

6. August 2020

Bell & Clements – A Munich Re company UK Tax Strategy for the year ending 31.12.2020

for the sub-group comprising:
Bell & Clements (London) Limited
Bell & Clements Limited

Chetan Shah
Financial Director

Table of contents

1 Introduction.....	1
2 Our approach to risk management and governance arrangements in relation to taxation	2
3 Tax risk appetite	2
4 Our approach towards our dealings with HMRC	3

1 Introduction

Our UK tax strategy sets out the approach of the Bell & Clements sub-group of Munich Re (**B&C**) to managing tax risk and compliance. The document is published to comply with the requirements of paragraph 19 Schedule 19 Finance Act 2016 and it aims to provide clarity on B&C's risk appetite and its approach to managing tax risk for both internal and external users; it is publicly available at <https://www.munichre.com/en/company/about-munich-re/corporate-governance/compliance.html>.

At B&C, we attach great importance to responsible and sustainable company management. Corporate governance as well as sustainable risk management direct our day-to-day actions and help determine our long-term strategic decisions. In addition, corporate responsibility is an essential component of our Group and our strategy is built on "Company success through responsibility". Munich Re's Code of Conduct binds our management and staff to engage in ethically and legally impeccable conduct.

In terms of our attitude towards taxation, B&C is a fair and reliable partner to its clients, its employees, its shareholders and all other external regulatory compliance parties (including HM Revenue & Customs ("HMRC")). We are committed to acting in a prudent and responsible manner. We are an open, transparent and dependable taxpayer.

Further information regarding Munich Re's approach to tax matters globally can be found in Munich Re's Tax Transparency Report 2019 which is also publicly available at <https://www.munichre.com/en/company/corporate-responsibility/download-center.html>.

2 Our approach to risk management and governance arrangements in relation to taxation

As taxation is a key element in meeting our wider business objectives, the Directors of B&C's individual entities provide leadership in respect of our approach to taxation. In addition, as our business is also regulated in the UK by the FCA, we ensure that tax risk management is embedded as part of our wider Enterprise Risk Management procedures as well as the Senior Managers and Certification Regime requirements, where applicable.

From an operational perspective, we have processes in place for identifying and addressing current and future tax risks across the full 'record to report' life cycle. This involves engagement with all key internal stakeholders (Finance, HR, and Tax). Where appropriate, senior level committees provide regular oversight. Due to our membership of a group with an international corporate structure, we ensure that we remain connected on a global basis and that appropriate arm's length pricing is in place for cross border transactions.

Our internal review system (and as appropriate, use of external assistance) supports our Senior Accounting Officer in certifying to HMRC that we have appropriate tax accounting arrangements. Additionally, all tax returns and other submissions to HMRC are checked and validated internally prior to submission. Where we consider that we do not have the necessary in-house resource to fulfil our tax compliance obligations, we appoint external advisors to help manage this tax risk.

Where appropriate, we seek to utilise tax authority approved structures to facilitate our business. We obtain advice from appropriately qualified external advisors on specialist UK and non-UK tax matters such as transfer pricing, direct and indirect tax and employment tax matters. This supplements the skills of our own Finance team in appropriate cases. In addition, for all UK taxes we ensure adequate training is provided to help identify new and emerging risks. For all tax processes there are clear accountability, reporting and escalation lines in place within B&C, with Munich Re Group Tax in Germany, and with the Munich Re Head of UK Tax in London.

We are committed in respect of all areas within our control to strive for a "low risk" rating from HMRC.

3 Tax risk appetite

As with our broader business risk appetite, we have a low tolerance towards tax risk (across all taxes) and do not make use of tax planning which does not support genuine commercial activity. We seek to minimise the risk of a dispute with HMRC by being open and transparent about our tax affairs and by engaging on a real-time basis.

The tax consequences of significant transactions (including internal restructuring and changes to IT systems) are considered by the senior stakeholders (including our UK tax specialists and Group Tax) as part of their deliberations on the transactions in question. Wherever relevant we would also seek the opinion of external advisors to ensure that the tax impacts of any transaction are aligned with our corporate responsibilities.

We manage our ongoing and future tax risk by participating in regular meetings between Munich Re and HMRC to discuss significant current and recent transactions and to share details of any proposed significant transaction with them prior to implementation. In cases of significant uncertainty, we would seek advance clearance from HMRC.

4 Our approach towards our dealings with HMRC

We are committed to maintaining an open, transparent and collaborative approach in our dealings with tax authorities. We engage with HMRC through our Customer Compliance Manager to discuss our tax affairs on a timely basis. Across all taxes we strive to ensure, wherever feasible, that our approach and reporting is consistent with other Munich Re UK businesses.

We take care to ensure that our tax affairs are reported accurately. If in the unlikely event that we identify an error in a submitted tax return, we would seek to voluntarily disclose it to HMRC.

In summary, B&C is committed to ensuring it pays the right amount of tax in the UK and to working collaboratively with HMRC to ensure it is considered a low risk business.

Chetan Shah
Financial Director
Bell & Clements (London) Limited
Bell & Clements Limited
55 King William Street, London, EC4R 9AD