Visa – UK tax strategy

Introduction
Visa Inc. (NYSE: V) is the world’s leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. The company’s relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce.

Paragraphs 19(2) and 22(2), Schedule 19, Finance Act 2016 requires Visa to set out the tax strategy of its UK companies listed at the bottom of this publication. This strategy covers all taxes and relates to the year ending 30 September 2020. It applies from the date of publication until it is superseded.

Risk Management and Governance Arrangements
Because Visa maintains a network of relationships that is the heart of our business, we rely in substantial part on the strength of our brand and on our reputation as a trustworthy and reliable partner. Accordingly, Visa adopts a conservative appetite towards risks concerning our reputation for integrity and the strength of our brand.

Risk Management is a core discipline of Visa. Visa uses an Enterprise Risk Management Framework to identify, assess, measure, report, and manage all types of risks, including those related to financial reporting and regulatory compliance.

Visa maintains a Code of Business Conduct and Ethics. Visa’s Code reflects our commitment to the highest ethical standards.

Compliance with tax legislation is covered by both Visa’s Enterprise Risk Management Framework and its Code of Business Conduct and Ethics. UK tax oversight ultimately resides with the Board of Directors of each company listed at the bottom of this publication. Each Board is supported in this by Visa’s internal tax function. The Directors of each Visa legal entity have a duty to ensure that risk is managed and that appropriate governance procedures are in place for their respective entities. The Senior Accounting Officer is responsible for signing off the day-to-day management of UK tax risks.

Visa seeks to structure its affairs in the UK based on sound commercial principles and in accordance with relevant tax legislation. Where there are areas of uncertainty, appropriate external professional advisors are engaged to provide specialist advice.

Tax affairs in the UK are managed by a coordinated team of suitably qualified tax professionals, led by the European Head of Tax, who work closely with the business. Visa supports their training needs in order that they continue to be able to provide up to date technical advice. Like everyone at Visa, they are required to adhere to our Code of Business Conduct and Ethics.
**Tax planning**
Tax planning decisions are made in a manner that is consistent with Visa’s commercial business and economic activities and with Visa’s Code of Business Conduct and Ethics. Appropriate professional advice is sought on a transaction-by-transaction basis from independent reputable firms. This enables us to evaluate the tax implications and risks related to potential transactions to ensure that we stay within our tax risk appetite.

Intra-group transactions are entered into on an arm’s length basis that reflect the business and commercial realities of the transaction and adhere to the relevant guidance issued by the taxing authorities of the respective jurisdictions.

We are committed to paying our fair share of taxation. Visa’s UK entities do not engage in artificial tax arrangements without business or commercial substance. Visa has a zero-tolerance approach to tax evasion or the facilitation of tax evasion.

**Tax risk**
Visa’s conservative appetite to financial reporting risk causes us to aim to minimise the level of risk in relation to UK taxation. Visa insists on adherence to its values, honouring its commitments, and avoiding activities that could affect adversely its reputation.

To ensure that tax risk is managed appropriately, strong internal policies and processes, including our Code of Business Conduct and Ethics, are in place. Everyone working for, or with, Visa shares a responsibility to follow our Code and to work with integrity. Visa regularly seeks professional advice from independent reputable external advisors to assist with the assessment of tax risk regarding a particular transaction or issue.

**Relationship with Her Majesty’s Revenue & Customs (HMRC)**
Visa seeks to have an open, honest, transparent, and constructive relationship with HMRC, through regular communication. Visa commits to submitting tax returns according to statutory time limits and to make full and accurate disclosures in tax returns and in correspondence with HMRC.

Where there is a difference of opinion between HMRC and Visa on a particular tax matter, Visa seeks to work collaboratively with HMRC in order to resolve disputes and to achieve early agreement. Visa’s view is that a strong relationship with HMRC is an effective way to reduce tax risk. In exceptional cases, where matters cannot be settled by agreement, disputes may have to be resolved through formal appeals or other proceedings.

Government debate on tax policy is monitored to deal pro-actively with any potential future changes in tax law. We engage advisors to review tax legislation and the implications for Visa.
Coverage
The companies covered by this tax strategy are:

1. CyberSource Limited
2. CyberSource NI Limited
3. Earthport Enterprises Limited
4. Earthport Middle East Limited (dissolved 18 February 2020)
5. EarthportFX Limited (left the group on 2 June 2020)
6. Ensurepay Limited
7. Fraedom Holdings Limited
8. Fraedom UK Limited
9. Payworks Technologies UK Limited
10. Verifi UK Limited
11. Visa CEMEA Holdings Limited
12. Visa CEMEA (UK) Limited
13. Visa Europe Limited
14. Visa Europe Management Services Limited
15. Visa Europe Pension Trustee Limited
16. Visa Europe Services LLC – UK branch
17. Visa International Holdings Limited
18. Visa Open Connect Limited
19. Visa Payments Limited

* These companies form part of the Visa International Holdings Ltd sub-group.
× These companies form part of the Visa Payments Ltd sub-group.
† These companies form part of the Visa Europe Ltd sub-group.

Republished 14 August 2020