

# Achmea's policy on taxation



Implicit in our ambition to be the 'most trusted insurer' is that we also want to be a responsible taxpayer. We believe it is important to be as transparent when it comes to tax as it is in other matters. We accordingly disclose our tax position in the financial statements, providing a statement of how much tax we pay in each country<sup>1</sup>, along with notes on our policy regarding taxation to show how we behave as a responsible taxpayer.

## Our mutual society background

Achmea is the largest insurance group in the Netherlands and its history is that of a mutual society. For us it goes without saying that we should act in a responsible manner and with a view to the long term. We put our customers first, take account of the world around us, recognise our role in society and gladly assume the responsibilities that are consequently incumbent upon us. One of these is to pay our taxes.

## Responsible taxpayer

Given our roots and our role in society, we are naturally motivated to be a responsible taxpayer. This means that we respect the intent of the tax rules and abide by the spirit of the law. We take the economic reality of a transaction as the guiding principle – with profits taxed where the profitable activity takes place.

## Transparency

We set great store by transparency and having good relations with the tax authorities. Sometimes, the provisions of the law and how they should be interpreted are not entirely clear. This can lead to negotiations with the tax authorities on the amount of tax payable. In such circumstances we present all the facts and figures to the tax authorities together with our interpretation and arguments, inviting the authorities to put their case. We expect the tax authorities in turn to be frank and transparent in their response, in a way which reflects a reasonable interpretation of the law and respects Achmea's rights as a taxpayer.

## Tax planning

Paying the proper amount of tax means not using tax structures whose sole purpose is to reduce our effective tax rate. Therefore we do not engage in transactions where the main aim is to save tax. We also shun transactions that are essentially aimed at enabling third parties to avoid paying tax.

However, we do try not to incur any unnecessary tax expense. If tax law offers an intentional tax break we will take the opportunity to save tax.

## Policy regarding developing countries

Any involvement we have in investments in or via developing countries must not lead to reduced tax payments in those countries.

## Types of tax

Our tax policy extends to all types of tax. The disclosures regarding our tax position in the financial statements relate to corporation tax but there are many other kinds of tax that we have to deal with. These include payroll deductions, VAT and insurance tax.

## Tax risk management

Our 'Tax Control Framework' (TCF) is part of the Achmea Control Framework and covers the entire package of policy, procedures, methods, control measures and organisational measures concerned with Achmea's tax matters. The purpose of the TCF is to manage tax behaviour within Achmea, to monitor tax-related processes, to support management in managing tax risks and to ensure that all tax returns are filed, and tax due is paid, in full and on time.

We submit tax returns that are correct and complete and we pay the tax that we owe on time. If we discover that a tax return was not entirely correct, the matter is rectified. If we paid too little tax as a consequence we pay the shortfall.

## Broad support

Achmea's tax policy has been approved by the Achmea Executive Board. The policy is made known throughout the organisation in order to ensure that all staff are aware of tax implications.

<sup>1</sup> Commencing with the financial statements for 2016