



## STRATEGY

### Citizen Tax Strategy

#### 1. TAX STRATEGY STATEMENT

Citizen Housing Group Limited (trading as ‘Citizen’) is a not-for-profit charitable entity with no overseas operations. Our purpose is to provide homes that are a foundation for life, by providing good quality homes in a variety of ways for people who might otherwise be unable to afford them. Citizen operates across the West Midlands in Coventry, Birmingham, Solihull and across the counties of Herefordshire and Worcestershire, owning, managing and maintaining over 30,000 properties. The majority of Citizen’s properties are general needs rented housing, but we also own a number of retirement living schemes and a small portfolio of supported housing (together with specialist care and support providers).

Accordingly, the operation of some entities can and does involve the undertaking of commercial trading activities. The overarching objective of non-charitable subsidiary trading entities is the philanthropic gifting of earnings to Citizen for reinvestment in our existing homes and communities and in developing new social and affordable homes for rent and shared ownership.

Our activities generate a variety of tax liabilities. We pay Corporate Income Taxes, Stamp Duties and Employment Taxes. We collect and pay Employee Taxes and VAT.

Our aim is to comply with all aspects of UK tax legislation. We seek to do so by acting with honesty and integrity in line with our group values, and by harnessing robust governance controls that are embedded into the organisation.



## 2. TAX PLANNING

Our attitude towards tax planning is to consider efficient alternatives to minimise costs. External advice will be sought where material uncertainty exists in relation to the tax impact of new business transactions.

The pursuit of aggressive or artificial tax practices that may harm our reputation is not undertaken. Any tax efficient structures that are employed will stand up to third party independent review.

## 3. TAX RISK MANAGEMENT

Members of the finance and payroll teams who have a responsibility for tax have access to suitable training and guidance and we also work closely with external advisors to ensure that significant tax risks are appropriately managed in line with the tax risk appetite of the Group and that we identify and address changes in tax legislation in a timely manner. Training is provided to key staff to assist with queries, and relevant external training is also provided to the Finance and Payroll Teams as required.

We aim to minimise tax risk but also acknowledge that the complexity of tax legislation mean it is impractical to remove all tax risk that may arise. To support us in minimising tax risk, we will seek external advice where we identify significant or unusual tax positions. We may also seek guidance or clearance from tax authorities in relation to specific historic, current or future events where there is uncertainty regarding the interpretation of tax law. This engagement with tax authorities will be at the discretion of the Group's Director of Finance.

All returns are submitted on time, with documented submission and review processes embedded within the teams to reduce the risk of errors and to capture all areas in line with good practice. External advisors are called upon to assist with transactions. HMRC also assists when required for additional support and advice.

## 4. TRANSPARENCY

Citizen's dealings with His Majesty's Revenue and Customs and other Governing bodies are and will be open, transparent and collaborative.



## 5. GOVERNANCE

The Chief Financial Officer directly owns the tax approach that is approved by the Citizen Board. This approach is implemented through the consistent application and maintenance of policies and procedures.

The above-mentioned approach is applicable across Citizen and all of its group undertakings. Our approach and strategy is reviewed annually by the Group Audit & Risk Committee. The implications of any significant changes in legislation or our approach to tax risk management are reported to and considered by the Group Audit & Risk Committee.

## 6. VERSION CONTROL

VERSION	DATE	AMENDMENTS	APPROVED AT/BY	REVIEW
V 1.0	04 November 2019	First draft version in new Citizen brand format	Citizen Board 11/11/2019	November 2020
V 1.1	21 September 2020	Annual review	Audit & Risk Committee 27/10/2020	September 2021
V 1.2	17 August 2021	Annual Review	Audit & Risk Committee 16/09/2021	September 2022
V 1.3	22 July 2022	Annual Review	Audit & Risk Committee 06/09/2022	September 2023
V 1.4	19 September 2023	Annual Review	Audit & Risk Committee 19/09/2023	September 2024