

Groupe La Française – Tax Strategy 2022

Introduction

Groupe La Française (“the Group”) is a global asset management group, headquartered in France, that provides a wide range of financial products and services to a diversified client base; namely institutional investors, retail clients and private clients. The principal activities of the Group include the offering of securities based products, investment solutions, undertaking investment in real estate markets on behalf of clients, and offering direct financing solutions to customers.

Groupe La Française is ultimately owned by Credit Mutuel Nord Europe (“CMNE”), a leading European regional bank situated in Northern France. As a cooperative and mutual bank, the aim of CMNE is to enhance the quality of the relationship and the service that it provides to its members and customers. CMNE’s values of accountability, solidarity and social commitment are just as strategic as the quality of its services. It is these values that continue to guide Groupe La Française’s day to day operations and aspirations for the future.

Groupe La Française’s UK operations are conducted through various standalone legal entities and branches located within the UK. This tax strategy sets out the group’s approach to conducting its UK tax affairs and managing the associated tax risks. Groupe La Française regards the publication of this tax strategy as complying with its duty under paragraph 19 Schedule 19 of the Finance Act 2016.

Tax risk management and governance

Groupe La Française is committed towards maintaining a responsible and sustainable corporate governance framework. Responsibility for the group’s tax strategy ultimately resides with the Board of Directors of Groupe La Française. This is a responsibility that the board take very seriously, and as such taxation features as a standard item on the agenda of board meetings. Operational responsibility for delivering on the group’s tax strategy and organising the group’s tax affairs is delegated to the group’s in house tax function, which is situated in France. The group’s in house tax function in turn utilise the support and advice of external, UK tax advisors where appropriate.

As a global asset management business, we are exposed to a variety of tax risks. We consider our key UK tax risks to be as follows:

- **Compliance and reporting risk** – This includes the risk of making late tax return filings, filing incorrect returns, and failing to make tax payments or elections within the required time frame. We seek to mitigate these risks by determining internally appropriate resources to be put in place to ensure compliance and by outsourcing our UK tax compliance process to external professional advisors.
- **Transaction tax risk** – These risks could arise if the group were to enter into business arrangements or transactions without appropriate consideration of the potential tax implications. In order to mitigate this risk, we typically utilise the services of external professional advisors before undertaking any significant business transactions.
- **Legislative risk** – Tax legislation is constantly changing, and thus there is always a risk that we do not keep up to date with the latest legislation and therefore fall short of the relevant compliance requirements. In order to mitigate this risk, we seek to have appropriate internal processes to monitor tax legislative changes and by requesting that our external advisors send us frequent updates on any changes to the tax legislation.

Ultimately, we place great value on the firm's reputation and as such are committed towards promoting the mitigation of any tax risks which may threaten that reputation.

Tax Planning

The Board of Directors have a low appetite for tax risks, which is closely aligned to the overall risk appetite of the organisation. As a group, and in the UK, we do not engage in aggressive tax planning and will only undertake tax planning opportunities to the extent that they are supported by and aligned with genuine commercial and economic business activities. Any transactions entered into between group companies are conducted on an arm's length basis and we seek to ensure that any tax planning activity is consistent with both the spirit and letter of the law, as well as international guidelines and rules.

Approach to tax risk

As noted above, Groupe La Française is owned by a mutually owned bank widely recognised for its reputation and cooperative values. Groupe La Française conducts its operations in alignment with these values and as such the board places great value on the organisation's reputation. The Groupe La Française board seeks to eliminate any potential threat to this reputation by promoting a low overall risk appetite across the Group.

Groupe La Française's attitude towards tax risk is very much structured around these wider organisational values in that we also have a low appetite for tax risks. We do not participate in aggressive tax planning or complex structured arrangements designed with the sole or main purpose of reducing our tax liability.

Relationship with HMRC

Group La Française strives to promote an open, honest and transparent relationship with HMRC. The group is committed towards working proactively and transparently with HMRC and wherever possible the Group endeavours to disclose any potentially contentious issues with HMRC.

Should there be any situations where disagreements arise, the Group will work proactively and transparently with HMRC to resolve them.

Approved by the Board of Directors on:

[Date]