

Rosneft Marine (UK) Limited Tax Strategy

Last updated on 04th of May, 2020.

This UK Tax Strategy covers the Rosneft Group's sole UK entity, Rosneft Marine (UK) Limited (RNMUK), and is published in accordance with Schedule 19 of the Finance Act 2016.

Governance Framework

The sole Director of RNMUK holds ultimate responsibility for UK tax matters. Provision of relevant information and liaison with external tax advisors and auditors regarding tax matters as well as other day to day tax related responsibilities are carried out by the Bookkeeper, the Finance Manager and their teams. Further support is provided by the in-house Legal Counsel where necessary. All significant issues are raised and discussed with the Director by the Bookkeeper and/or Finance Manager to agree further action, as appropriate, including referring the matter to external tax advisors where necessary.

Approach to risk management

We manage tax risk to ensure we comply with the tax laws applicable to our business and its operations to ensure the appropriate tax is paid in a timely manner.

Our internal tax risk management system is in line with the company's business needs in view of its simple and straightforward tax affairs. We use external advisors to assist us in this regard. Reports of new tax risks or compliance requirements are provided quarterly by the external advisors.

We note the primary tax risks of our business to be failure to lodge accurate tax returns and payments of tax, and by the appropriate statutory deadline.

We mitigate these tax risks by:

- having clear internal roles and applicable responsibilities regarding UK tax matters and updating them as necessary;
- having clear internal processes and relevant controls in place regarding UK tax matters
- keeping employees of the RNMUK back office (finance, bookkeeping, legal) up to date as necessary with the UK tax matters and with the tax advice received; and
- engaging external advisors to provide the abovementioned tax advice, including interpretation of new, or complex areas of, tax law as well as practical tax support.

Acceptable level of risk

We have a low level of acceptable tax risk and strive to comply with all UK tax requirements on time. Our primary aim is to uphold both the letter and intention of UK tax law and maintain transparency within our UK tax filings and disclosures in order to minimise uncertainty and also queries from HM Revenue & Customs (HMRC), as well as to mitigate any damage to our reputation.

We maintain several internal policies and procedures that each of our employees is aware of and responsible for abiding by, to ensure this focus is upheld and consistent.

Attitude toward tax planning

We conduct our business and operations in a tax efficient manner to make use of deductions and reliefs within both the letter and spirit of the UK tax law.

Our activities in the UK are all similar in nature and we have experience in how to treat these for tax purposes. We do not typically engage in tax planning, but if any tax planning does occur it is only ever in support of genuine commercial activity and to the extent permitted by law.

Where we encounter complex UK tax matters or new areas of the UK tax law, we seek expert advice from external advisors or, where applicable, obtain clearance from HMRC.

Relationship with HMRC

We have an open and honest relationship with HMRC.

We seek to be seen as a responsible tax payer and maintain a good relationship with HMRC by:

- acting professionally and openly;
- liaising with external advisors over any queries raised so that such queries are dealt with and responded in the most efficient and effective manner possible; and
- making full disclosures in our tax returns.

Where there are any matters of uncertainty, these would be initially discussed with external advisors and then discussed with HMRC where appropriate.

This Tax Strategy is valid and applicable until 31.12.2020 (inclusive).