

Western Union's Approach to Taxation

The Western Union Company is a leader in global money movement and payment services, providing people and businesses with fast, reliable and convenient ways to send money and make payments around the world. From small businesses and global corporations, to families near and far away, to NGOs in the most remote communities on Earth, Western Union helps people and businesses move money for better.

We believe that when money moves, better things can happen. A business expands. A child goes to college. Emergency aid arrives when it's needed. An economy prospers, an opportunity opens, a community heals, and relationships endure.

We believe that value is created, and growth is achieved, by moving money for better. To us, that means both responsible corporate operations as well as offering products and services that create shared value – simultaneously driving revenue and benefiting society.

Culture of Compliance

We strive to create a culture of compliance and promote ethical conduct throughout our global operations. Our industry is required to meet a myriad of global, national, and province- or state-specific regulations, and we take those requirements seriously. We seek to adhere to high standards of corporate governance. This begins with a board of directors who are engaged and knowledgeable about our business, and committed to establishing and maintaining high standards of ethics and integrity within our company. The company's executive management and senior leadership team continuously emphasize the importance of a culture of compliance. This attitude toward compliance drives the way we operate our business.

Tax Strategy

As a company, our tax strategy is driven by our commitment to a culture of compliance and our responsibility to deliver shareholder value. We execute on our tax strategy by complying with tax law in all jurisdictions in which we operate, as we understand it, striving to report and submit the correct amount of tax in a timely manner. This strategy applies to all Western Union companies.

Risk Management and Governance Arrangements

Our company is exposed to tax risks due to many factors, including changes in tax laws or their interpretation, both domestically and internationally. We are subject to tax risks associated with compliance and reporting, ongoing business operations, and global corporate reputation.

Our Board of Directors through the Audit Committee oversees Western Union's tax strategy. The Chief Financial Officer is ultimately responsible for the tax strategy, tax policies and management of tax risk. The Senior Vice President of Tax has day-to-day responsibility for the development and implementation of the company's tax strategy and supporting tax policies, as well as the management of the tax function in alignment with the tax strategy. The Senior Vice President of Tax regularly reports the company's tax position to senior management and to the Audit Committee.

A key element in managing tax risk involves employing appropriately qualified and experienced personnel in key tax related roles. The Senior Vice President of Tax, with the support of the corporate tax team, assumes the lead role in identifying, managing, and monitoring tax risks associated with the business. The Senior Vice President of Tax and the corporate tax team are based predominately in Colorado, USA.

Tax Planning

The company recognizes its responsibility to pay tax under applicable laws in the jurisdictions in which it operates, as well as its responsibility to shareholders to operate in an efficient manner. To fulfill these obligations, the company engages in responsible and reasonable tax planning. We do not engage in artificial tax planning arrangements where the main purpose is tax avoidance – our approach to tax planning is driven by the commercial and economic substance of our business.

We comply with initiatives concerning transparency on tax matters, including measures on country-by-country reporting and automatic exchange of information. Further, we have established our transfer pricing policy on the arm's length principle in line with current international principles (including OECD guidelines, where applicable) and support our intercompany pricing with economic analysis and reports.

Level of Risk

The company generally has a low tolerance for tax risk. We work diligently to fulfill tax compliance obligations and avoid, where possible, errors or omissions and/or late submissions of tax filings or tax payments. When tax risks arise due to uncertainty or complexity we will, where appropriate, seek external advice in relation to analysis of, and decisions about, these risks. We have no appetite to participate in activity that may create a high level of tax risk.

Approach to Dealings with Tax Authorities

In any dealings tax authorities (including HMRC), we look to maintain an open, constructive, and transparent relationship. Our industry and business model are complex and may not be familiar to an authority analyzing the company's tax position. When appropriate, we work to ensure tax authorities understand the value drivers of our business and how we operate. There may be situations where we disagree with the tax authorities on interpretation of the applicable tax law or tax treatment. Where these cases arise, we work collaboratively with the tax authorities where possible to achieve clarity and certainty regarding the interpretation of tax law, in a timely manner.

Western Union's Approach to Taxation is reviewed and updated annually. This Approach to Taxation was last published in December 2018.

Western Union regards the publication of this statement as complying with the duty that the UK members of the group have under paragraphs 19(2) and 22(2) (as applicable) of Schedule 19 of the Finance Act 2016.