

UK Tax Strategy

Financial year ending 31 December 2021

This document applies to eToro (UK) Limited and all related UK based entities (collectively referred to as 'eToro UK').

This UK tax strategy, aligned with the Group Code of Ethics, covers eToro's approach to arranging its tax affairs. It complies with the requirements of Schedule 19 of the Finance Act 2016.

The UK tax strategy has five key components:

Commitment to compliance

eToro UK is committed to complying with its UK tax filing obligations and paying the right amount of tax at the right time.

Approach to governance and tax risk management

Responsibility for the UK tax strategy rests with the Boards of eToro UK and is overseen by the Group Chief Financial Officer. Day-to-day management of tax affairs is delegated to the Group Director of Tax, supported by the UK Finance function, which is staffed by appropriately qualified individuals. Reports in relation to tax matters are made to the Boards of eToro UK and/or the Audit and Risk Committee as required.

eToro UK operates a system of tax risk assessment and controls as part of its overall control framework. These are monitored for business and legislative changes, and processes and controls are updated when required.

Tax planning

eToro UK takes tax into account in developing its commercial activities. It seeks to claim tax reliefs and incentives in the manner intended. Any planning that is undertaken has commercial and economic substance and has full regard to the potential impact on eToro UK's reputation and broader goals. It does not put in place any arrangements that are contrived or artificial.

Tax risk

Given the scale and global nature of eToro UK's business and tax obligations, risks inevitably arise from time to time in relation to the interpretation of complex tax laws. It actively seeks to identify, evaluate, monitor and manage these risks. Where there is significant uncertainty or complexity in relation to a risk, advice is taken from a specialist external advisor or confirmation sought from HMRC as appropriate.

Dealings with HMRC

eToro UK engages with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. It maintains regular contact with HMRC and aims to discuss tax issues on a real time basis whenever possible. Where areas of differing legal interpretation with HMRC arise, it engages in proactive discussions to resolve matters.