

Zentiva Global Tax Policy

Our role and operations

Zentiva is a leading developer and supplier of high quality affordable prescription medicines and consumer brands. Our business is built on trust and responsibility with the patient at the heart of everything we do. As Zentiva grows more people get the medicine they need.

We operate in 30 countries and produce high-quality affordable medicines in our 4 production sites in Prague, Bucharest, and Ankleshwar and work with the trusted partners of our external manufacturing network.

As an international pharmaceutical group, we are aware of our social and economic impacts as well as our corporate and social responsibilities towards the countries and communities within our operational perimeter, including our role as a responsible taxpayer paying a fair share of taxes in the countries in which we operate. These include corporate income taxes, local business taxes, property taxes as well as various payroll taxes, value added taxes, sales taxes, excise and customs duties.

Our approach to tax governance and compliance

We strive to report and pay our taxes timely and accurately in line with applicable tax laws and regulations, complying with relevant disclosure requirements. To achieve this, tax operations are run by appropriately educated and skilled internal professionals or external advisors.

We are continuously working on the improvement of our processes in the attempt to increase accuracy and certainty through standardization, simplification and automation.

We regularly monitor tax developments in the countries in which we operate to ensure maximum tax compliance with any new rules/obligations being implemented. Where necessary and feasible, we seek an external assurance to establish proper tax treatment and minimize our tax risk. This may take the form of an advice from independent external advisors or rulings granted by relevant tax authorities.

Our tax operations are subject to internal risk control mechanisms to the same level as the rest of our business operations.

Our approach to tax planning

Our corporate structures are based on substantive business transactions and follow the development of our business. Our tax considerations are primarily driven by business decisions and considerations, including the protection of company reputation and creation of long-term value to our shareholders and other key stakeholders.

We strictly do not engage in any tax avoidance or tax fraud. We do not use “tax haven” jurisdictions to artificially decrease the taxation of profits from our operations. Our transfer pricing policies are based on arm’s length principles and OECD Transfer Pricing Guidelines.



We are open to utilize tax incentives/benefits which are offered by and to which we duly qualify according to the wording and spirit of applicable tax laws and regulations.

We also monitor developments and proposed changes to local tax environments and participate in industry groups interacting with state representatives in order to support the development of fair and effective tax systems.

Our approach to tax authorities and risks

We seek to have constructive and professional relationships with all relevant tax authorities, acting with integrity and transparency. We strive to respond timely and openly to their queries around our tax matters, be it during our day-to-day operations or within a tax audit.

In case of dispute, we attempt to resolve the issue constructively. Given the complexity and ambiguity of applicable tax rules, an agreement with tax authorities may not always be reachable. In such case, we defend our positions via available legal means.

Despite our efforts to comply with all applicable tax laws and regulations, an element of risk and uncertainty remains present due to the constantly changing tax environment and potentially different interpretations. This uncertainty/risk may result into the recognition of tax risk provisions being recorded and disclosed in accordance with relevant accounting and reporting standards.

