enter into any aggressive tax planning arrangements or artificial transactions. It is never in our interest to drive tax efficiencies while we put our reputation, brand name and corporate responsibility at risk. All intercompany transactions are made in line with our Transfer Pricing policies which are built on the arm's length principle, and are in compliance with OECD Guidelines.

The GfK Code of Conduct requires employees to carry out their duties with competence, efficiency, accuracy and reliability. Compliance with the Code of Conduct applies not only to management, but is also part of GfK's personal commitment incumbent on all GfK employees and as such, strict adherence to it is an integral mandatory component of the GfK Corporate Values and Risk Management System. In line with the principles of our Code of Conduct, we seek to act as trusted and responsible corporate citizens through full compliance with applicable local laws and regulations, and will act according to local standards of business practice which includes paying tax in a responsible manner.

GfK obtains advice from Group Tax and/or our external tax advisers to assist in achieving our goal to seek to be fully compliant with all relevant tax obligations, including to assist in the identification and interpretation of changes to tax law, and the potential tax impacts of changes to our business.

### **1.2.3 Create trust, operating with honesty in dealings with all stakeholders, including tax authorities**

GfK seeks to maintain a good relationship with HMRC which is characterised by discretion, trust, fairness and proactive engagement. Should any dispute arise, we would seek to resolve it promptly through a collaborative approach built on transparent sharing of information.

All correspondence with tax authorities is reviewed by GfK UK Finance and may also be reviewed by external tax advisers, where required.

### **1.2.4 Encourage innovation and expertise to build a strong network of people to support our business development**

GfK emphasises a good relationship with its business partners, which is characterised by discretion, trust and fairness. GfK UK Finance is responsible for building strong internal relationships across our businesses through proactive engagement with key stakeholders across both finance and operations to develop communication lines to facilitate the provision of tax advice from our external tax advisers.