

Group tax strategy



**Student
Accommodation**

INTRODUCTION

The iQ Student Accommodation Group (“iQ” or the “Group”) is required to publish its UK tax strategy under Schedule 19, Part 2 of the Finance Act 2016 from the year ended 30th September 2020 onwards.

This Tax Strategy applies to all companies and Limited Partnerships within the Group, and to the year ending 30th September 2020. During the year ended 30th September 2020, the iQ Group changed ownership and a new holding structure was inserted. On the basis that the previous holding company of the Group – iQSA Holdings Sarl – is 100% owned by iQSA Holdco Limited, this Tax Strategy has been approved by the Board of Directors of iQSA Holdco Limited in relation to the entire period.

HOW THE GROUP MANAGES TAX RISKS

The iQ Head of Tax (“HoT”) is responsible for formulating and implementing our approach to tax, which is consistent across entities in the iQ Group. The HoT is also responsible for ensuring that policies and procedures are in place (and maintained) which support this approach, and that the iQ Tax Team, supplemented by external advice as required, has the skills and experience to implement this approach consistently.

The Board of Directors of iQSA Holdco Limited is responsible for monitoring and approving the Tax Strategy. The Tax Strategy will be reviewed annually, updated as appropriate, and approved by the Board of iQSA Holdco Limited.

The iQ Tax Team reports on tax matters to the HoT, who reports to the Chief Financial Officer of the iQ Group. Tax matters are also presented to and discussed with the iQSA Holdco Limited Board as required.

HOW THE GROUP MANAGES TAX RISKS

We are committed to conducting our tax affairs in a way that is within the letter, spirit and intention of the law. In structuring our business activities, we consider relevant tax laws and utilise available tax reliefs and incentives to ensure we can continually invest in the business to provide best-in-class accommodation for students, whilst ensuring value for our investors and stakeholders.

We do not participate in tax avoidance schemes or engage in artificial tax arrangements, and we seek to minimise the risk of uncertainty or disputes. We conduct transactions between Group companies on an arm's length basis in accordance with current OECD principles.

During the year ended 30th September 2020, the tax residency of all non-UK incorporated companies within the Group was moved to the UK, and on 1st October 2020, the Group became a UK Real Estate Investment Trust ("REIT"). The UK REIT regime is designed to treat the shareholders as if they directly hold the property investments held by the Group, and the shareholders are taxed accordingly. As a result, the REIT's property rental business is not subject to UK corporation tax so long as certain conditions (including a distribution of at least 90% of the property rental business profits) are met. The REIT regime does not affect the Group's requirement to pay other taxes, including UK corporation tax on non-property rental business profits.

THE GROUP'S APPROACH TO TAX RISK MANAGEMENT

We actively seek to evaluate, monitor and manage tax risks to ensure compliance with tax regulations. In addition to the iQ Group's internal tax and legal functions, we retain a number of tax and legal advisers to provide tax advice and assistance with ongoing tax compliance and tax strategy matters, particularly for areas of tax uncertainty or complexity.

We have implemented procedures and controls designed to ensure our taxation policies are up to date with all international tax regulations, including UK tax legislation. These procedures and controls support the filing of accurate and timely tax returns and paying the right amount of tax.

Our policy is that criminal tax evasion, or the deliberate facilitation of such tax evasion, is wholly unacceptable. This applies whether the evasion takes place in the UK or anywhere else in the world and in relation to both UK and non-UK taxes. We have carried out a comprehensive risk assessment and implemented procedures and controls intended to prevent or detect such evasion or facilitation and all staff are required to undertake training in this regard on joining the Group and on an ongoing basis.

HOW THE GROUP WORKS WITH HMRC

We seek to maintain an open, fully transparent and collaborative relationship with HM Revenue & Customs ("HMRC"). We have an ongoing constructive dialogue with our Customer Compliance Manager (based in the REIT Team of HMRC) on tax matters, and we pro-actively engage with HMRC to ensure they understand our business.

APPROVED BY

The Board of Directors of IQSA Holdco Limited

DATE OF PUBLICATION

30th September 2021



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