

Tax strategy publication



Qualifying UK companies and partnerships will need to publish their tax strategy online each year

Applies to accounting periods starting on or after 15 September 2016

Each year, qualifying companies must:

- Publish the strategy on the internet so that it is freely available to the public;
- Set out their strategy document either on standalone basis or as a self-contained part of a wider document;
- Ensure that the strategy is available online until the next year's strategy is published.

The scope of the legislation is widely drawn and includes:

- Groups and companies already within the Senior Accounting Officer regime;
- UK Partnerships with turnover over £200 million and/or gross assets in excess of £2 billion; and
- UK subsidiaries of overseas multi-national enterprises, regardless of size in the UK.

The legislation specifies that the strategy must set out:

- The company's or group's approach to risk management and governance arrangements in relation to UK taxation;
- The company's or group's attitude to tax planning;
- The level of risk that the company is prepared to accept in relation to UK taxation; and
- The company's or group's approach to its dealings with HMRC.

Sufficient detail will be required, therefore a high-level statement is unlikely to be acceptable.

Internal issues for Groups

- If there is an existing strategy, will it be appropriate or will a new UK strategy be required?
- Which entity is responsible for the publication?

Public perception

- How will the public react to the strategy?
- Consider carefully the tone and language used and the impact on relevant stakeholders:
 - e.g. statements around paying the amount of tax that is legally due, or maximising shareholder returns.
- Who in the wider organisation will need to be aware of the requirement to publish e.g. any public relations team.

Does the published strategy reflect the existing tax risk management framework

- How do you demonstrate that you follow your tax strategy in practice?
- How will this impact HMRC risk ratings?

Stringent penalty regime for non-compliance

How KPMG can help

- Talk through what the regime means for you in practice
- Consider whether the tax control framework meets current expectations.
- Assist with the drafting of the strategy adopting 'standard' templates as starting point for discussion.

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