

Brown & Brown Inc & Subsidiaries

UK Tax Strategy

Brown & Brown, Inc. & Subsidiaries (“the Group”) regards the publication of this tax strategy as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its Group tax strategy in the current financial year, ended 31 December 2019.

References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Taking each of the requirements of paragraph 16 (2) of Schedule 19 in turn:

1. Approach of the UK Group to risk management and governance arrangements in relation to UK taxation

Brown & Brown, Inc. operates in the UK through two wholly owned UK subsidiaries:

- Decus Holdings (UK), Limited #000006382677
- Decus Insurance Brokers Limited #000006382680

1.1 Governance

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Chief Financial Officer. Day-to-day responsibility for each of these areas sits with the Company’s Director of Tax. The Group’s tax strategy aligns to the Group’s wider risk and control framework. Key risks and issues related to tax are escalated to and considered by the Group’s Audit Committee.

1.2 Tax risk management

The Group’s subsidiaries presently operate in five countries and is exposed to a variety of tax risks as follows:

- *The Group aims to manage tax risk in a similar way to any area of operational risk across the Group. The business is supported by oversight functions, including Tax and Internal Audit functions*

- *The Group routinely engages local country third party accounting and Legal firms to aid in the tax compliance, audit of financials, and the implementation of tax strategies as needed.*
- *As needed, the Group looks to engage with tax authorities to disclose and resolve issues, risks and uncertain tax positions. As a result, at any given time, the Group may be exposed to financial and reputational risks arising from its tax affairs although the tax risk management procedures in place mean that these risks are carefully controlled.*

2. Attitude of the Group to tax planning (so far as affecting UK taxation)

The Group acknowledges its responsibility to pay the right amount of tax, as defined by all rules and regulations, in each of the principal jurisdictions in which it operates.

The commercial needs of the Group are paramount and all tax planning must have a business purpose. The economic benefits associated with tax planning must never override compliance with all applicable laws. The Tax Director will ensure that tax arrangements are well-understood and based on soundly researched principles. All material tax arrangements are vetted through local jurisdiction third party accounting and of Legal firms.

3. Level of risk in relation to UK taxation that the Group is prepared to accept

The Group's tax risk appetite requires that, where tax law is unclear or subject to interpretation, the level of risk which the group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs.

4. Approach towards dealings with HMRC and other tax authorities

The firm seeks to comply with its tax filing, tax reporting and tax payment obligations globally. The Group's Tax Director recognises the importance of developing a strong, collaborative relationships with HMRC, and the Group Tax Director will:

- *Proactively manage Brown & Brown Inc.'s (through its Decus Subsidiaries) relationship with HMRC with the aim of minimizing the risk of challenge, dispute or damage to its credibility*
- *Participate in any tax authority formal consultation process where it is expected that the matter under consultation will have a material impact on the Group's liability or the Group's tax compliance management*