Fanatics UK Group – tax strategy

This document, approved by the board of Fanatics UK Holdings Limited, sets out Fanatics UK Holdings Limited and its UK subsidiaries’ (“the Fanatics UK Group”) approach to conducting its tax affairs and dealing with tax risks for the year ended 31 December 2016 onwards. This document applies until it is superseded by an alternative document approved by the board of Fanatics UK Holdings Limited.

The Fanatics UK Group is committed to:

- Following all applicable laws and regulations relating to its tax activities.
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate.
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Governance in relation to UK taxation

Ultimate responsibility for Fanatics UK Group’s tax strategy and compliance rests with the board of Fanatics UK Holdings Limited. The Chief Financial Officer (‘CFO’) of Fanatics Inc (the holding company of the Fanatics UK Group), who is a director of Fanatics UK Holdings Limited, has executive responsibility for tax matters.

Day-to-day management of Fanatics UK Group’s tax affairs is delegated to the Finance Director of the UK Group, who reports to the CFO. The UK Finance team is staffed with appropriately qualified individuals.

Risk management

Managing the Fanatics UK Group’s tax affairs is a complex process across many functional areas of the business. As with any complex process, there may be risks of error or omission within those processes (tax risks) which may result in the incorrect application of tax rules or calculation of tax returns. Fanatics UK Group seeks to mitigate and reduce the level of tax risks arising from its operations as far as is reasonably practicable. Reasonable care and attention is applied in relation to all processes that may materially affect its compliance with its tax obligations.

Identified tax risks are assessed on a case by case basis, allowing the Fanatics UK Group to assess and conclude how each individual risk should be managed. Where there is uncertainty in how the relevant tax law should be applied, external advice may be sought from reputable accounting and legal professionals to support the Fanatics UK Group’s decision-making process.

When reviewing the tax risks associated with a specific decision or action, the Fanatics UK Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- All legal, regulatory or compliance requirements of the Fanatics UK Group.
- The requirements of any related internal policies or procedures.
- Any impact to stakeholders of the Fanatics UK Group, including corporate and external stakeholders.
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Tax planning

The Fanatics UK Group has clearly defined lines of responsibility for its tax affairs with decisions being taken at an appropriate level.

The Fanatics UK Group’s tax planning aims to support the commercial needs of the business by ensuring that the companies’ affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The Finance function, containing individuals with recognised accounting qualifications, is therefore involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made. This approach to tax planning is consistent with that taken by the overall Fanatics Group.

In cases where the tax guidance is unclear or the Fanatics UK Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought from reputable accounting and legal professionals as appropriate.

Approach towards dealings with HMRC

The Fanatics UK Group is committed to the principles of openness and transparency in its approach to dealing with HMRC and commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond promptly to queries and information requests. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after identification.
- Seek to resolve issues with HMRC in a timely manner, by agreement where possible.
- Be open and transparent about decision-making, governance and tax planning.
- Not enter into transactions that have a main purpose of gaining a tax advantage, not make interpretations of tax law that are opposed to its original spirit and ensure transactions are structured consistently.
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner. The financial professionals who deal with tax planning and compliance are expected to adopt this approach and are expected to maintain the high ethical standards demanded by the professional bodies to which they belong.