

CAPITA

Capita plc Tax Strategy

Published: December 2017

CAPITA

Introduction

Capita is the UK's leading provider of technology-enabled business process and customer management services and professional services. We combine our expertise with technology to make processes smarter, organisations more efficient and customer experiences better.

This tax strategy has been approved by the Board of Directors. The Group Tax Team is responsible for the setting of the strategy and is accountable for its implementation. The strategy will be periodically reviewed by the Group Tax Team and any recommended amendments to the strategy will be considered and approved by the Board of Directors.

Risk management and Governance

- The application of appropriate controls across all of the Capita businesses is a core part of managing growth.
- We seek to set clear policies for our businesses to follow and to embed the right processes, reporting and culture across Capita.
- The Group Risk Management Framework and governance arrangements apply in respect of the management of all taxes, both in the UK and overseas.
- Financial, operations and key risk reporting is built into the Monthly Operating Board (MOB) reviews which report upwards from each business unit, ultimately to the Board Executive Directors.
- Processes are in place for identifying tax risks and these are reported as part of the overall MOB process. The Group also has a Tax Risk Committee comprising senior leaders of Group Internal Audit, Group Risk, Group Finance and Group Tax. It meets on a bi-annual basis to discuss the group's tax risk register and tax controls framework.
- The Group Tax function reports through the Group Finance Director via the Group Director of Finance.
- The tax strategy is subject to regular review by the Group Tax Director and any material changes are discussed with Group Finance leadership and the Board, as appropriate.
- In addition, Capita has a policy for the "Prevention of criminal facilitation of tax avoidance".

Risk appetite in relation to UK tax

- Capita do not engage in high risk or aggressive tax planning.
- The Capita Board has, in their opinion, a low risk appetite in respect of tax which is supported by HMRC's low risk rating of the Group.
- The complexity of tax laws in Capita's operating jurisdictions creates inherent risks. The Group manages this complexity through its approach to compliance, planning and risk management.
- Tax risks are assessed and decisions taken in line with the Group's overarching Risk Management policy and the tax policies.
- The tax policies focus on the key areas of risk.

CAPITA

Tax compliance

- The Capita group is committed to complying with all applicable tax laws, rules and regulations and reporting and disclosure requirements.
- It is important to Capita that the correct amount of tax is paid at the right time. This is achieved through the timely submission of returns and payment of tax liabilities.

Tax planning

- In the opinion of the Board, the Capita group does not have a complex tax structure and takes an appropriate and balanced approach to tax planning.
- Tax outcomes are considered as part of the overall evaluation and structuring of commercial transactions but the group does not undertake aggressive tax planning or planning which is inconsistent with the intentions of Parliament.
- In respect of material transactions or where the Capita tax department do not have the required expertise tax advice may be obtained from appropriate external advisers.
- Where appropriate to do so the group will claim available tax reliefs and incentives which can reduce the overall tax liability.

Relationships with tax authorities

- The Capita group has an open, honest and positive working relationship with HMRC and tax authorities around the world.
- In the UK Capita proactively engages with their designated customer relationship manager and is committed to prompt disclosure and transparency in all dealings with HMRC.

This document is publicly available for the purposes of complying with paragraph 16(2) Schedule 19 of the Finance Act 2016.