



# KPMG International Services Limited Tax Strategy

## Scope

KPMG International Services Limited (“KPMG International”) is an entity that is legally separate from each KPMG member firm. KPMG International and the KPMG member firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. KPMG International carries on business activities for the overall benefit of the KPMG network but does not provide professional services to clients.

This strategy applies to KPMG International and to the entities set out below which are owned by KPMG International. In this strategy, references to ‘KPMG International’ are to all those entities. The strategy has been published in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016 to comply with KPMG International’s duty in respect of the year ending September 30, 2024.

This strategy applies from the date of publication until it is superseded. References to ‘UK taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which KPMG International has legal responsibilities.

## Aim

KPMG International is committed to full compliance with all statutory obligations and full disclosure to tax authorities. KPMG International’s tax affairs are managed in a way which takes into account KPMG International’s wider corporate reputation in line with its overall high standards of governance.

## Governance Framework in Relation to Managing UK Taxation Risk

- Ultimate responsibility for KPMG International’s tax strategy and compliance rests with the Board of KPMG International.
- Under delegation from the Board, the Audit and Finance Committee of the Board monitors the integrity of KPMG International’s systems for internal financial control, financial reporting and risk management among other responsibilities that include those typically undertaken by an audit committee of a Board.
- The Chief Administrative Officer (“CAO”) provides reports to the Audit and Finance Committee on tax matters.
- Day-to-day management of KPMG International’s tax affairs is delegated to the Head of Tax Finance, who reports to the CAO.
- KPMG International’s in-house tax team, led by the Head of Tax Finance, is staffed with appropriately qualified individuals.

## Risk Management

- Under delegation from the Board, the Audit and Finance Committee is responsible for reviewing and monitoring KPMG International's tax profile and compliance to seek to ensure tax risk is appropriately managed.
- KPMG International seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with tax obligations.
- Processes relating to different taxes are reviewed to identify key risks and mitigating controls in place.
- Appropriate training is carried out for individuals outside the in-house tax team who manage or process matters which have tax implications.
- Advice is sought from suitably qualified tax advisers, who may be professionals in KPMG member firms or external tax advisers where appropriate.

## Attitude to Tax Planning and Level of Risk

KPMG International manages risks in a manner designed to comply with legal requirements to ensure payment of the right amount of tax.

KPMG International's attitude towards tax planning is consistent with the 'Principles for a Responsible Tax Practice' applicable to KPMG member firms and KPMG International itself, which are set out below. When entering into commercial transactions, KPMG International seeks to take advantage of available tax incentives, reliefs and exemptions in line with the legislation and the intention of the legislature. KPMG International does not undertake tax planning unrelated to such commercial transactions.

The level of risk which KPMG International accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. At all times KPMG International seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. The Board is ultimately responsible for ensuring the identification of the risks, including tax risks, which need to be addressed and for ensuring that actions to be taken to manage those risks have been appropriately determined, having regard to the materiality of the amounts and obligations in question.

## Relationship with HMRC

KPMG International seeks to have a transparent and constructive relationship with HMRC through regular communications in respect of developments in KPMG International's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

KPMG International ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting returns and other communications to HMRC, KPMG International discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

# Principles for a Responsible Tax Practice

## Our tax advice will:

1. Be supported by a valid basis in law.
2. Be based on the assumption that all material facts will be known to tax authorities and all relevant disclosure requirements are properly made.
3. Be tailored to the particular circumstances of our clients, address any requirements of substance and purpose, and consider the intention of the legislators.
4. Clearly explain the technical merits and sustainability of relevant options available to our clients.
5. Consider any reputational risk and the impact on stakeholders and communities where these are practical to assess.

We require all KPMG people to act lawfully and with integrity in dealing with tax authorities and our clients and we aim to be fully compliant with all relevant requirements.

## List of Entities Covered by this Tax Strategy

- KPMG International Services Limited
- Dimitra Services Limited
- Ethel Services Limited

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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