



LOMBARD
INTERNATIONAL

LIA Holdings Limited Tax Strategy

Year ending 31 December 2019



Overview

Lombard International is a leading independent, global wealth solutions provider with deep local market knowledge. Lombard International provides superior customised insurance-based solutions to help individuals and institutions ensure their assets are protected, portable and can be passed on. Lombard International Group's headquarters is in the UK via LIA Holding Limited.

Lombard International aims to achieve full compliance with its tax obligations. This includes the maintenance of good working relationships with HMRC and other tax authorities, and the safeguarding of its reputation as a responsible taxpayer.

Risk management and governance for UK taxation

Lombard International operates in a highly regulated industry. Risk management is an essential and embedded part of the activities undertaken to achieve the group's strategic objectives. Lombard International has developed a comprehensive risk management framework and the Board of Directors is ultimately responsible for risk management (including tax risk management) across Lombard International.

The Directors have delegated oversight of the risk management system and systems of internal control to an Audit and Risk Committee. Tax risks, along with all other risks facing the business, are subject to Lombard International's three lines of defence model, which provides multiple levels of oversight:

1. Tax department and Finance leadership (operational level risk acceptance and day-to-day risk management)
2. Risk function (establishment of an appropriate risk management framework and internal risks and controls monitoring)
3. Internal Audit function (testing of the effectiveness of risk management and internal control activities undertaken by 1. and 2. above, and provision of assurance on the overall system of internal controls)

Lombard International's main tax risks relate to compliance and reporting, transactional risk and reputational risk with the tax authorities and other relevant stakeholders in the different countries where Lombard International operates. In order to manage these tax risks, Lombard International has appropriate internal controls and procedures in place. For example, tax calculations and payments are subject to separate internal review and Lombard International retains evidence of the review process. The group-wide internal controls ultimately provide management with visibility as to the review, risk assessment and sign-off of all material tax transactions. Lombard International employs external advisers for specialist or complex matters.

Lombard International's Head of Group Tax has regular meetings with the Group CFO, EVP- Global Tax & Legislative affairs and the Finance Leadership Team. Lombard International's Head of Group Tax also raises tax issues with the Audit and Risk Committee via the Group CFO. The Group CFO escalates key tax issues to the Audit and Risk Committee, and the Board.

Acceptable tax risk and tax planning for UK taxation

Lombard International has a low risk appetite towards tax risk, in accordance with directions from its Board and senior management. Lombard International undertakes efficient tax planning, for example to avoid double taxation in different jurisdictions and to maintain a tax efficient legal entity structure.

Lombard International does not engage in aggressive tax planning or tax planning that lacks commercial purpose. Lombard International's senior management team considers the tax consequence of significant transactions, with oversight from the Board. If a particular tax planning item or business transaction is complex, requires specialist knowledge, or there is uncertainty regarding its potential tax implications, Lombard International will obtain advice from suitably qualified external advisers.

Relationship with HMRC

In accordance with its code of conduct, Lombard International believes in having a collaborative, open and honest relationship with HMRC. Lombard International intends to make HMRC aware of key business issues and tax developments (past, current and future) through face-to-face meetings and through separate discussions where required (for example, if it is unclear how tax legislation would apply in a particular scenario). Lombard International discloses relevant information on key issues and transactions when submitting tax returns to HMRC.

In the event of discovering an inadvertent error or mistake in a submitted tax return, Lombard International will provide full and voluntary disclosure to HMRC as soon as practical, including the reason(s) for the error.

Lombard International will then co-operate fully with any follow-up queries, ensure prompt settlement of any outstanding tax liability and put process improvements in place to mitigate the particular tax risk going forward. Lombard International aims to deal with queries from HMRC on a timely basis and provide full information to explain how the business operates and manages its tax risks.



LIA Holdings Limited regards the publication of the above information as complying with its duty under Paragraph 19, Schedule 19 of the Finance Act 2016 for the 2019 financial year on behalf of its subsidiary companies.

Copyright © 2020 Lombard International