



## 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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