



## Thai Airways International Public Company Limited - UK Tax Strategy

### Introduction

Thai Airways International Public Company Limited ("the Company") is the designated national carrier of the Kingdom of Thailand. It aims to be the "First Choice Carrier with Touches of THAI". Founded in 1960, the Company operates an average of 1,066 roundtrip flights per week on domestic, regional and intercontinental routes. In the United Kingdom, the Company operates daily flights to and from Heathrow International Airport.

This document sets out the London branch ("the Branch")'s UK tax strategy for conducting its tax affairs and managing tax risk. It took effect from the accounting period which commenced on 1 January 2017.

### Governance arrangements in relation to UK taxation

The ultimate responsibility for UK tax matters rests with Chief Executive Officer (CEO), who approves the UK Tax Strategy. However CEO delegates the following duties:

- General Manager of the Branch is responsible for the overall tax strategy and tax compliance.
- Administration Manager of the Branch is responsible for day-to-day operation of tax compliance.
- As part of the supervision structure, the Company appointed the following subordinate committees, which play a key role in ensuring adherence to and the effective operation of the UK Tax Strategy:
  - Audit committee
  - Independent committee
  - Corporate governance committee
  - Risk management committee
  - Law committee

### Risk Management

The Branch is small in scale with relatively simple operations which expects infrequent and minor changes. As a result, the Company considers that its inherent UK tax risks are limited.

The Company manages its tax risks and complies with statutory requirements in a manner that ensures payment of the appropriate amount of tax that is due and at the right time. The Company believes that its tax risks are effectively managed by the internal review process and by the use of external professional tax advisers, as outlined below:

- The Branch is under the effective management of the Head Office in Thailand and there is effective two-way communication.
- Within the Branch, there is a segregation of duties in key internal functions such as processing and reviewing tasks.
- Where there are changes in tax law and/or new tax compliance requirements arise, the Branch liaises closely with their external tax professionals.



The Company complies with the Corporate Criminal Offence legislation which came into effect on 30<sup>th</sup> September 2017.

#### **The Company's attitude to tax planning**

- The Company does not engage in aggressive tax planning arrangements that it believes to be contrary to the intentions of Parliament.
- The Company utilises tax incentives, reliefs and exemptions where these are explicitly permitted within the prevailing tax legislation.
- Where applicable, the Company takes account of UK/Thailand Double Taxation Convention (Effective 1981).
- Professional assistance from external consultants in respect of judgemental tax matters is obtained, as and when required.

#### **The level of tax risk that the Company is prepared to accept**

- The Company adopts a low-risk tax strategy and carefully considers the tax implications of all major transactions.
- The Company does not seek to engage in aggressive or artificial tax schemes which do not reflect genuine commercial activity.
- The Company's procedures and controls are designed to ensure that the tax risk will be managed to a reasonably low level.

#### **The Company's approach towards its dealing with HMRC**

- The Company is committed to working with Her Majesty's Revenue and Customs ("HMRC") in a professional manner on current, future and past tax matters.
- The Company aims to have a collaborative, transparent and proactive relationship with HMRC.
- Where there may be uncertainty in the application of UK tax law, the Company will seek proactive feedback from tax authorities to ensure adherence to UK tax law.

In summary, the Company is committed to acting with integrity and collaborating with HMRC.

#### **Approval**

The strategy has been approved by the General Manager of the Branch and will be reviewed annually.

The Company considers that the above information will satisfy the requirements for the qualifying company as legislated in Finance Act 2016 schedule 19, Part 2 paragraph 22.