

Samsung Cambridge Solution Centre Ltd

SCSC Tax Strategy

31 December 2019

The publication of this strategy statement, in relation to 2019, is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016 for Samsung Cambridge Solution Centre Ltd

Business and cultural overview

Samsung Cambridge Solution Centre Ltd's (SCSC) function is to carry out R&D for its listed Korean ultimate parent company, Samsung Electronics Corporation ("SEC").

The Korean business environment has a very strong focus on hierarchy, centralised decision making and strictly enforced controls and approvals.

SCSC's approach to tax risk management and tax planning

SCSC complies with tax law and practice in all of the territories in which the company operates. As SCSC's operations are in the UK the company is committed to complying with the tax laws applicable in the UK in a responsible manner. In particular, we pay the right amount of tax at the right time, having regular communications with our CRM and claiming R&D reliefs and other incentives where available in compliance with legislation and practice. Transactions are conducted with Samsung group companies at an arm's length in accordance with OECD principles.

SCSC operates a robust control framework and compliance processes for tax reporting which utilises professional tax advisers and significant investments made in a comprehensive enterprise reporting planning system. The ongoing management and control of SCSC's tax affairs are carried out by the company's Finance Department.

Where the application of tax legislation is complex or uncertain, SCSC engages with professional tax advisers and HMRC in order to reduce the level of tax risk and uncertainty to a low level.

SCSC does not engage in tax planning activities that are considered to be artificial, contrary to the intention of the law or against the commercial purpose of a transaction. All of the company's planning activities are undertaken in a robust control environment set by the overall group.

Tax governance

SCSC's tax strategy and approach to risk management is approved by SCSC's CEO (an SCSC Board member).

Samsung has developed numerous systems to provide business information, including tax matters, to SEC in a timely manner and to document required approvals on business decisions. UK tax returns are reviewed and approved by the Chief Financial Officer (who reports to SCSC's Board Members responsible for financial matters).

Government relations and citizenship

SCSC is open and transparent with HMRC in respect of UK tax matters. We maintain regular communications with our HMRC customer relationship manager and highly value our low risk business rating assigned by HMRC.

SAMSUNG CAMBRIDGE SOLUTION CENTRE LTD