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# TAX STRATEGY – UK – YEAR ENDED 31 DECEMBER 2020

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Accor in the United Kingdom

DECEMBER 21, 2020

ACCOR - UK  
London, UK

## **Scope**

Accor in the UK comprises three companies, Accor Hotelservices UK Ltd, Accor (U.K.) Limited and Ibis UK Ltd (dormant company). They are 100% members of a multinational group parented in France. The group is a global leader in the hotel and hospitality industry having over 39 brands at nearly 5,000 hotels in more than 110 countries worldwide.

Accor Hotelservices UK Limited, which is a subsidiary of Accor (U.K.) Limited, is responsible for the managed and franchised hotels operating under an Accor brand name in the UK and Ireland. By making this strategy available, the companies are fulfilling their obligations under Schedule 19 of the Finance Act 2016 and complying with the duty under paragraph 19(2) of that Act.

This strategy applies from the date of publication until it is superseded.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

This paper represents the Tax Strategy of the Accor and it is not intended and should not be inferred that anything contained in this paper represents the tax strategy of any Accor companies outside those of the UK Group.

## **Governance**

Ultimate responsibility for the tax affairs, decision making and approvals of Accor (U.K.) Limited and Accor Hotelservices UK Limited rest with their common Board of Directors. The Board of Directors includes the Vice-President – Finance of the two companies who will advise the other board members on tax and finance matters that affect decision making of the UK group.

The day-to-day management of the tax affairs of Accor (U.K.) Limited and Accor Hotelservices UK is delegated to the Accor UK Finance Team managed by Regional Financial Controller who reports to the Vice-President –Finance of Accor (U.K.) Limited and Accor Hotelservices UK Limited.

Where necessary the UK finance team will also liaise with the International Tax team based at the Accor Group corporate headquarters on matters which require collaboration with or guidance from the group.

## **Senior Accounting Officer**

There is currently a senior accounting officers within Accor in the UK; appointed to Accor (U.K.) Limited, Accor Hotelservices UK Limited and Ibis UK Limited. He 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 the Finance Act 2009 schedule 46. Periodic checks are conducted to ensure existing processes within the tax accounting arrangements are sufficiently robust such that any inaccuracy in a return or document containing figures, arising from any of those processes, would be identified and appropriately reported.

## **Managing Tax Risk**

Accor in the UK manages risks to ensure full compliance with all applicable laws, rules, regulations, and disclosure requirements; and is committed to acting with integrity and transparency in all tax matters.

The Accor UK Finance Team is responsible for ensuring all appropriate tax returns are completed for their respective companies in an accurate and timely fashion; and for ensuring that that the level of tax risk arising from operations is reduced as far as reasonably practicable.

Where necessary the finance teams collaborate with operations staff to provide advice and guidance necessary to ensure compliance. This includes raising awareness of relevant tax law and the implications they may have when reaching business decisions.

Under no circumstances should commercial decisions override compliance with applicable tax law.

Relevant training is provided to staff who manage and/or process transactions, which have tax consequences.

#### *Risk appetite*

Accor in the UK positions itself as a prudent tax payer. The level of tax risk which Accor in the UK accepts is consistent with its overall objective of achieving certainty and being transparent in its tax affairs.

Accor in the UK upholds an on-going application of tax governance with internal controls in order to substantially reduce tax risk to as low as practicable. As part of this governance, Accor in the UK regularly reviews those areas of its business which are considered to pose tax risks as well as the controls in place to minimise those risks.

#### *Attitude towards tax planning*

As with other aspects of our business, Accor in the UK takes into consideration the views and interests of number of stakeholders when planning its tax arrangements. These include our customers, the shareholders and investors in our parent company, our staff, the government and the local communities in which our hotels operate.

Accor in the UK only structures transactions in a way that reflects a genuine commercial activity. If different methods exist of achieving the same commercial outcome, and presuming that these different methods comply with all relevant legislation, then consideration will normally be given to adopting the most tax efficient approach. When planning transactions, Accor in the UK will usually seek advice from external consultants so as to ensure that it is made aware of and complies with all relevant legislation. External consultants are also engaged periodically to advise on more routine tax matters where the group does not possess suitable in-house expertise, as well as for occasional internal audits and checks of tax returns to provide confirmation that these have been prepared correctly and in accordance with Accor in the UK's processes and procedures.

Accor in the UK does not use marketed tax avoidance schemes or arrangements that fall foul of current regulations. The group has not conducted any transaction that would fall foul of the General Anti-Avoidance Rules (GAAR) or would require notification to HMRC under the Disclosure of Tax Avoidance Scheme (DOTAS) rules.

Accor in the UK does not enter into transactions where its main purpose involves gaining a tax advantage.

Accor in the UK does not conduct any direct lobbying on taxation matters, nor does it seek to influence government tax legislation in any way that is detrimental to our stakeholders' best interests. Accor in the UK is an active member of appropriate industry trade bodies such as the British Hospitality Association (BHA), and any lobbying is made through these bodies.

#### **Working with HMRC**

Accor in the UK is committed to conduct its tax affairs in a manner that is consistent with all relevant laws and legal disclosure requirements.

Accor in the UK aims to develop and foster a proactive, professional and transparent relationship with HMRC through communication with relevant HMRC personnel.

Accor in the UK ensures that HMRC is kept aware of significant business transactions as they occur, as well as any developments that might impact not just the operation in the UK but, where relevant, the worldwide Accor group. This might include the acquisition of new business activities, the sale or disposal of any of the group's companies or hotels, major new hotel openings or any group restructuring. Accor in the UK aims to ensure that all tax returns submitted to HMRC are clear and disclose all relevant facts. Where appropriate, Accor in the UK seeks pre-transaction clearances from HMRC. Accor in the UK has in the past provided HMRC with explanations of industry norms and processes so as to assist HMRC in better understanding the hospitality industry and its workings.