

Advantech Tax Policy

Advantech holds the Lita spirit, a concept of altruism within the company, and expects to give back to society while growing the business. Therefore, we take it as our responsibility to contribute reasonable taxes to societies and economies where we conduct our business. We seek to comply with relevant tax laws and regulations but do not seek to conduct aggressive tax planning.

For tax risk management, because we are a multinational corporation, our Headquarters and worldwide local finance teams constantly monitor and assess changes in tax laws and regulations. We also have external tax consultants assist use in providing forward-looking tax information and professional assessments. We also take action in two major revenue contribution regions: North America and Europe. We have negotiated with the US and Dutch tax authorities to have Advance Pricing Agreements (APA) to reduce our exposure to tax risk.

Advantech's 8 commitments

1. All business activities must comply with relevant tax laws and regulations.
2. Advantech complies with Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines to prepare three-tier transfer pricing documentation.
3. Transfer pricing is set based on the "arm's length principle." Profits from each operating entity are reasonably remunerated for the risk and complexity of each entity's activities.
4. Advantech's major decisions are made mainly based on business purposes, and then supplemented by tax analysis to search for optimal solutions.
5. Do not use tax havens to conduct tax planning for tax avoidance purposes.
6. Do not shift profits to low-tax-rate countries.
7. Assesses tax risk periodically and negotiate an Advance Pricing Agreement (APA) with local tax authorities for countries Advantech generates high income to reduce tax risk.
8. Build mutually respectful relations with tax authorities based on mutual trust and communication, information transparency, and tax payment with integrity.