

## **British Broadcasting Corporation**

### **Tax Strategy - Year ended 31 March 2021**

#### **The BBC's approach to risk management and governance**

This paper is published in accordance with paragraph 16 (2) Schedule 19 Finance Act 2016.

The BBC is the world's leading public service broadcaster, producing programmes and services for audiences throughout the UK, and across the globe. Its mission is to enrich people's lives with programmes and services that inform, educate and entertain. Employing over 21,000 staff the BBC is able to reach audiences in over 200 territories around the world, and delivers news, factual and creative content on a variety of platforms, including TV, radio, and online.

The BBC is subject to a range of taxes globally including, but not limited to, employment taxes, VAT, corporate tax, stamp duties and other local levies.

The BBC is committed to paying the right amount of tax at the right time, in all the jurisdictions in which it operates. The BBC recognises the importance of paying the right amount of tax for the communities in which it operates, and takes its tax compliance obligations seriously. In order to manage risk and governance, the BBC has undertaken a number of actions including:

- Team – the BBC has a team of appropriately qualified tax professionals based in the UK. This includes specialists in VAT, employment taxes and corporation tax. The team manages and/or oversees UK tax compliance. It also advises on tax matters arising in the UK and overseas. The UK tax team is supported by in-house professionals in the US and India, together with the BBC's finance function and external advisors.
- Business partnering – the tax team partner with the BBC divisions and subsidiaries to proactively engage on new developments, to provide timely advice, and ensure that the business divisions are kept up to date with changes in the tax legislation.
- Tax controls – tax matters are proactively managed by having robust business controls and processes which are reviewed on a regular basis.
- Training – the tax team keep up to date through regular professional and industry training. In turn the tax team provides updates and training to the business divisions, and in particular to the finance teams.
- New jurisdictions – the tax team recognises that BBC teams are often called upon to work in new territories. Where this is the case care is taken to ensure that a thorough understanding of the tax and filing requirements in those countries, using external advisors where required.
- Governance – the tax team report to the Audit and Risk Committee on a quarterly basis.

#### **Attitude towards tax planning and risk**

The BBC's attitude to tax planning is in line with our Code of Conduct.

The BBC manages its tax affairs within the framework of the taxes legislation for the UK and the other jurisdictions in which it operates. Where the taxes legislation is not clear, the BBC follows the generally understood interpretation of the law, with the assistance of external advisors and seeks engagement with tax authorities to resolve any uncertainties. The BBC does not enter into any transactions with a view to artificially or aggressively reducing its tax liability.

The BBC has a low tolerance to tax risk, as demonstrated by its attitude to tax planning and governance. Assessment of tax risk takes into account not only the financial amount at stake, but also the reputational consequences of the matter in question.

#### **Approach to dealing with HMRC**

There is a constructive and continuing dialogue with HMRC on new issues, consultations, any changes to tax legislation or compliance requirements throughout the year. The BBC communicates with HMRC in an open, transparent manner, as demonstrated by its approach to the annual business risk review and responds in a timely manner to queries and requests for information.

