Chevron’s approach to U.K. tax

The information set out below is in compliance with the duty under Finance Act 2016, Schedule 19, para 17 (duty to publish a tax strategy) for Chevron Energy Ltd Limited and other subsidiaries of Chevron Corporation operating in the U.K. (for convenience, collectively referred herein as Chevron).

Introduction

Chevron’s approach to its business activities in the U.K. – including its tax contribution – is guided by its published statement of core values, vision, and corporate strategies, collectively known as The Chevron Way.

Our commitment is underpinned by the following principles:

1. Tax planning in the United Kingdom

Our tax planning activities are directed towards achieving the commercial goals of the business. This principally involves:

   a. Applying tax incentives and exemptions introduced by the U.K. government to stimulate investment, employment and economic development in the manner intended;

   b. The efficient allocation and sharing of scarce human and other resources between Chevron companies. Transactions that allow this to happen are priced in accordance with established transfer pricing principles;

   c. Holding and conducting our business operations in the most appropriate legal entities, giving consideration to our global business activities, the prevailing regulatory environment, and as appropriate in line with joint venture requirements.

Chevron utilises external experts to support its understanding of and compliance with U.K. tax laws. Using expert resources (both internal and external) also helps Chevron to achieve its aims of reducing uncertainties in its business transactions.

2. Relationship with Her Majesty’s Revenue and Customs (HMRC)

We seek to build and sustain our relationship with HMRC that is constructive and based on mutual respect and trust.

We carefully consider HMRC’s annual risk review for process improvements and work collaboratively wherever possible to resolve disputes and to achieve early agreement.
We engage with HMRC and other government agencies on the development of tax laws both directly and through trade associations and other similar bodies as appropriate.

3. Tax governance and risk management

For Chevron entities operating in the U.K., business decisions are taken by the companies’ directors and officers, with support from their leadership teams and subject-matter experts. Where these decisions involve tax considerations, counsel is provided by Chevron’s U.K. tax department.

Counsel and concurrence is also provided by Chevron Corporation – as ultimate shareholder - on issues that are expected to be material to the U.K. business, including taxes.

We comply with the Senior Accounting Officer rules in the U.K., which govern appropriate accounting controls in place to support correct tax returns, and use this process to broaden U.K. tax risk awareness with our internal business stakeholders.

We identify, assess and manage tax risks and account for them appropriately. We track material uncertainties through to resolution as part of our financial reporting process.