

Olive UK Opco Limited

Olive UK Opco Limited: Group UK Group Tax Strategy

This UK tax strategy document applies to Olive UK Opco Limited (“the Parent” or “Olive”) and its subsidiary, Paratus AMC Limited (“the Subsidiary” or “Paratus”), together (“the Group”). This document applies to all UK taxes applicable to the Group and is published in accordance with the requirements set out in Schedule 19 of Finance Act 2016. This tax strategy, which has been approved by the Board of Directors of the Parent on 9th December 2024, is effective for the year ending 31 December 2024.

Olive UK Opco Limited is a UK registered Company whose principal activity is to act as the holding Company to Paratus. Paratus is a specialist mortgage lender, based in Bracknell, Berkshire whose principal activities are the origination, securitisation and servicing of UK residential and buy-to-let mortgage loans granted to UK individuals and limited liability companies. It provides its services through authorised brokers and intermediaries.

Approach to Tax Risk Management

The Group aims and strives for its tax affairs to be fully compliant with the UK legislation and to that effect, the Board of Directors, and the Chief Financial Officer (‘CFO’) of Paratus who also attends the board meetings, is committed to maintaining tax compliance on an ongoing basis.

Day-to-day oversight and responsibility for the management of tax strategy and tax risks in the UK are delegated to the CFO of Paratus. The CFO’s role is supported by guidance and advice from external professional tax advisors. The Group relies upon these advisors to make them aware of relevant new or updated tax legislation in order to reduce the risk of any inadvertent non-compliance. The advisors are also used in analysis that involve more complex tax matters that the Group may have.

Paratus AMC Limited, being the main trading Company of the Group has a designated Risk and Compliance Committee. This consists of the CFO, Chief Executive Officer, Chief Operating Officer, Chief Risk Officer and Legal Counsel, Chief Technology Officer, Chief Treasury Officer and Chief Commercial Officer. They meet and discuss the assessment, management and mitigation of all risks faced by the business which includes UK tax risks and compliance obligations.

The Subsidiary is authorised and regulated by the Financial Conduct Authority and senior positions exist within the Company with oversight and responsibility for compliance, Risk Management and Internal Audit.

In general, the Group is liable to corporation taxes, VAT and employment taxes (PAYE, PSA, NIC, apprentice levy), withholding tax (‘WHT’) as well as business rates.

The Group has appointed an external firm of professional tax advisors to assist with the preparation and timely submission of corporation tax computations and returns.

The payroll function is outsourced to a specialist firm. This firm supports the Group in compliance with its employment taxes obligations and makes it aware of relevant changes to the UK tax legislation.

VAT and PSA matters are dealt with internally. This role is undertaken by appropriately qualified and experienced staff who are responsible for keeping up-to-date with the relevant legislation to ensure compliance is maintained and that internal policies and procedures are updated accordingly. Where necessary, advice is sought from external professional tax advisors as well as from HM Revenue & Customs (‘HMRC’).

Olive UK Opco Limited is a company registered in England and Wales under company no 12842662. The registered office of the Company is 5 Arlington Square, Bracknell, Berkshire RG12 1WA.

Although the Group is liable to withholding tax on borrowings with foreign entities, WHT does not arise due to the associated subordinated loan notes being listed on The International Stock Exchange (Guernsey) and as such are exempt from WHT and also the Group having obtained relevant DTP2 passports for other facility arrangements with foreign entities.

Attitude to Tax Planning

The Group has a zero-tolerance policy with regard to inappropriate tax planning which could damage or hinder the reputation of the Group or is inconsistent with its values.

The Group aims to claim appropriate tax reliefs in line with the UK legislation when these are aligned with the business' commercial operations and circumstances. The Group does not seek to interpret the legislation in a way which is contrary to the intentions of Parliament.

The Group's attitude to tax planning is to not enter into aggressive transactions where the main purpose is to gain a tax advantage.

Paratus being the main operating company of the Group mandates periodic training of all employees to maintain sufficient knowledge and understanding of anti-money laundering and anti-bribery and corruption. This is administrated and monitored by the internal HR team.

The individuals responsible for tax matters are expected to adopt and uphold the aforementioned approach when dealing with the tax matters of the Group.

Level of Tax Risk for UK Taxation

The Group adopts a low-risk approach to tax, which aligns with its objective to be fully tax compliant with the UK tax legislation in all regards. The Group maintains a reporting system, which is overseen and scrutinised by the CEO, whereby the details of any missed compliance deadlines and penalties imposed must be recorded. This serves as a reminder that the business has a zero-tolerance policy with regard to the failure to comply with the UK tax legislation.

The Group's focus is on delivering accurate tax returns to HMRC to ensure the correct amount of tax is paid in a timely manner. The Group values its reputation and considers that failure to comply with the UK tax legislation is not in line with the Group's ethos.

Transactions with the Subsidiary special purpose entities created for securitisation and financing arrangements, fellow subsidiary and affiliated companies are based on international transfer pricing principles, which imposes a requirement to ensure that pricing within the international group is on an arm's length basis.

Approach to working with tax authorities

The Group considers HMRC to be an external stakeholder in the business.

The Group aims to satisfy the necessary filing and payment requirements in accordance with the deadlines set by HMRC, and ensuring all statutory records are maintained.

When dealing with HMRC, the Group seeks to maintain an open, professional and transparent relationship. In line with this, the Group will raise matters with HMRC, itself or through its professional advisors, where it seeks to obtain clarity about uncertain tax matters and/or obtain advance clearance in respect of intended filing positions.