

About Spark NZ

As New Zealand's largest telecommunications and digital services company, Spark New Zealand has a powerful purpose and our success is dependent on our customers in one key market: **New Zealand**.

Success in New Zealand means delivering on our purpose and the digital world requires that Spark continues to maintain global connectivity that has required it to establish and maintain a legal presence outside of New Zealand.

Spark continues to maintain a very minor presence in the United Kingdom (UK), through its two wholly owned UK incorporated subsidiaries:

- (i) TCNZ (United Kingdom) Securities Limited (02653794); and
- (ii) Telecom New Zealand (UK) Enterprises Limited (02540086).

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 as further described in Spark's [foundational policy documents](#). The Spark Board regularly review and assess Spark New Zealand's governance structures and processes to ensure that they are consistent with international best practice, in both form and substance.

The Spark Board has tasked its Audit and Risk Management Committee (ARMC) - via that committee's [Charter](#) - to ensure management continues to maintain a highly effective and integrated [Managing Risk Policy](#) that enables Spark to successfully manage the risks associated with operating in a complex and challenging environment. The Managing Risk Policy provides the core framework that co-ordinates how different functional areas each play their part in helping Spark identify and manage strategic, operational and external challenges and risks.

In 2021 the Spark Board approved the adoption of an organisation-wide, publicly available, [Tax Strategy](#), in line with its increasingly transparent approach to corporate governance. The Managing Risk Policy combines with the Tax Strategy to set the principal governance foundations for the design of Spark's tax governance and risk management policy (Policy). The underlying core principles of the Tax Strategy are:

- (a) appropriate and transparent tax governance occurs in the course of aligning the tax strategy with Spark's business strategy in the pursuit of sustainable growth.
- (b) at all times compliance with legal obligations results in the right amount of tax being paid, on time, as determined through a purposive interpretation of the applicable legislation; and
- (c) all actions are undertaken within a framework of prudent and ethical risk management that, on a case-by-case basis, has regard for the interests of all relevant Spark stakeholders.

All tax risk management is ultimately the responsibility of the Spark Board who is supported by Spark's Finance Director, Head of Tax and the Spark Tax team.

Our purpose

At Spark our purpose is:
To help all of New Zealand win big in a digital world

The Māori translation of our purpose statement is: *Āwhinatia ngā tangata katoa o Aotearoa, kia matomato te tipu i te ao matihiko.*

This translates as: "To help all New Zealanders so that they may grow, stand strong and thrive in the digital world".

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

The Managing Risk Policy provides the core framework that co-ordinates how different functional areas each play their part in helping Spark identify and manage strategic, operational and external challenges and risks. This in turn influences Spark's approach to tax risk which it manages through a set of comprehensive tax risk control activities directed at 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 notes that Telecom New Zealand (UK) Enterprises Limited is not UK tax resident so is not required to make any tax filings or other disclosures to HRMC.

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.

This UK Tax Strategy supplements the Spark group Tax Strategy and is prepared to ensure Spark is compliant with the UK tax strategy publication requirement set out in Part 2 of Schedule 19 Finance Act 2016 in respect of the 30 June 2023 Financial Year.