

# UK TAX STRATEGY PUBLICATION



**PETRONAS**

## **Scope**

This sets out the tax strategy of Petroliaam Nasional Berhad (“PETRONAS”) and its UK subsidiaries in accordance with the Schedule 19 of the Finance Act 2016. The list of the subsidiaries covered by this publication is as provided in Appendix 1 to this document.

## **Approach to Risk Management and Governance**

PETRONAS with its presence throughout the world places utmost emphasise on control and governance on its financial risks. The Corporate Financial Policy (CFP) which includes Tax Policy prescribes PETRONAS Group’s governing policies in effecting the consistent practice of financial management, as well as to form the foundation upon which financial risk exposures are identified and strategies to manage such risks are developed. The Tax Policy in particular addresses compliances to the relevant tax laws, prudent tax management and tax planning for the PETRONAS Group of companies.

The financial risk management practices are implemented across PETRONAS Group in accordance with the requirements of CFP. This enables visibility on PETRONAS Group’s key financial risk exposures for improved risk management. The Group Risk Management unit overlooks and monitors the implementation of CFPs within the Group while Group Tax manages all matters pertaining to tax.

## **Approach on Tax Planning in the UK**

PETRONAS Group balances tax planning with appropriate tax risk management by adopting valid and supportable positions and maintaining awareness of other prevailing views and risks. When entering into commercial transactions, PETRONAS seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation and does not engage in any artificial arrangements. PETRONAS does not undertake tax planning unrelated to commercial transactions.

At all times PETRONAS seeks to fully comply with relevant tax law and adheres to relevant guidance issued by the Organisation for Economic Co-operation and Development (OECD) for international tax matters.

## **Level of Risk in relation to UK taxation acceptable to the Group**

PETRONAS accepts the level of risk in relation to taxation that is consistent with the overall objective of achieving as much certainty as possible with respect to its tax affairs. At all times PETRONAS strives to comply fully with its regulatory and other obligations and to act in a way which reflects its reputation as a responsible corporate citizen.

## **Approach to dealing with Her Majesty’s Revenue & Customs (HMRC)**

PETRONAS is committed to supporting good corporate working relationship with HMRC and ensure it provides necessary cooperation on all tax matters in a timely manner. PETRONAS has been transparent in providing information and has always worked closely with HMRC, which includes specific discussions and obtaining confirmation on matters pertaining to its tax affairs.



**PETRONAS**

## **Appendix 1 – List of entities covered by this tax strategy**

1. PETRONAS Energy Trading Limited
2. PETRONAS LNG (UK) Limited
3. FL Nominees Limited
4. Gas Storage Limited
5. Humbly Grove Energy Limited
6. Humbly Grove Energy Services Limited
7. LNG Investments Europe Limited
8. MISC Berhad (UK) Limited
9. Overseas Gas Storage Limited
10. PETCO Trading (UK) Limited
11. PETRONAS Lubricants Great Britain Limited
12. AET UK Limited
13. Engen Petroleum (DRC) Limited