

UK Tax Strategy

About Spark NZ

Spark is New Zealand's leading digital services provider with a powerful ambition: to unleash the potential in all New Zealanders through amazing technology.

Spark's success is dependent on our customers in one key market: New Zealand.

Despite its New Zealand centric focus Spark continues to maintain a very minor international presence including in the United Kingdom, through its wholly owned subsidiary TCNZ (UK) Securities Limited; a company incorporated and tax resident in the UK.

Spark's approach to risk management

The Spark board and management are committed to ensuring that Spark maintains a high standard of corporate governance and adheres to high ethical standards. Strong corporate governance, including a highly effective and integrated risk management framework helps Spark to successfully manage the risks associated with operating in a complex and challenging environment.

The risk management framework incorporates Spark's board endorsed tax risk management and governance framework (Framework) which applies to Spark and all of its wholly owned subsidiaries. The purpose of the Framework is to ensure that:

- (a) appropriate and transparent tax governance occurs in the normal course of Spark executing its business strategy in pursuit of its ambition;
- (b) at all times compliance with legal obligations results in the right amount of tax being paid, as determined under the applicable legislation; and
- (c) all actions are undertaken within a framework of prudent risk management that, on a case by case basis, has regard for the interests of all relevant Spark stakeholders.

All risk management is ultimately the responsibility of the Spark board who is supported by Spark's CFO, Head of Tax and the Spark Group Tax team.

Tax planning

The Framework recognises Spark's broader approach to governance and ethical standards by requiring a high level of tax certainty in its tax positions and ensuring the right amount of tax is determined by considering the relevant tax laws applying to Spark's commercial and economic activity.

Spark obtains professional assistance from external consultants in respect of UK tax compliance and tax advisory matters, as and when required.

Tax risks

Spark manages tax risk through a set of comprehensive tax risk control activities across the following tax risk categories:

- Strategic / transactional
- Operational
- Compliance
- Financial Reporting
- Reputational

Comprehensive reporting on the tax risk control activities occurs at regular intervals to ensure its ongoing effectiveness.

Spark is committed to investing in talented personnel. It also recognises the growing importance of utilising technology as a tax risk management tool in an increasingly digital and connected tax environment.

Working with HMRC

Due to the size of TCNZ (UK) Securities Limited, it does not meet the threshold for the Senior Accounting Officer (SAO) obligations and does not have a dedicated HMRC Customer Compliance Manager (CCM).

Spark makes full and accurate disclosures in tax returns and other disclosures to HMRC and would engage directly (or via its advisors) with HMRC where considered necessary.

Spark approaches all tax authority relationships in a constructive and open manner that promotes early interaction and constructive co-operation with the aim of ensuring a 'no surprises' approach on any of Spark's tax positions. The relationship with HMRC is based on a mutual relationship and professional behaviours and is part of the overall approach to managing tax risk.