

Swatch Group UK tax strategy as at 31 December 2017

Swatch Group is a multinational company operating in more than 40 countries and its tax policy is to be fully compliant with all applicable tax laws and regulations in every country Swatch Group operates, as well as with international treaties and international tax guidelines (e.g. BEPS).

The UK tax strategy applies to: The Swatch Group (UK) Ltd, London, The Swatch Group (UK) Les Boutiques Ltd, London; and Harry Winston (UK) Ltd, London, called hereafter as Swatch Group UK subsidiaries.

This strategy is published in accordance with Schedule 19, Part 2, of the Finance Act 2016.

Swatch Group UK subsidiaries, its Board of Directors, directors and employees are committed to:

- following all applicable tax laws and regulations;
- applying governance, diligence and care in relation to the processes, procedures and controls for all tax related activities;
- managing tax uncertainties by seeking external advice from local tax experts and our global tax team based in Switzerland, and
- being committed to transparent collaboration with HMRC

Tax affairs are highly complex across many functional and technical areas in each country, and therefore Swatch Group UK, with the advice of local tax experts, monitors, adjusts and continuously improves our tax compliance processes so any potential errors or omissions may be avoided. We are committed to having a transparent relationship with HMRC, encouraging open dialogue on a timely basis and aim to respond to all queries and information requests from HMRC in a timely manner.

The Swatch Group UK affiliates have clearly defined lines of responsibilities for its tax affairs, with tax risks being reported and decisions being taken at the appropriate level. The Swatch Group UK have a low tolerance towards tax uncertainties and will proactively engage with local tax experts to achieve certainty on our tax position.

Tax planning aims to fully support the commercial needs of the business by ensuring that the affairs for each entity are carried out, and are fully compliant to the applicable laws and regulations in the UK. The tax function is therefore involved in commercial decision making processes, and provides appropriate input to business affairs to ensure a clear understanding of tax consequences of any decisions made.