

UK Tax Strategy

This UK Tax Strategy is published in accordance with paragraph 22(2), Schedule 19 of Finance Act 2016, with respect to the financial year ended 31 December 2018

1. Background

QIC is a publicly listed composite insurer and is the market leader in Qatar and a dominant insurer in the GCC & MENA region. QIC is incorporated in the State of Qatar, regulated by the Qatar Central Bank and listed on the Qatar Exchange.

QIC was founded in 1964 as the first domestic insurance company in the State of Qatar and has now transformed into a group of companies with an international reach engaged in the business of entering into contracts of (re)insurance or in providing services that are connected with or ancillary to (re)insurance.

The Group's Vision is to maintain its drive for growth and excellence through innovation, diversification and responsible leadership. The Vision is supported by the Group's Statement of Values that emphasises compliance with all laws and regulations.

As a responsible company, QIC maintains integrity and credibility in all its affairs, and is committed to transparency. Sound Corporate Governance practices create a culture of institutional awareness and adherence to a culture of transparency, honesty and integrity ensuring ethical business practices upholding the principles of equity and justice in the pursuit of identifying business opportunities and building capabilities to achieve sustainable growth and value creation.

The Group contributes to UK Government finances and Her Majesty's Revenue and Customs (HMRC) through both taxes paid and taxes collected that include:

- Corporation tax;
- Income tax;
- Employment taxes;
- National Insurance contributions;
- Insurance Premium Tax; and
- Value Added Tax.

The contents of this UK Tax Strategy covers Qatar Re Underwriting Limited, Synergy Frimley Limited and Synergy Bristol Limited only. Other group subsidiaries - Qatar Re, Antares and QIC Europe – have individually published a UK Tax Strategy on their respective websites.

2. Governance

The tax function is organised within the Group to ensure full compliance with applicable legislation in all the territories in which the Group operates. In addition to the Group Tax function, all key operational entities have their own tax functions responsible for ensuring that locally applicable regulations are understood and adhered to.

The tax affairs for each Group entity is the primary responsibility of its Directors.

The Group has robust internal review processes and controls in place to support the SAO in certifying to HMRC that there are appropriate tax accounting arrangements in place.

The Directors are supported by QIC's Group Tax team. External tax advisers are also engaged to assist with meeting UK compliance tax responsibilities, under the direction of the respective SAO.

3. Approach to risk management

As an insurance group QIC adopts a robust approach to risk management. Evaluation, recognition and management of tax risks are addressed in a like manner to all other risks that the wider QIC group faces, and in line with QIC's enterprise risk management.

The Group Tax team, SAO's and their supporting functions, consist of professionals with appropriate knowledge and skills to manage the Group's tax affairs and monitor tax risks. Training is provided to relevant team members to help identify new and emerging risks. Tax risks are managed to ensure full compliance with UK tax law requirements in a manner which ensures timely payment of taxes when they fall due.

A Group Tax Risk Register is maintained and monitored regularly by the QIC Group Tax team. Material tax risks are included in the Group Risk Register which is reported and reviewed quarterly by a sub-committee of the Board of Directors of QIC.

4. Approach to tax planning

The Group does not engage in aggressive tax planning or tax planning which does not support genuine commercial activity. All cross-border transactions between Group companies are conducted on an arm's-length basis and in accordance with the Organisation for Economic Co-operation and Development (OECD) principles and UK tax laws.

In accordance with QIC's Group Tax Policies and Procedures external tax advice is obtained in order to:

- I. understand new or complex tax law provisions;
- II. address uncertain tax positions;
- III. understand tax laws in new markets or products where the Group is considering to enter or invest;
- IV. understand legislation or obtain industry insights on matters which QIC's Group tax team or the Senior Accounting Officer may be unfamiliar.

The QIC group engages regularly with its external tax advisers to discuss, understand and address areas of existing or emerging tax risk or tax uncertainty.

5. Approach towards dealings with HMRC

HMRC is a key stakeholder for the Group in the UK. The Group seeks to undertake all dealings with HMRC in an open, professional and respectful manner. Any enquiries from HMRC are addressed as a priority and on a timely basis. Where necessary, the Group pro-actively communicates with HMRC on matters of uncertainty.

This tax strategy will be updated annually.