

Vision Service Plan (VSP) UK Tax Strategy

Introduction

Vision Service Plan (referred to herein as “VSP”) is a US-based optical conglomerate that operates vision insurance companies, eyewear manufacturing and sales operations, optical laboratories, enterprise optical related software companies, and eyewear retail operations. Although Vision Service Plan is based in the U.S., it has two operating entities in the UK known as VSP Vision Care UK Ltd., and Marchon UK Limited. All three companies are generally referred to herein as the “company.”

The company’s direct contribution to taxation in the UK economy spans corporate, employment taxes, excise duties and VAT. This document has been prepared to comply with the requirements of paragraph 16(2) and paragraph 25(1), Schedule 19 Finance Act 2016.

Governance in relation to UK taxation

The Board of Directors of the company believe that a responsible approach to all taxes is essential for the sustainability of the business. The Board of Directors has responsibility for the tax affairs of the company and delegates compliance tasks to employees with the appropriate experience of such matters. Each UK based company has financial professionals that engage independent tax advisers for routine tax matters such as tax compliance. For more advanced tax matters, each UK entity has an internal tax expert based in the United States that is consulted. Each internal tax expert reports to the Global Corporate Finance and Risk Officer of VSP, and such individual reports directly to the CFO of VSP. The Board of Directors aim to ensure full compliance with tax obligations in a transparent manner.

Attitude towards tax planning and level of risk

The company adopts a conservative approach to tax planning and will only be involved in such activity to the extent that the strategy adopted is in line with its commercial objectives and activities. UK tax law is complex and the size of the companies is such that it does not possess an in-house tax function.

In order to ensure that the activities of the company are carried out in a tax efficient manner while remaining compliant with all relevant tax legislation, the services of leading accountants and tax advisors are used. Where uncertainty over the interpretation and application of tax law arises, these advisors are used to minimize uncertainty and risk. Due to the increasingly complex nature of UK tax rules, the company is in constant contact with these advisors.

Our tax advisors are also closely involved in the preparation and submission of our corporation tax returns to HMRC to ensure compliance in this area. Moreover, the tax provisions and tax returns of such entities are reviewed annually by internal tax experts and periodically by outside auditors, as part of the year end audit of the company’s annual financial statements.

The company does not use tax havens or complicated group structures in order to avoid or mitigate taxes.

Vision Service Plan has adopted a Code of Conduct incorporated in its Employment Manual, along with many other employment-related policies. Every employee of Vision Service Plan as its subsidiaries and affiliates is required to annually attest that the employee has read and agrees to abide by all policies contained in the manual, including the Code of Conduct. In addition, as an insurance intermediary licensed by the UK’s Financial Conduct Authority, VSP Vision Care UK, Ltd. is required to maintain its own Compliance Manual which contains several policies, including a Code of Market Conduct policy.

The company claims all relevant tax relief made available by the UK Government in line with the published policy objectives of such reliefs.

Relationship with HMRC

The company aims to meet its compliance obligations in a timely manner by making accurate returns and providing adequate disclosure on returns and in relation to specific transactions.

By using advisors to interact with HMRC, the impact of new legislation and consideration of HMRC guidance is ensured.

In recent years, the company has received no significant challenge from HMRC regarding its PAYE, Corporation tax, VAT or excise duty returns.

Any inadvertent errors in submissions made to HMRC, will be resolved as soon as reasonably practicable after they are identified.

List of entities covered by this Tax Strategy

VSP Vision Care UK, Ltd.
Marchon UK, Limited

