

FUYO GENERAL LEASE GROUP - UK tax strategy document

Introduction

The Fuyo General Lease Co., Ltd. group (the "Fuyo Group") is a leading multinational provider of equipment such as ships and aircraft, through finance leasing; it also provides consultancy services and commercial loans. The Fuyo Group is headquartered in Japan and listed on the Tokyo Stock Exchange.

The Fuyo Group includes two UK entities, listed below:

- Aircraft Leasing and Management Limited ("ALM")
- Fuyo Aviation Capital Europe Limited ("FACE")

ALM is a UK trading company which provides aviation consultancy services to aircraft owners, including a number of household name airlines; it also provides marketing and valuation services for clients that are selling or acquiring aircraft.

FACE is a UK non-trading intermediary holding company, which is dormant for UK corporation tax purposes.

This document is intended to cover all UK taxes and sets out ALM and FACE's (the "UK Group") tax strategy in accordance with their reporting obligations under Finance Act 2016, Schedule 19.

UK tax strategy

The Fuyo Group understands that tax can be a complicated matter and therefore takes its UK tax responsibilities and obligations seriously.

The UK Group is subject to a variety of UK taxes including, corporation tax, employment taxes and indirect taxes such as VAT. ALM is the only active UK entity in the Fuyo Group, and is therefore the only entity paying UK taxes.

The UK Group's tax strategy follows the Fuyo Group's global tax strategy, as disclosed in the Fuyo Group's financial statements.

Management of tax risks

The UK Group uses its best endeavours to ensure that it is fully compliant with its UK tax reporting requirements. As part of this process, the Board seeks advice and guidance from its external advisors in respect of its UK tax affairs.

The Fuyo Group believes that the fundamental objective of corporate governance is to ensure that it carries out its business activities with sincerity and fairness in mind. This belief extends to the view that its businesses should pay their fair share of tax, evidenced by the fact that ALM has paid corporation tax on its UK profits at an effective rate in excess of the UK's main rate, in each of the past three years.

The Fuyo Group's Board of Directors is responsible for overseeing the execution of the UK Group's operations and for the making of key management decisions; the Board ensures the objectivity and transparency of its decisions through the appointment of externally appointed independent executive and non-executive directors.

The UK Group's attitude to tax planning

The UK Group is not involved in any tax avoidance schemes, DOTAS products, artificial or contrived tax structures, or any aggressive tax planning in the UK.

The UK Group maximises value for its stakeholders and ensures that it does not overpay UK taxes, by claiming statutory tax reliefs and allowances in the manner intended by the UK government.

Level of risk in relation to UK taxation that the Board is prepared to accept

The UK Group has not entered into any contentious transactions or arrangements, which would normally require tax clearances and so no clearances have been sought historically from HM Revenue & Customs ("HMRC").

Furthermore, the UK Group has no intention of entering into any contentious, contrived or artificial transactions or arrangements.

Country by Country Reporting

In accordance with the UK Government's country by country tax reporting requirement ("CbCR"), the Fuyo Group shall comply with this obligation for the year ended 31 December 2016 by submitting the appropriate CbC report on behalf of all relevant group companies to the UK tax authorities by the end of 31 December 2017.

Relationship with HMRC

The UK Group has always sought to develop and maintain a good working relationship with the UK tax authorities by co-operating with them in a professional, timely, and open and transparent manner.

As such, The UK Group has placed a great deal of importance on ensuring that all tax filings are made in the correct form and in advance of filing deadlines, and that all UK taxes are paid within prescribed payment due dates.

This document was approved by the Board of Aircraft Leasing and Management Limited on 18th December 2017.

Signed by:



Alan Robinson
Managing Director

18th December 2017