



Iscar Tools Limited

Tax Strategy

The following document lays out the company's strategy and approach for the United Kingdom.

Iscar Tools Limited, regards publication of this document as satisfying our statutory obligation under paragraph 16(2), Schedule 19, Finance Act 2016 for the financial year 31 December 2019.

A copy of this Tax Strategy is available on www.iscar.co.uk About Us section

Risk Management and Governance Arrangements

Iscar Tools Limited tax strategy is applicable to Iscar Tools Ltd and this Strategy remains in place until it is replaced.

The Finance Manager is responsible for the implementation of this policy.

We aim to ensure compliance with tax laws and legislation via a strong system of internal governance that demonstrates well documented internal processes and controls, using appropriately qualified and experienced staff

The Senior Accounting Officer (SAO) is responsible for the day-to-day management of the UK tax risks and obtains external professional confirmation as to the on-going suitability of its systems, in ensuring that tax risks remain at a low risk level.

We seek and document external advice taken to support tax related decisions made by the business

We strive to manage our Tax affairs in accordance with the core ethical values of our ultimate Parent company, Berkshire Hathaway Inc, as disclosed in IMC Compass.

Attitude towards Tax planning (UK taxation related areas only)

Iscar Tools Limited will not engage in tax planning other than that which is permitted by law and which supports genuine commercial aims. We shall not use artificial structures that are unrelated to the Company's business for the sole purpose of reducing the tax burden.

Iscar Tools Limited aims to ensure we comply with all relevant tax rules and regulations on UK basis.

Iscar Tools Limited will seek to utilise certain reliefs and incentives that may exist and to show respect for the intention, as well as the letter, of the law.

We shall ensure all decisions are taken at an appropriate level, with diligent professional care and judgment and supported with documentation that evidences the facts, conclusions and risks involved.

Unusual material tax items are reported to the Finance Manager and IMC and openly discussed with HMRC

External tax planning advice will be sought for

- o large unusual transactions;
- o in respect of any business in specialist sectors;
- o to assist in forming an opinion on uncertain positions.

Level of Risk that is accepted

Iscar Tools Limited aims to minimise the level of risk in relation to UK taxation at all times.

Iscar Tools Limited is not prepared to accept a level of risk that exposes it to reputational harm or which could adversely impact its relationship with HMRC.

Both our ultimate parent company, Berkshire Hathaway Inc, and our immediate parent company, IMC International Metalworking Companies (“IMC”), require that we pursue a low risk tax compliance strategy.

Dealings with HMRC

Iscar Tools Limited’s approach to dealing with HMRC is to maintain an open, professional and transparent relationship in relation to tax planning, compliance, strategy, risks and significant transactions.

We shall actively seek open dialogue with HMRC and provide all relevant information that is necessary for HMRC to review possible tax risks, working collaboratively with HMRC to achieve early agreement on disputed issues and certainty on a real-time basis where possible.

We shall ensure all tax returns and the agreed tax payments are made in accordance with statutory deadlines and provide all relevant tax-related information and documents that may be requested by HMRC on a timely basis.

We shall never deliberately conceal or knowingly misrepresent issues to HMRC. If we discover errors, we shall disclose them as soon as reasonably practical.

23 October 2019