

Same Deutz-Fahr (SDF) UK Tax Strategy: financial year ending 31 December 2017

Same Deutz-Fahr (SDF) UK refers to Same Deutz-Fahr UK Ltd which is the only UK entity within the SDF Global Group.

SDF UK's tax affairs are managed in a way which takes into account SDF's wider corporate reputation, brand and corporate and social responsibilities. We are committed to managing the tax policy in a responsible, transparent and sustainable way.

SDF UK's tax strategy comprises of 4 key components:

1. Ensuring complete compliance

We are committed to compliance with tax law and practice in the UK. We seek to comply with our tax filing, tax reporting and tax payment obligations in the UK; to ensure that the right amount of tax is paid at the right time.

Whilst we seek to get things right first time we work in an environment of continuous improvement. We seek to leverage external advice where there is uncertainty around the content of our statutory obligations to achieve greater accuracy.

2. Sustainable approach towards tax planning and level of risk

The ambition of the UK SDF tax policy is to bring value to the stakeholders; whereby we undertake decisions pertaining to tax which have a sound commercial and economic basis. Where there are available tax incentives and exemptions we will look to take full advantage of these, to maximise the tax efficiency of business transactions.

When proposing tax solutions, we are committed to not implementing aggressive tax planning schemes that would disconnect from the conduct of the business or to enter into artificial aggressive tax planning arrangements that have abusive results.

We adhere to relevant tax law and seek to minimise the risk of uncertainty or disputes. We ensure that we have regard for the intention of the legislation concerned rather than just the wording itself.



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3. Considered risk management

The Group CFO for SDF owns and implements the Group's approach to tax which is approved by the main board. They are also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world and that the regional tax teams have the skills and experience to implement the approach appropriately.

Responsibility for the UK tax strategy, the supporting governance framework and management of tax risk ultimately sits with the UK Financial Controller who reports to both the Group CFO and the board.

We follow SDF Global Group's risk management system as part of our internal control process. We regularly seek professional opinions and advice from independent external advisors on tax matters; on areas of complexity or uncertainty to support the UK in complying with its tax strategy. We identify, assess and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and implement and monitor their effectiveness.

4. Open relationship with HM Revenue & Customs

We engage with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Wherever possible, we do so on a real time basis, to minimise tax risk. SDF seeks to have a transparent and constructive relationship with HM Revenue & Customs; however, situations may arise where positions are challenged and from time to time, our views on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we will work constructively and proactively with HM Revenue & Customs with a view to achieving an early resolution to any matters arising.