



## DFDS UK Tax Strategy

### **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.

The DFDS Group has a significant footprint in the UK and as per 1 January 2018, the DFDS Group had a total of 28 registered units in the UK. During the financial year 2018, the DFDS Group dissolved 10 entities and therefore had a total of 18 registered units as per 31 December 2018, including 1 branch and 7 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 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 materially from the group wide tax strategy.

The tax strategy for the entire DFDS Group is approved by the Board of Directors of DFDS A/S. Prior to this approval, the tax strategy was drafted by the Group Tax Department, discussed with and approved by the Group CFO and thereafter discussed with and approved by the Audit Committee of DFDS A/S. Further, it has been read by the Senior Accounting Officer for the DFDS UK businesses.

On a local UK scale as well as a global scale, the tax environment is rapidly evolving, and the UK tax strategy is therefore subject to regular reviews by the Group Tax Department and it will be reviewed and approved annually by the DFDS Audit Committee. Amendments to the tax strategy are 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.

The tax strategy is effective for the financial year ending 31 December 2018 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.

Managing the tax affairs of the DFDS Group, including the DFDS UK businesses' tax affairs, is a complex task and as such, there will inevitably be risks of errors or omissions by incorrect application of tax laws when calculating the tax payable by the DFDS UK businesses. In the ideal scenario, tax risks would be eliminated. However, the level of cross-border transactions coupled with the current tax landscape in the UK and EU does not allow elimination of all tax risks.

The DFDS Group has implemented 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 the relevant tax authorities.

### **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 a low risk appetite.

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 risks 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. 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 Suardiaz Line Ltd	
DFDS Seaways Irish Sea Holdings Ltd	
DFDS Seaways Irish Sea Ship Owners Ltd	dissolved 30 <sup>th</sup> October 2018
DFDS Pension Ltd	
DFDS Logistics Property Ltd	
DFDS Logistics Grimsby Ltd	
DFDS Logistics Grimsby International Ltd	dissolved 30 <sup>th</sup> October 2018
DFDS Logistics Grimsby Holdings Ltd	
Alphatrans Humber Ltd	
Alphatrans Thames Ltd	
Haulage Shetland Ltd	
UK Branch of DFDS A/S	
Norse Irish Ferries Ltd	registered in Isle of Man
Scandinavian Seaways Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Seaways (Holdings) Ltd	
DFDS Nordic Terminal Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Ltd	dissolved 3 <sup>rd</sup> April 2018
DFDS Transport (Sea) Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Transport (Air) Ltd	dissolved 6 <sup>th</sup> February 2018
Smyth Shipping Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Autologistics Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Logistics Management Ltd	dissolved 6 <sup>th</sup> February 2018
DFDS Tor Line (Guernsey) Ltd	registered in Guernsey