East Japan Railway Company (UK branch) Tax Strategy

Scope

This strategy applies to the London branch of East Japan Railway Company (‘East Japan Railway Company UK Branch’), in accordance with paragraphs 19 of Schedule 19 to the Finance Act 2016. In this strategy, references to 'East Japan Railway Company (UK branch)', ‘the branch’ or ‘the group’ are to all this entity. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

East Japan Railway Company (UK branch) is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group’s tax affairs are managed in a way which takes into account the group’s wider corporate reputation in line with the Group’s overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for East Japan Railway Company (UK branch)’s tax strategy and compliance rests with the Board of East Japan Railway Company;
- Executive management of the group is delegated by the Board to the Executive Director in charge of the Finance Department who is based in Tokyo Japan;
- The Board of Corporate Auditors’ requirement to monitor the integrity of East Japan Railway Company (UK branch)’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to UK taxation;
- The Executive Director in charge of the Finance Department is the Board member with executive responsibility for tax matters;
- Day-to-day management of East Japan Railway Company (UK branch)’s tax affairs is delegated to the Executive Officer of the Finance Department based in Tokyo Japan, who reports to the Executive Director in charge of the Finance Department;
- The Finance Department is staffed with appropriately qualified individuals;
- The Board ensures that East Japan Railway Company (UK branch)’s tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Executive Officer of the Finance Department reports to the Board of Corporate Auditors and the Board on East Japan Railway Company (UK branch)’s tax affairs and risks during the year.

Risk Management

- East Japan Railway Company (UK branch) operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group’s financial reporting system;
- East Japan Railway Company (UK branch) seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
• Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
• Appropriate training is carried out for staff who manage or process matters which have tax implications;
• Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

East Japan Railway Company (UK branch) manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, East Japan Railway Company (UK branch) seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. East Japan Railway Company (UK branch) does not undertake tax planning unrelated to such commercial transactions.

The level of risk which East Japan Railway Company (UK branch) accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group’s tax affairs. At all times East Japan Railway Company (UK branch) seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

East Japan Railway Company (UK branch) ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, East Japan Railway Company (UK branch) discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.