



Yanfeng International Automotive Technology UK Co. Ltd

UK Tax Strategy

In accordance with paragraphs 16(2), 19(2), 22(2) Schedule 19, Finance Act 2016 this represents Yanfeng UK Automotive Interior Systems Co. Ltd. tax strategy for the fiscal year 2025.

Background

Company History

Yanfeng was initially founded in Shanghai in 1936, Yanfeng entered the automotive industry in 1978. Regarding its operations in the North America ("NA") and in Europe and South Africa ("EU&SA"), Yanfeng entered such market locations through Yanfeng Automotive Interior ("YFAI").

YFAI is a joint venture established between Yanfeng Automotive Trim Systems Co., Ltd ("YF"), a wholly owned subsidiary of Huayu Automotive Systems Co., Ltd. ("HASCO"), the component group of SAIC Motor Corporation Limited ("SAIC Motor"), and Johnson Controls ("JCI"), a global multi-industrial company. YF holds the majority 70 percent share in the YFAI joint venture. JCI initially owned the remaining 30 percent share of YFAI and then transferred those shares to Adient, the automotive seating group that spun-off from JCI in 2016.

In the first half of FY2020, YF purchased the remaining 30% stake in the YFAI JV from Adient and became the full shareholder of the YFAI Group which was renamed Yanfeng International Automotive Technology ("YFI Group").

Originally, YFAI designs, develops, and manufactures interior components for automakers, such as cockpits, instrument panels, door panels, floor consoles, overhead consoles, trim systems, etc. YFI Group portfolio is expanding also to the other fields of automotive car parts supplies, such as safety, seating, electronics, and exteriors.

Our Portfolio



Smart Products



Interiors



Seating



Safety



Cockpit Electronics



Exteriors

Headquartered in Shanghai, YFI Group is present in over 240 locations in twenty countries, and more than 67,000 employees globally.

Presence in the UK

YFI Group has one wholly owned subsidiary in the UK, Yanfeng International Automotive Technology UK Co. Ltd ("YF UK").

Tax and Risk Management

YF UK follows YFI Group's principle and values of regulatory compliance in all tax matters. We follow local regulations as well as international ones when applicable.

YF UK's tax compliance is ensured by the EMEA in-house tax department located in Luxembourg, Neuss (Germany) and Bratislava (Slovakia) ("EMEA Tax Team") with the support of UK third party tax professionals. The reliance on external resources such as third-party tax advisors is seen as a way to remain informed of all the regulatory obligations and mitigate risks.

Tax risks and opportunities are first identified by the EMEA tax and accounting team through regular monitoring, notably month-end close procedures, pre-financial audit and financial audit process, regular contact with tax advisors to remain informed of the latest tax developments. Tax risks and opportunities are then escalated to higher tax and finance management for final decision.

EMEA Tax Team established and maintain internal tax control framework to ensure that tax compliance obligations are reported correctly and within statutory deadlines.

Internal tax guidance and processes are monitored and updated regularly. An annual review of tax processes and procedures is undertaken to comply with the requirements of a Senior Accounting Officer rules.

Attitude to Tax Planning

As a private group, we consider that moderate tax planning is part of a responsible global tax management policy. We do not engage in artificial and aggressive tax planning.

The necessity to seek professional tax advice is assessed on transaction-by-transaction basis, considering the complexity of the matter and the actual risk.

Tax Risk Appetite

YF UK has limited tax risk appetite. Considering that YF UK's activities are of limited scope and complexity, we believe a sound compliance with all regulatory obligations should limit the risk to the minimum.

Relationship with HMRC

Our relationship with HMRC is mostly focused on tax compliance.

In line with our tax management and compliance approach, we ensure timely compliance with our tax filing and tax payments.