

Tax Strategy

Scope

Introduction

This strategy applies to DENTSU SOKEN UK, LTD. (the 'Company'). This tax strategy was published on 28/02/2020 and the company regards this publication as complying with its duty under paragraph 16(2) Schedule 19 FA 2016 in its financial year ended 31/12/2020.

This strategy applies from the date of publication until it is superseded.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 which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

The company is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities.

Governance in relation to UK taxation

- Ultimate responsibility for the company's tax strategy and compliance rests with the Board of the company;
- The Audit & Risk Committee's requirement to monitor the integrity of the company's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Managing Director ('MD') is the Board member with executive responsibility for tax matters;
- Day-to-day management of the company's tax affairs is delegated to person in charge, who reports to the CFO;
- The Board ensures that the company's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The person in charge reports to MD and the Board on the company's tax affairs and risks during the year.

Risk Management

- The company has carried out a tax risk assessment and considered the controls required to mitigate these risks, as part of the overall internal control framework applicable to the financial reporting system;
- The company 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 its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls are put in place. These key risks are monitored for business and legislative changes that may impact them and changes to processes or controls are made when required;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

The company manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, the company seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. The company does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the company accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the tax affairs. At all times the company 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. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

The company seeks to have a transparent and constructive relationship with HMRC in relation to all relevant taxes.

The company ensures that HMRC is kept aware of significant transactions and changes in the business as necessary and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, the company 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.

*Prior to 2nd January 2024, DENTSU SOKEN UK, LTD. operated under the name ISI-Dentsu of Europe, Ltd.