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	TRANSFESA UK TAX STRATEGY	EDITIONS	A 12/17		

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TRANSFESA UK Tax Strategy for the year ended 31 December 2017

Publication date: December 2017

The publication of this tax strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19 of the Finance Act 2016, for Transfesa UK Ltd.

I.- Background

Transfesa UK Limited ('Transfesa UK') is a private company limited by share capital incorporated in England and Wales which is based in Essex. The company's immediate parent is Transportes Ferroviarios Especiales SA ('Transfesa'), incorporated in Spain. The ultimate parent is Deutsche Bahn AG, incorporated in Germany. The principal activity of Transfesa UK is the provision of freight management and ancillary services.

Transfesa UK recognises that taxes allow governments to fund essential public expenditure, and the taxes which Transfesa UK's activities generate are a key part of how Transfesa UK contributes to society.

This strategy sets out Transfesa UK's approach to UK tax. In particular it summarises how Transfesa UK manages risk in relation to tax; its dealings with tax authorities, and its governing principles relating to tax planning and relationships with professional advisors. This strategy sets out the principles of Transfesa UK in relation to UK tax and the responsibilities for implementing these throughout the business.

II.- Scope of our Tax Strategy

This strategy applies to Transfesa UK. It applies to the compliance, payment and reporting of all taxes borne and collected by this company, the principal ones being corporate income, indirect and employment taxes. This strategy applies until it is superseded and adheres to the overarching principles in place across Transfesa UK.

III.- Aim

As a responsible business Transfesa UK is committed to:

- Being a responsible tax payer, being straightforward and transparent in relation to all tax matters;
- Paying tax in accordance with all relevant laws and regulations in the territories where it operates;

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- Managing its tax affairs in such a way as to deliver the right amount of tax, in the right place and at the right time; and
- Operating with integrity, honesty and fairness.

These principles are reflected in Transfesa UK's relationships with tax authorities, including HMRC. In addition to operating with integrity, Transfesa UK seeks to be proactive with tax authorities to ensure the efficient resolution of any issues arising, wherever possible and appropriate.

IV.- Governance, Assurance and Tax Risk Management

The CFO (or equivalent) of Transfesa UK is responsible for the management of the tax affairs of their business unit, supported by Tax specialists.

The scale and complexity of Transfesa UK's business and the volume of transactions impacting tax means that tax risks inevitably arise.

Transfesa UK seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care and control is applied in relation to all processes which could materially affect its compliance with its tax obligations. Systems, processes and controls are in place to ensure that Transfesa UK has robust and appropriate tax accounting arrangements as part of Transfesa's Accounting Officer procedures.

Transfesa UK only tolerates tax risk where the position adopted in a tax return is likely to be accepted by the local tax authorities.

There are, from time to time, situations where it is appropriate for Transfesa UK to engage the services of suitably qualified professional tax advisors. This typically happens when there is uncertainty as to how the relevant tax law should be applied. Any such professional advisors are expected to respect the underlying principles of this Tax Strategy.

Any tax risks identified are evaluated and managed by Tax specialists, working with local senior management teams.

V.- Approach to tax planning

Transfesa UK uses available tax incentives, reliefs and exemptions in line with tax legislation, provided that this is aligned with its commercial objectives. Transfesa UK does not undertake tax structuring which has no commercial purpose and which leads to legally unintended tax advantages or where tax structuring might harm Transfesa UK's corporate or social responsibilities, reputation and brand. Transfesa UK's intention is to ensure that its transactions and the tax implications arising from them reflect the commercial reality of each situation.

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VI.- Relationships with tax authorities

An important part of Transfesa UK's tax strategy is the maintenance and development of strong, transparent and constructive working relationships with local tax authorities (including HMRC). This is effected through various means including:

- Regular meetings and communications in respect of developments in Transfesa UK's business activities, tax risks and interpretation of law in relation to all relevant taxes;
- Making fair, accurate and timely disclosures in tax returns and correspondence;
- Seeking to resolve issues on a timely basis; and
- Generally ensuring that all interactions with tax authorities are conducted in an open, collaborative and professional manner.