

Tax strategy

01/01/2022-31/12/2022

Introduction

This document is prepared in compliance with the UK Finance Act 2016's obligation for Fluxys UK and its UK subsidiaries (Interconnector and GMSL) to publish their tax strategy online.

Fluxys UK and its subsidiaries (also including the Belgian subsidiary Interconnector Zeebrugge Terminal) operate a subsea gas pipeline and terminal facilities to provide the only bi-directional gas transportation service between the UK and continental European energy markets. The system comprises compression terminals at Bacton in the UK and Zeebrugge in Belgium, connected by a 235 kilometre, 40 -inch diameter pipeline. It is currently capable of transporting 25.5 billion cubic metres ("bcm") of gas per annum (currently approximately 30% of current annual demand in the UK) from Zeebrugge to Bacton and 20.0 bcm per annum in the opposite direction.

The company is regulated by both the Office of Gas and Electricity Markets in the UK and La Commission de Regulation de Regulation de L'Electricité et du Gaz in Belgium both acting as National Regulatory Authorities.

It is our commitment to comply with HMRC tax laws and to pay the amount of tax legally due in accordance with rules set.

Governance

Fluxys UK and its subsidiaries are committed to achieve high standards of corporate governance wherever we do business and our policies and procedures set out what is expected of everyone working within the organisation and our approach to tax is aligned with this.

The Board of Directors is accountable for maintaining the companies Risk Management & Internal Business Control Framework and for regularly reviewing its effectiveness.

The Managing Directors are delegated responsibility from the Board of Directors to provide governance and oversight over these frameworks.

The Chief Finance Officer owns and implements the UK Tax Strategy. This person is also responsible for ensuring that the companies finance function has the appropriate skills and experience to implement, meet the objectives of the risk management framework and comply with all expectations.

Managing tax risks

Tax legislation is often complex and whilst Fluxys UK and its subsidiaries are committed to comply with all legislation the risk of tax uncertainties and tax disputes cannot be excluded.

Where tax law is unclear or subject to interpretation written advice or confirmation is sought from external professional advisors as appropriate to assess that our tax position would more likely than not be sustainable upon final settlement with the competent authorities in case of a dispute.

Fluxys UK and its subsidiaries' risk framework is used as a basis to identify, assess, manage and monitor known and emerging tax risks and to minimize tax uncertainties and tax disputes.

Attitude to tax planning

Fluxys UK and its subsidiaries ensures it is aware of all tax implications when considering business decisions.

When taking tax decisions and adopting tax filing positions due consideration is given to our reputation, brand, corporate & social responsibilities as well as the legal and fiduciary duties of our directors and employees.

Such factors form part of the overall business and tax decision making.

All our tax decisions and tax filing positions are supported by business purposes and are underpinned by commercial rationales.

Tax incentives are sometimes provided by UK / Belgium governments and fiscal authorities to encourage business investment, employment and economic development. Fluxys UK and its subsidiaries will utilise such incentives where appropriate and in the manner intended.

Fluxys UK and its subsidiaries will not engage in artificial tax arrangements.

Working with the UK & Belgium governments

Fluxys UK and its subsidiaries always aims to develop and foster good working relationships with its tax authorities, government bodies and other related third parties.

We undertake all dealings with such parties in a professional, transparent, co-operative and timely manner. We are committed to be compliant with Anti-Bribery and Corruption laws in all the countries where we operate and have a zero tolerance for bribery and corruption.