

Tax Policy – Simon Carves Engineering Limited

Introduction

Simon Carves Engineering Limited (“SCEL”) is a UK registered company with offices in Manchester, UK. SCEL is a wholly owned subsidiary of Engineers and Constructors International Inc of Baton Rouge, USA.

SCEL provides comprehensive engineering services across the global process industry sector, with strong focus on petrochemicals, nuclear and renewables, including bio-fuel manufacture. Its expertise and growth lies in the following areas that provide a strong and sustainable pipeline of future investments:

- Polymers and Petrochemicals, predominantly LDPE with significant future growth forecast particularly in emerging markets for new build plants and significant opportunities for optimisation and de-bottlenecking of existing plants
- Chemicals - technology support to our parent to allow them to approach new opportunities in their local geographies.
- Focussed shift to Plant Engineering, providing general and specialist engineering services (modifications, upgrades, debottlenecking) to process plants, particularly in the UK and Europe).
- Renewables where the business works closely in the development of processes to support generation two and three technologies and this includes Waste to Energy which is viewed as a burgeoning market with strong growth predicted over the next five years.
- Movement into new Technology areas leveraging the experiences of ECI to establish a diversified portfolio built on our core engineering skills and quality.

Purpose of this document

This document is to satisfy the requirements under Section 161 and Schedule 19 (2) of the UK Finance Act 2016 that qualifying UK companies are required to publish details of their Tax Strategy. This policy sets forward the general principles by which SCEL manages its tax affairs.

Tax management, governance & compliance

Given the nature of SCEL’s global business, a number of different direct (e.g. UK corporate income tax and overseas withholding taxes), indirect (e.g. VAT) and collected taxes (e.g. payroll taxes and social contributions) apply and there are many cross-border transactions between SCEL in the UK and overseas clients operating under different tax regimes.

Tax management is an integrated part of the risk management of SCEL. Assessing tax related to projects are included in the SCEL risk assessment process at both the tender and project execution stages of the project. Existing and emerging tax risks are monitored continuously in order to assess and implement mitigating actions.

The guiding principle for SCEL’s conduct in tax matters is to comply with the tax laws and international conventions that the company is subject to, with the objective of paying the correct amount of tax where we operate.

SCEL utilises external tax advisors when the matters require expertise within the field, country or it is necessitated by the complexity of the case. When there is significant uncertainty about the tax implications, external advice is sought.

The responsibility for tax in SCEL lies with Senior Management and, ultimately, the Board of Directors.

The attitude towards tax planning

While SCEL seeks to avoid double taxation and unnecessary tax inefficiencies, we do not use abnormal tax structures that are intended for tax avoidance.

When selling services into a new country a tax assessment is undertaken, and if needed, professional tax advice is sought before setting up the structure to ensure compliance with the local and international tax legislation.

The level of risk in relation to UK taxation

Local finance staff take the responsibility of the UK tax compliance process and employ the services of an external UK tax adviser for the submission of tax returns, and for any additional advice necessary on the taxations of any relevant transactions.

Transparency and dealings with tax authorities

As a responsible taxpayer, we have an open relationship with HMRC and within the normal tax compliance process. We seek to comply with its tax filing, reporting and payments obligations in a timely, transparent and understandable manner.

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