

VANGUARD UK GROUP TAX STRATEGY

INTRODUCTION

Vanguard strives to comply with all relevant tax rules and regulations, and therefore to pay an appropriate amount of tax, in the countries where we operate. The UK Group tax strategy is outlined below:

1 Risk management and governance in relation to UK taxation

Vanguard has procedures and processes in place to ensure effective tax governance. Senior personnel with the appropriate skill and experience are involved in key tax decisions.

We have a dedicated UK tax team as well as a global tax team that provides support where appropriate. We also use third party advisors where helpful to assess tax risks and ensure that we are in compliance with applicable tax laws, rules, regulations and reporting requirements.

Vanguard does not tolerate tax evasion, nor does Vanguard tolerate the facilitation of tax evasion by any associated person acting for or on behalf of the Vanguard Group.

Vanguard wants to ensure that it pays an appropriate amount of tax in relation to its commercial activities in the UK and, as discussed below, may proactively discuss our operations in the UK with HMRC in furtherance of this goal.

2 Attitude towards risk and tax planning

We aim to maintain a low risk rating with HMRC.

Vanguard does not pursue any form of aggressive tax planning. As a result, we do not engage in tax planning involving arrangements that are artificial in nature or purely designed to reduce tax liabilities.

In evaluating any tax position, we act in accordance with the following principles:

- Complying with applicable tax laws, rules, regulations and reporting requirements;
- Adhering not only to the letter of the law but also the intent of the law; and
- Creating a culture of transparency and open communication with the tax authorities.

We do seek to be efficient in our tax affairs, which may involve using available tax incentives and reliefs, but only where doing so is consistent with the above principles.

3 Relationship with the tax authority

Vanguard is committed to working with HMRC in a transparent and collaborative fashion at all times. This may involve approaching HMRC proactively to gain certainty on tax positions that are material to our operations in the UK. In addition, we are committed to making accurate, fair and timely disclosures to the UK tax authorities as and when required.

The publication of this UK tax strategy statement relates to the year ended 31st December 2020 and is regarded as satisfying the statutory obligation in Para 19(2), Schedule 19, Finance Act 2016.