

Cox Automotive
UK Tax Strategy

Cox Automotive UK Tax Strategy

This UK tax strategy document applies to the UK entities (Hereafter referred to collectively as Cox UK) within the ultimate parent company & Group, Cox Enterprises, Inc. incorporated in the United States of America. It relates to financial year ended 31 December 2022. This document was approved by the relevant Board of directors.

Cox UK considers this document and its publication and availability on the public website, www.coxautoinc.eu/ to comply with legislative requirements under schedule 19 of Finance Act 2016.

Background

Cox UK is a collective of UK based subsidiaries to a private company, incorporated in the USA. The UK business is a strategically important one to the parent, providing valuable access to the UK and European automotive markets. The UK business has a long history of operating in these markets under previous and current ownership, and a history of compliance with all relevant regulation.

Cox UK contributions to taxation in the UK includes corporate, employment, sales, property, insurance premium, fuel duty and other taxes.

1. Commitment to compliance

Cox UK believes compliance with all tax legislation in the UK is essential for running a successful business. Cox UK is therefore committed to:

- Settlement of the correct taxation obligations;
- Adhering to all filing obligations, in an accurately and timely manner; and
- Engaging with HMRC to seek clarification on any matters of uncertainty, such as new legislation and interpretation of tax law which impacts Cox UK.

2. Attitude to tax planning and risk

Cox UK adopts a conservative approach to tax planning and will only be involved in tax planning to the extent that it supports UK commercial activities, in order to execute activities in a tax effective manner whilst remaining fully compliant with relevant tax legislation.

External tax advisors, appropriately sourced outside of the Cox UK group, are engaged to advise on any areas of uncertainty, ensuring tax compliance is achieved.

Cox UK operates within a risk management framework with regards to tax as guided by our ultimate parent company (Cox Enterprises Inc), in order to identify, mitigate and manage tax affairs. Regular touchpoints with our tax consultants are utilised to ensure any developing risks of non-compliance due to changing legislation, business operations or otherwise are identified in a timely manner and mitigated as required.

3. Risk management

Due to the inherent risk in tax compliance when operating a large group and the high volume of transactions, Cox UK does not have prescribed levels of acceptable risks but seeks to ensure full consideration of the reputational and commercial implications of tax decisions in line with normal business risk procedures.

Cox UK ensures tax risk is managed through implementation and testing of appropriate controls in line with our risk assessment and management frameworks. Cox UK will always consider seeking external tax advice before entering into new or unfamiliar arrangements that carry potential heightened levels of risk.

Cox UK engages with external parties in matters relating to corporation tax, and operates with a team of qualified accountants that manage local tax requirements including VAT and payroll taxes, that maintain close working relations to the senior management and Board, which includes the UK Senior Accounting Officer. Additional tax expertise are leveraged through contacts in the tax team based in the ultimate parent Group where necessary and a high level of cooperation is in place between Cox UK and the tax team overseas.

Cox UK ensure the necessary skills are maintained within its tax team through training and continuous professional development, as well as regular technical update sessions held with our external partners. Our policies and internal documentation is regularly refreshed and updated to reflect the changing legislative landscape and any changes to our operating model.

4. Responsibilities

Management, which includes the statutory directors, maintains overall responsibility for the Cox UK approach to tax management. Responsibility is practically delegated to the appropriate finance team members with the relevant technical ability and knowledge, in addition to external partners. This Tax Strategy, along with any other key decisions with taxation impacts, are reviewed and approved at Board level as necessary.

5. Engaging with HMRC

Cox UK seeks to engage with HMRC in an open, honest and fair manner. Cox UK seeks open, proactive dialogue with HMRC and utilises this approach wherever possible to mitigate our tax risk.

Cox UK will seek advance clearances from HMRC to mitigate the risk of applying incorrect tax treatment to any areas of uncertainty as they arise to ensure obligations are met as necessary.

Cox UK operates robust risk programmes and has taken the opportunity to share previous findings relating to tax with HMRC and will continue to offer transparency over its internal procedures as necessary.

Regular contact with HMRC is maintained, and Cox UK responds to queries in a timely manner, querying areas of uncertainty within any requests of the business. We maintain a low risk status for corporate tax purposes and maintenance of this remains a key objective of the UK business in future periods.