

## **Tax strategy publication for the financial year 2018**

The overall aim of the tax policy of UK incorporated entities within the Lehman Brothers' group is to support the purpose of each of the Administrations as agreed by the court or, where a company is in Liquidation, the winding up of that company while mitigating tax risks and complying with the rules and regulations in the jurisdictions in which Lehman Brothers continues to have presence.

To fulfil the new requirements under Schedule 19, Finance (No.2) Act 2016, and to support the transparency of our approach to taxation, this document sets out:

- Our approach to tax governance and risk management, in relation to UK taxation;
- Our approach towards tax planning;
- The level of tax risk we are prepared to accept; and
- Our approach towards our dealings with HMRC

Please note, the following only relates to those companies where PwC act as insolvency practitioners and any of its subsidiaries.

### **Tax Governance**

We acknowledge our obligation is to pay the correct amount of UK tax due, both ethically and legally. The ultimate responsibility for Lehman Brothers' tax risk sits with the insolvency practitioners for those entities which are in an insolvency process, and with the board of directors for going concern entities.

The Senior Accounting Officers ("SAOs") are experienced tax practitioners who exercise oversight of tax risk management in line with the SAO provisions, and advise the insolvency practitioners. Furthermore, an effective tax control framework is operated and focusses on maintaining an effective and appropriate, control environment, risk identification processes, control activities, effective channels of communication and monitoring of compliance with regard to relevant legislation.

### **Tax planning**

The Lehman Brothers Group operates within the spirit of the law and consults with appropriate tax specialists and counsel where tax law is uncertain or subject to interpretation. For those companies currently within UK insolvency proceedings, in the interests of creditors and the duties and obligations of the insolvency practitioners, the most prudent of approaches is adopted with regards to tax strategy.

### **Tax risk**

A highly conservative approach is adopted with regards to tax strategy resulting in a low risk policy and the maintenance of low levels of risk. An open, honest and transparent relationship is maintained with all stakeholders.

### **Relationships with Her Majesty's Revenue & Customs (HMRC)**

Regular liaison is maintained with HMRC with a culture of open and honest communication.

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