

Tax Strategy

Tax Strategy and Principles

Compliance

We comply with relevant tax laws and practices in all of the territories in which we operate. Compliance for us means paying the right amount of taxes in the right place at the right time.

We pay our taxes promptly and in accordance with all applicable laws and regulations in the countries where we operate and comply with relevant international standards such as the Guidelines of the Organization for Economic Co-operation and Development (OECD). To calculate transfer prices, we apply the arm's length principle.

Consistency

Our tax strategy is based on the principle of consistency. We strive to make sure that our tax accounting arrangements are fair, clear and consistent as we believe that a coherent approach is an important aspect of achieving high levels of tax compliance.

Our attitude towards taxation

When dealing with any taxation matters, we remain a fair and reliable partner for our customers, employees, shareholders and all relevant regulators including HM Revenue & Customs ("HMRC", the tax authority in the UK). Taxation is not just about paying our business expenses. Paying the right amount of taxes is an important way for us to make contributions to our communities. We believe that being a responsible taxpayer will be beneficial to all stakeholders, such as our shareholders, creditors, and clients, in the long term.

Tax risk appetite and tax risk management

In order to minimize tax risks, we make the greatest effort to ensure that our tax transactions are transparent, and collect unbiased opinions from qualified external parties and tax experts if there are any significant tax issues.

All tax returns and other submissions to our tax authorities are verified and validated internally before submission.

We manage current and future tax risks by sharing details of important transactions with the tax authorities before the execution of such transactions.

Country-by-country reporting

As of FY 2018, we comply with the Country-by-Country Reporting (CBCR) standards, which require large multinational companies to report details of taxes paid in each territory where they do business and to enable these territories to share the information. We collect information from each of our subsidiaries and branches, and submit our CBCR report to the National Tax Service of South Korea. Once submitted, the report is shared among the relevant tax authorities under the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Finance Account Information. Korean Re Underwriting Limited (KRUL), our subsidiary in the UK, has also submitted CBCR notification to HMRC for FY 2018.

Relationship with tax authorities

We maintain cooperative relationships with all relevant tax authorities, including HMRC. We do our best to work with them in a consistent and responsible manner. We and our related parties are committed to paying the appropriate amount of taxes in the UK and working in partnership with HMRC.