

## IFFIm's APPROACH TO TAX

### INTRODUCTION

The International Finance Facility for Immunisation Company ("IFFIm") is a multilateral development institution, established as a charity registered with the Charity Commission for England and Wales. IFFIm was incorporated as a private company, limited by guarantee, without share capital and for indefinite duration, under the Companies Act 1985. IFFIm was created to accelerate the availability of predictable, long-term funds for health and immunisation programmes through the GAVI Alliance ("Gavi") in over 70 of the poorest countries around the world. Gavi is a global partnership bringing together public and private sectors around the shared goal of creating equal access to vaccines for all children. With the help of IFFIm funds, Gavi programmes have led to the vaccination of more than 690 million children since Gavi's creation and prevented more than 10 million deaths in the process.

IFFIm receives its funding from donor contributions in the form of long-term legally binding sovereign pledges. IFFIm converts these long-term sovereign pledges into immediately available cash resources by issuing bonds in the international capital markets under its Global Debt Issuance Programme. IFFIm then disburses the funds to Gavi to support various Gavi vaccine procurement, immunisation, and health systems strengthening programmes. IFFIm uses the contributions received from its donors to, among other things, pay the principal and interest on its bonds.

As a charity for UK corporation tax purposes, IFFIm benefits from tax exemptions on its sources of income and gains, provided that its income and gains are applied to its charitable purposes only.

Set out below is IFFIm's approach to tax planning, tax risk management, governance over tax, and its relationship with HMRC, in relation to UK taxation.

### TAX PLANNING

IFFIm aligns all its tax planning activities to its charitable purposes. This ensures that IFFIm continues to maintain its tax exempt status as described above. IFFIm has never had to pay any income or corporation taxes since its inception and its income and gains continue to be applied to its charitable purposes only. IFFIm does not engage in any tax planning that is not aligned to meeting its charitable purposes.

IFFIm is not registered for UK Value Added Tax ("VAT") and it plans and undertakes business activities that would not require or entitle it to register for VAT. IFFIm pays VAT on certain services it receives, which represents a cost to IFFIm.

IFFIm does not have employees and it has no plans to hire any in the future. Accordingly, IFFIm has never made any payments under Pay As You Earn regulations nor has it ever made any national insurance contributions. IFFIm directors work on an unpaid basis.

### MANAGING TAX RISK

IFFIm takes a conservative approach to tax risk, as it does to its other business risks, with respect to the level of risk that it is prepared to accept in relation to UK taxation.

Risks to which IFFIm is exposed, including its tax risks, are identified and reviewed by its trustees, who establish systems or procedures to manage any major risks identified.

IFFIm's trustees regularly consider and review potential tax risks, which include risks around overseas payments, capital gains, VAT, and its subsidiary entities described above, to ensure that they do not present major tax risks to IFFIm.

IFFIm engages an independent professional firm for tax compliance services and advice. IFFIm consults with its tax services provider on all tax matters involving complexity or uncertainty to ensure that it remains in compliance with UK tax requirements.

## GOVERNANCE OVER TAX

The IFFIm board is accountable for IFFIm's tax strategy. The IFFIm audit committee, which is a standing committee of the IFFIm board, assists the board in its oversight over IFFIm's tax matters. Gavi provides day to day administrative support to IFFIm and the World Bank provides treasury management, risk management, and accounting services to IFFIm.

In accordance with UK rules, the IFFIm board designates an individual director to act as Senior Accounting Officer ("SAO") and take full responsibility for the company's tax accounting arrangements. The SAO ensures that processes of tax compliance are carried out correctly, and reviews tax risks and the controls to mitigate those risks. The IFFIm board designated the Audit Committee Chair as IFFIm's SAO.

## WORKING WITH HMRC

IFFIm is committed to an open and transparent relationship with HMRC. IFFIm readily reaches out to HMRC's Customer Relationship Manager ("CRM") assigned to IFFIm whenever clarifications on tax matters are needed, and aims to supply required information and update the CRM about any new developments at IFFIm on a timely basis.

## FURTHER INFORMATION

Through the publication of this document for the financial year 2018, IFFIm is in compliance with the UK Finance Act 2016 with respect to its duties under section 161 and section 16(2) of Schedule 19 of the Act.

This document was reviewed and approved by the IFFIm board at its meeting on 17 December 2018.