



2018

Tax strategy and  
policy report



**GOLD FIELDS**

# Gold Fields' tax strategy and policy

## Tax strategy and policy

Our tax strategy is to proactively manage our tax obligations in a transparent, responsible and sustainable manner, acknowledging the differing interests of all our stakeholders.

Gold Fields has invested and allocated appropriate resources in the group tax department to ensure we comply with our global tax obligations. The Group does not engage in aggressive tax planning and seeks to maintain professional real time relationships with the relevant tax authorities. In material or complex matters the Group would generally seek advance tax rulings, or alternatively obtain external counsel opinion.

Gold Fields has appropriate controls and procedures in place to ensure that we comply with relevant tax legislation in all the jurisdictions in which we operate. This includes compliance with Transfer Pricing (TP) legislation and associated TP documentation requirements, which is governed by our Group TP Policy. Our Group TP Policy is fully compliant with OECD guidelines and is regularly updated and benchmarked by independent experts. Uncertain tax positions are properly evaluated, and reported in terms of International Accounting Standard (IAS) 37 – Provisions, Contingent Liabilities and Contingent Assets. All material uncertain tax positions as per IAS 37 are fully disclosed to, and evaluated by our external auditors.

The Group is subject to South African Controlled Foreign Companies (CFC) tax legislation which is aimed at taxing passive income and capital gains realised by its foreign subsidiaries (to the extent that it was not taxed in the foreign jurisdiction). Therefore tax avoidance on passive income or capital gains cannot be achieved by shifting such passive income to low or tax haven jurisdictions.

The Group does not embark on intra-group gold sales and only sells its gold (or gold-equivalent product) directly to independent third parties at arm's-length prices – generally at the prevailing gold spot price. Active business income is therefore fully declared and taxed in the source country where the relevant mining operation is located, with the revenue accruing to the source country.

The Group is reporting its key financial figures on a country-by-country basis as from 2017 onwards. The country-by-country reports are filed with the South African Revenue Service, which will exchange the information with all the relevant jurisdictions with which it has concluded or negotiated exchange of information agreements. Gold Fields also reports its total tax contribution and indicative tax rate on a country-by-country basis in its Annual Financial Report.