

UK TAX STRATEGY

JDA software UK Limited is publishing its tax strategy for the year ended 31 December 2017 to satisfy the reporting obligations of Schedule 19 of the Finance Act 2016.

As part of a global, multi-national organization, JDA Software is dedicated to being the leader in supply chain software, helping global clients optimize delivery to their customers.

JDA’s overall tax strategy aims to support its business by maintaining an appropriate tax rate, while mitigating tax risks and complying with the rules and regulations of the jurisdictions in which JDA operates. JDA seeks to balance its responsibilities for controlling tax costs with its responsibilities to pay tax where it does business.

JDA is committed to compliance with tax law and practice in the UK. Compliance for JDA means paying the right amount of tax in the right place at the right time. It includes disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

Listed below are additional elements of JDA tax strategy affecting UK taxation.

Risk Management and Governance

JDA’s board of directors provide oversight of JDA’s risk management process. The board executes its risk oversight function directly and through delegation to its key committees. While the board and its committees oversee risk management, the tax department for the JDA Group is charged with day-to-day management of UK tax risk. JDA maintains internal policies and procedures to support its tax control framework and provides training to its personnel to manage UK tax risk.

JDA’s Group Vice-President and Head of Tax manages global tax risks for JDA.

JDA’s tax department works with local management to identify and manage UK tax risks using its knowledge of JDA’s operations and UK tax legislation. They do this by, for example:

- (i) regularly communicating with finance staff to keep informed of any significant business changes;
- (ii) monitoring proposed changes in UK tax legislation to identify its potential impact;
- (iii) regularly communicating with Global management staff to keep informed of any significant business changes that could affect UK tax planning;

Tax Planning

JDA engages in appropriate tax planning that supports its business and reflects commercial and economic activities of its global organisation. JDA does not engage in aggressive tax arrangements, the sole purpose of which would be to obtain a tax advantage. JDA does have a responsibility to minimise its tax risk and potential damage to its reputation and brand.

JDA complies with all tax rules and regulations on a worldwide basis and continuously monitors changes in tax legislation that may affect its operations.

JDA believes it is important to plan its business operations so that JDA complies with UK and foreign tax obligations. JDA considers the tax consequences of significant transactions before carrying them out and its tax department decides when to consult external advisors on the tax implications of a potential transaction, with the depth of such advice being driven by the assessment of risk presented by each transaction.

Tax Risk

JDA's tax arrangements are based on its commercial business and economic activities. JDA is a global organization and recognizes that there is inherent risk related to taxation due to:

- (i) the complexity of taxes in each country;
- (ii) the scope of disagreement over the interpretation of laws meaning that tax authorities may take a different view of the application of legislation;
- (iii) the variety and volume of different taxes that affect JDA's activities in many different countries. JDA monitor's and reviews its operations in the UK and elsewhere to realign its tax arrangements when necessary to be compliant with the tax rules and regulations.

Relationship with Her Majesty's Revenue & Customs (HMRC)

JDA is committed to the principles of openness and transparency with tax authorities and adopts a proactive approach to raising tax issues and working collaboratively with local tax authorities wherever possible.

JDA seeks to comply with its tax filing responsibilities, reporting requirements and tax payment obligations in order to minimize the risk of disputes with HMRC and damage to its credibility.

JDA aims to build and sustain relationships with local tax authorities that are constructive and based on the principles of cooperation and compliance.

Tax Strategy

STRATEGIC TAX OBJECTIVES

1. Meet all legal requirements and make all appropriate tax returns and tax payments through effective tax governance.

Understanding our tax control framework with a view to continuously adjusting our approach to achieve compliance with our tax obligations.

2. Pro-actively partner with the business to provide clear, timely, relevant and business focused advice across all aspects of tax on commercial transactions.

3. Where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws should be considered.

DELIVERY OF THE STRATEGIC TAX OBJECTIVE

This is best achieved by ensuring all tax staff are appropriately qualified and receive on-going training to maintain strong technical ability and understanding of local statutory and tax obligations. External tax advisors are consulted when deemed necessary. Processes and controls are in place to ensure that local tax filings are accurately prepared.

JDA ensures that the business teams understand the objective of the tax functions is to minimise exposure to tax risk and how this will be managed and achieved. JDA will consider the tax impact in major or complex business decisions, for example acquisitions.

JDA seeks to utilise available tax reliefs and incentives where available in a manner which is consistent with the government's policy objectives.