



# DFDS UK Tax Strategy (2022)

## Introduction

The DFDS Group operates an integrated Freight Shipping and Logistics network and Passenger transportation services in Europe. The DFDS Group was founded in 1866, is listed on the Nasdaq OMX Nordic stock exchange and continue to develop and offer efficient and innovative transportation services to its broad portfolio of customers throughout Europe.

In the closing stages of 2022 (29<sup>th</sup> December), the DFDS group acquired an important transport company MC Burney transport. This acquisition will be subject to regulatory approval.

The DFDS Group has a significant footprint in the UK and as per 1 January 2022, the DFDS Group had a total of 20 registered units in the UK. During the financial year 2022, the DFDS Group dissolved 1 entity, 5 company joined the group and therefore had a total of 24 registered units as per 31 December 2022, including 1 branch and 8 inactive entities (hereinafter "DFDS UK businesses").

Pursuant to the 2016 UK Finance Act, Schedule 19, paragraph 16(2) and 16(4) (the 2016 Finance Act) the DFDS Group is obliged to prepare and publish a tax strategy for the DFDS UK businesses. The publication of this tax strategy is intended to fulfil our obligations under the 2016 Finance Act.

The scope of the tax strategy outlined in this document is for the DFDS UK businesses only, but in substance the content of this tax strategy does not deviate from the group wide tax strategy.

The DFDS group tax strategy is approved by the Board of Directors of the ultimate parent company DFDS A/S. Prior to this approval, the tax strategy would have been thoroughly reviewed and drafted by the Group Tax Department, discussed with and approved by the Group CFO and finally discussed with and approved by the Audit Committee of DFDS A/S. The Senior Accounting Officer for the DFDS UK businesses would have been associated at each stage of this process.

The worldwide tax environment is rapidly evolving -with an increased emphasis on digitalisation to follow the business and economy trends. The UK tax strategy is following these trends and is also subject to regular reviews by the Group Tax Department.

Amendments to the tax strategy would be proposed by the Group Tax Department to the Group CFO. Material amendments will be discussed with and approved by the Audit Committee and thereafter approved by the entire Board of Directors of DFDS A/S.

Essentials for 2021:

- On 29<sup>th</sup> December 2022 : Acquisition of McBurney transport.
- Recovery of the passenger transport business for the Ferry division.

Continuous Development of the customs activity.

The tax strategy is effective for the financial year ending 31 December 2021 and will remain in force until any amendments are approved by the Board of Directors of DFDS A/S.

### **17(1)(a) the approach of the group to risk management and governance arrangements in relation to UK taxation**

The DFDS Group, including the DFDS UK businesses, always strive to comply with tax laws and administrative practices and to calculate and pay the correct amount of tax in a timely manner.

Due to the multiple activities (Shipping, Logistics, Warehousing, passenger transport, retail, on board catering etc...) and their international natures managing the tax affairs of the DFDS Group, including the DFDS UK businesses' tax affairs, is a complex task.

The DFDS Group has implemented and is continuously reviewing internal controls driven by the likelihood of occurrence and scale of impact of each identified tax risk. Where there is uncertainty in interpretation and application of tax laws relevant for the DFDS UK businesses external advice will be sought. Whether external advice should be sought is assessed on a case-by-case basis and depending on the specific circumstances surrounding the matter in question, and the decision is made jointly by the Senior Accounting Officer for the UK and the Group Tax Department.

The responsibility to file tax returns for the DFDS UK businesses rests with the Senior Accounting Officer for the UK, who is also responsible for timely payment of the taxes due and for calculating the tax in the annual reports. The Senior Accounting Officer is assisted by the Group Tax Department.

Where errors or omissions are identified the DFDS UK businesses endeavour to inform immediately the relevant tax authorities with an analysis.

### **17(1)(b) the attitude of the group towards tax planning (so far as affecting UK taxation)**

The DFDS Group strives to develop continuous value for its shareholders and naturally includes tax in that equation.

All establishment and operation of existing and coming DFDS UK businesses is linked to a genuine business demand and the DFDS Group will not engage in tax planning activities that are of an artificial nature or in other way has tax savings as its sole purpose.

### **17(1)(c) the level of risk in relation to UK taxation that the group is prepared to accept**

The DFDS Group, including the DFDS UK businesses, has no risk appetite in tax matters.

Considering the scale of the DFDS UK businesses, the natural cross-border complexities surrounding the shipping, logistics and passenger sectors as well as the ever-evolving regulatory landscape, tax uncertainty will inevitably arise from time to time.

The DFDS Group continuously seek to identify, analyse, monitor, and solve potential tax risks derived from its business activities in the UK. Although the DFDS Tax dept has several experts in the field of taxation (VAT, Transfer, Pricing, Customs) external advice is used on a case-by-case basis if the nature or complexity of the matter in question so requires.

### **17(1)(d) the approach of the group towards its dealings with HMRC**

The DFDS UK businesses has a good and open relationship with HMRC and we engage proactively and in good faith in discussions with HMRC, predominantly through the HMRC appointed Customer Compliance Officer.

## List of entities covered by this tax strategy

Entity name	Comments
DFDS Seaways PLC	
DFDS Seaways Newcastle Ltd	
DFDS Logistics Ltd	
DFDS Logistics Services Ltd	
DFDS Logistics Contracts Ltd	
DFDS Seaways Irish Sea Holdings Ltd	
DFDS Pension Ltd	
DFDS Logistics Property Ltd	
DFDS Logistics Grimsby Holdings Ltd	
Haulage Shetland Ltd	
UK Branch of DFDS A/S	
Norse Irish Ferries Ltd	registered in Isle of Man
DFDS Seaways (Holdings) Ltd	
DFDS Tor Line Ltd (previously known as DFDS Ltd)	
DFDS Tor Line (Guernsey) Ltd	registered in Guernsey
Huisman International (UK) Ltd	
Huisman Ltd	
Colley Brothers Ltd	Dissolved 13 December 2022
DFDS Fresh Logistics Ltd	Was HSF Fresh Logistics Ltd
HSF Logistics (UK) Ltd	Was DFDS Logistics (UK) Ltd
HSF Fresh Logistics Ltd	Incorporated 11 January 2022
HSF Newco Ltd	Incorporated 11 January 2022
DFDS Logistics Pension Trustee Ltd	Incorporated 26 October 2022
ICT Logistics Limited	
DFDS Group UK Pension Trustee Ltd	Incorporated 10 March 2022
On 29 <sup>th</sup> December 2022 DFDS acquired the McBurney group of companies which includes 2 legal entities in the UK. However as it is subject to regulatory approval which will only be completed in 2023 we consider them outside the scope of the 2022 tax strategy publication.	