

PALLADIO OVERSEAS HOLDINGS LTD
AND ITS SUBSIDIARIES, INCLUDING BELMOND LTD
UK TAX STRATEGY DOCUMENT
YEAR ENDED 31 DECEMBER 2021

Overview

This document has been prepared in accordance with the requirements to the Schedule 19 Finance Act 2016 for Palladio Overseas Holdings Ltd and its subsidiaries, including Belmond Ltd (collectively “Belmond”, “the Companies”, “the group”) to publish its UK tax strategy online and sets out the Companies’ approach to tax for the year to 31 December 2021.

A copy of this statement is available on the LVMH institutional website.

Belmond’s aim is to pay the right amount of UK tax in the right place at the right time, having an open and constructive relationship with the UK tax authorities.

Tax Strategy

This strategy applies from the date of publication until it is superseded. All taxes are covered including, but not limited to, direct taxes such as Corporation Tax, indirect taxes such as Value Added Taxes (VAT), payroll taxes such as Pay-As-You-Earn (PAYE), National Insurance Contributions (NIC) and Stamp Duty Land Tax.

Belmond’s tax strategy has been approved by the board of directors of Belmond. As a subsidiary of the globally renowned luxury goods group (“LVMH Group”), Belmond’s tax strategy is guided by an overall adherence to corporate responsibility and full compliance with UK tax law as a corporate member of the community, while serving the interests of its customers, employees, creditors and stakeholders. We understand the impact this can have on the global reputation of Belmond and the wider LVMH group.

Belmond’s UK tax strategy reflects the principles set out in LVMH Code of Conduct which is published on LVMH’s institutional website. The LVMH Code of Conduct provides a common framework and a set of principles that inspire our business conduct.

Belmond’s aim is to pay the right amount of UK tax in the right place at the right time, having an open and constructive relationship with the UK tax authorities.

Managing Risk and governance

The Companies are obliged to nominate a Senior Accounting Officer. The Senior Accounting Officer in the UK is responsible for ensuring appropriate tax accounting arrangements exist in the business. The duties of the senior accounting officer are carried out in line with Schedule 46 to the Finance Act 2009 schedule 46. Periodic checks are conducted to ensure existing processes within the tax accounting arrangement are sufficiently robust such that any inaccuracy in a return or document containing figures, arising from any of those processes, would be unlikely to result in a liability to any penalties under tax law.

Belmond employs an in-house team of tax professionals who partner with the business and finance teams to manage the Group’s tax risks in a controlled and pro-active manner.

Belmond’s tax team is responsible for and implements our approach to tax which is approved by Belmond’s board. The tax team is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world, and that they have the skills and experience to implement the approach accordingly.

Belmond proactively seeks to identify, evaluate, manage and monitor tax risk. Where any uncertainty or complexity exists in relation to risk, external advice will be obtained.

Belmond's approach is grounded in the following:

- Understanding the tax consequences of commercial decisions and transactions;
- Collaborating with the wider Belmond and LVMH functions;
- Documenting our analysis of the application of UK tax law;
- Tax compliance and financial reporting;
- Collaborating with HMRC to resolve any issues.

Attitude to tax planning

The Companies take a conventional approach to a tax planning.

The group engages in efficient, conservative, legally compliant tax planning for the group that supports its business and reflects commercial and economic activity, taking into account the potential impact on Belmond's and the wide LVMH's reputation and broader goals.

Any operation and project undertaken by the Companies must be aligned to its commercial transactions and to its economic activity.

The group does not engage in artificial or aggressive UK tax planning arrangements. The group adheres to relevant UK tax law and seeks to minimize the risk of uncertainty or disputes with tax authorities.

Attitude towards risk

The companies are not prepared to accept anything other than immaterial levels of risk in respect of any possible claim of non-compliance with the UK legislation.

The level of risk which Belmond in the UK accepts is consistent with its overall objective of achieving certainty and being transparent in its tax affairs.

Relationship with tax authorities

Belmond seeks a co-operative and transparent relationship with HM Revenue and Customs (HMRC) and its Customer Compliance Manager ("CCM") to ensure that HMRC is fully apprised of our commercial activity, our legal structure and how we have treated such for UK tax purposes.

In the past we have in certain instances informed HMRC in advance of completing commercial transactions to give HMRC the benefit of understanding our business and providing their views.

Belmond in the UK aims to ensure that all tax returns submitted to HMRC are clear and disclose all relevant facts.

We believe we have maintained a productive relationship with HMRC and plan to continue such into the future.

It is Belmond's intention to promptly advise HMRC and the CCM of any tax compliance discrepancies which have been identified and to regularise the situation.