

Our Company

Inchcape is a leading global premium automotive Group, operating in 29 emerging and developed markets with a portfolio of the world's leading car brands in the luxury and premium segments. Inchcape's vision is to be the world's most trusted automotive distributor and retailer.

Our approach to tax seeks to support this vision and also balance the interests of our various stakeholders including customers, suppliers, shareholders, governments and employees.

Scope of the Tax Policy

Inchcape pays a range of taxes including corporate income taxes, stamp duties, withholding taxes, employment and other taxes. We also collect and pay employee taxes as well as indirect taxes such as VAT and excise duties.

For the purposes of the Group's tax strategy, tax is defined as all forms of direct or indirect tax charges or levies including corporate income tax, VAT, payroll taxes, excise and import duties, stamp duties and withholding taxes.

The Group tax strategy applies to all entities in the Group as well as all Directors and employees whose actions or responsibilities impact on the management of tax in the UK.

Tax Governance Framework

The Chief Financial Officer is responsible for the Group's tax strategy which is overseen and approved by the Main Board. The Chief Financial Officer delegates the implementation of the Group's tax strategy to the Group Tax Director and delivery of the strategy is supported by the Group tax team and finance teams. The tax strategy is reviewed on a regular basis and any changes are approved by the Main Board.

In addition, the Group's tax status is regularly reported to the Group Audit Committee and the Group Audit Committee is responsible for monitoring any significant tax matters. Audit Committee meetings are attended by the Chief Financial Officer and Group Tax Director.

Tax Risk Management

Our overall risk management framework requires that we have in place the right procedures, processes and frameworks to minimise risks from impacting our business, or to enable us to respond promptly and decisively when they do. This gives us confidence in our ability to achieve our strategic objectives and support the long-term sustainable growth of our business. A description of our risk management framework can be found in our latest Annual Report ("Risk Management").

We are committed to complying with tax law and practice in all the territories in which we operate. As such, our tax risk management policy requires operations within the Group to establish appropriate tax compliance procedures.

As part of our financial reporting cycle, the Group tax team assesses any tax risks arising including those reported by the operations. Material risks are notified to the Audit Committee.

Tax Planning

We will only engage in tax planning that directly supports our commercial activities. Thus any tax planning undertaken will have commercial and economic substance and will have regard to the Group's wider vision and strategy. We will seek to minimise uncertainty, risk or disputes and we will engage external advisors as appropriate to achieve this. As such our appetite for risk is low in this regard.

We do aim to make use of those tax incentives and exemptions intentionally provided in law, for example capital allowances and credits associated with research and development expenditure.

Relationship with HM Revenue and Customs

We engage with HM Revenue and Customs ("HMRC"), with honesty, integrity and transparency in respect of all tax matters. We will work collaboratively with HMRC wherever possible to resolve disputes or where there is uncertainty in the interpretation of tax laws.

We believe that by following the principles set out above the tax function will continue to support our vision to be the world's most trusted automotive distributor and retailer.

Inchcape plc considers that the publication of this statement complies with the duty set out in Paragraph 16(2) Schedule 19 Finance Act 2016 in respect of the year to 31 December 2019.