

2019 Tax Strategy Statement

Purpose and scope

This statement sets out the tax strategy for Forester Holdings (Europe) Limited and all the entities within its UK group (collectively referred to as “Foresters Financial UK” or “the Group”) for the financial year ending 31 December 2019.

This statement has been prepared in accordance with the HMRC guidance “Publish your large business tax strategy” published on 24 June 2016 and last updated on 22 June 2018.

This statement has been approved by the Board of Foresters Financial UK.

Forester Holdings (Europe) Limited was incorporated in 1995 as a private limited company. The company is a wholly owned subsidiary of The Independent Order of Foresters, a fraternal benefit society, incorporated in Canada with limited liability. The company is registered in England and Wales.

Aim

- Foresters Financial UK is committed to full compliance with all statutory obligations in relation to UK tax.
- Foresters Financial UK seeks to ensure that the correct amount of tax is paid every year within the statutory deadlines.
- We aim to comply with the law in all tax matters and to achieve certainty in the UK Group’s tax affairs.

Governance

- The ultimate responsibility for Foresters Financial UK’s tax strategy and compliance rests with the Board of Foresters Financial UK.
- The Board in turn delegates the responsibility to the UK Executive Leadership team (“ELT”).
- The Chief Finance Officer is the ELT member with executive responsibility for tax matters. Day to day management of the Group’s tax affairs is performed by the finance team with support from external tax specialists where necessary.
- The Board and the ELT ensure that the tax strategy is considered in all investment and significant business decisions.

Effective Risk Management

The Group considers that it is exposed to the following tax risks:

Tax compliance and reporting risks

Risks arising from compliance failures, including submission of late or inaccurate returns, or failure to submit claims and elections.

Transactional risks

The risk that transactions are carried out, or actions are taken, without consideration of the potential tax consequences, or where the tax implications are not properly understood.

Operational risk

The risk that the day-to-day activities of the Group trigger a potential tax liability.

- The Group operates a system of tax risk assessment and controls as a component of the internal control framework applicable to the company's financial reporting process.
- The company identifies, evaluates, monitors and manage these risks so that company objectives are met and continue to work as a tax compliant company.
- The Group seeks to reduce inaccurate tax risks 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.
- Whenever there are changes in the tax rules, it engages with the external advisors to ensure that the tax calculations are done in the right way and all changes have been considered.

Attitude toward tax planning

- The Group does not engage in tax planning beyond conventional tax management.
- When entering into commercial transactions, the Group seeks to take advantage of tax incentives, reliefs and exemptions consistent with the spirit of the tax legislation overall.
- We seek external tax advice on material transactions.

Relationship with HMRC

- Foresters Financial UK engage with HMRC with honesty, integrity and fairness.
- Foresters Financial UK seeks to have a transparent and constructive relationship with HMRC through regular correspondence in respect of developments in company's business; tax risks and interpretation of the tax law for relevant taxes.
- The Group strives to ensure that tax returns are submitted on time and discloses all relevant facts and identifies any items where the tax treatments seem uncertain.
- Any inadvertent error in submission or late submission is fully disclosed to HMRC with resolution within a reasonable time frame.

List of entities covered by this Tax Strategy

- Foresters Holdings (Europe) Limited
- Forester Life Limited
- Forester Investments Limited
- Forester Fund Management Limited