



Tax Strategy 2024/25

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1. Approach to Tax

- 1.1. University College London (“UCL”) is a company incorporated by Royal Charter whose principal place of business is at Gower Street, London, WC1E 6BT.
- 1.2. UCL by its business nature operates in the Charity and Higher Education sector and benefits from various tax exemptions available as per paragraph 2, Schedule 3 of the Charities Act 2011, as well as tax reliefs available to businesses in general. Most of its activities are therefore exempt from taxation in respect of income or capital gains such as teaching, research, publishing, royalties, and investment income. It is partially exempt for VAT purposes. At the same time, UCL subsidiaries exist to commercialise research work that can lend itself to complex tax rules and legislation.
- 1.3. This tax strategy applies to all UCL’s activities, faculties, and subsidiaries. It covers all taxes including, but not limited to corporation tax, VAT, employment taxes, stamp duty land tax, goods services tax and digital service tax in the various jurisdictions that it operates and is published in accordance with paragraph 16(4) of Schedule 19 of the Finance Act 2016.
- 1.4. UCL recognises the need for, and the importance of, strong tax systems to support Governments in meeting the needs of local populations and is committed to complying with UK and International Tax Legislation in the jurisdictions it operates in, to far as possible, support measures to improve tax take and transparency.
- 1.5. UCL is a responsible business that takes a robust approach to the management and compliance of its tax affairs both nationally and globally. UCL engages with all tax authorities in an open, transparent, and respectful manner to conduct its tax affairs.
- 1.6. UCL takes tax obligations seriously and ensures that the approach taken aligns with the needs and long-term interests of its various stakeholders such as its worldwide body of students, governments (local, national, and international), employees, communities, and other public and private sector organisations.
- 1.7. The objective of this Tax Strategy is to set out UCL’s Tax position so that UCL remains tax compliant. The Strategy must be approved by Audit Committee every 3 years. The CFO is responsible for the Strategy including being responsible for bringing any amendments to Audit Committee, having first consulted with the Provost and ensuring it is published on UCL’s website.

2. Vision

2.1. UCL Tax vision is to optimise tax by continuously making processes and procedures more tax efficient whilst ensuring strong compliance. This is done with the benefit of technology to ensure processes are as far as possible streamlined with software that supports workflows, automation, digitisation, and with the employment of a skilled tax team.

3. Relationship with Tax Authorities

3.1. UCL takes the necessary steps to ensure that it maintains a close, open, and transparent relationship with HMRC as with any other tax authorities in the jurisdictions in which it operates. Most of UCL business activities are conducted in the UK where it is established.

3.2. UCL will:

- Ensure professional conduct in dealing with tax authorities.
- Engage and seek HMRC guidance early on matters of major uncertainty.
- Maintain regular dialogue with HMRC.

4. Tax Governance and Management

4.1. Responsibility for the Tax Strategy sits with the CFO who reports into the Provost. The day-to-day management of the tax strategy sits with the Head of Tax who currently reports into the CFO. The Head of Tax is supported by a Tax Team made up of qualified and experienced in house professionals based at Bidborough House, UK.

4.2. Tax Team and UCL's Public Affairs Team regularly monitor, communicate, and raise the profile of important tax matters affecting the University and its jurisdictions across UCL, as well as providing appropriate training and guidance on important tax matters.

4.3. Formal channels such as the British Universities Finance Directors Group (BUFDG) and direct engagement with HMRC are used to raise matters of particular concern to UCL. UCL seeks advice and guidance from suitably qualified external professional advisors when specialist guidance and support is needed on complex tax matters.

5. Processes and Controls

- 5.1. UCL processes and controls, both for finance and tax, are designed to effectively manage the tax risks and are regularly reviewed to minimise such risks.
- 5.2. Tax risk tolerance is regularly reviewed to ensure that it remains consistent with the needs and long-term vision of UCL.
- 5.3. A Tax Risk Register is maintained and regularly reviewed to capture and manage impending tax risks. Segregation of duties exists across the organisation to minimise accounting and tax risk and a Tax Control Framework is currently work in progress.

6. Tax Risk Appetite

- 6.1. The University's Tax Function exists to ensure that:
- UCL meets its statutory tax compliance requirements.
 - To advise and report to the business and stakeholders on tax matters.
 - To adopt a risk-based approach to managing UCL tax affairs.

The highest tax risks considered from a tax perspective include:

- Complexity and Jurisdiction – Tax laws can be complex and UCL operates in multi jurisdiction. These laws are open to interpretation with potential for different positions to be taken.
- Legislative and Regulatory changes – Regular changes to the global economic, political, legal, and regulatory environment means that tax needs to be considered at the forefront of anticipating change which adds to uncertainty.
- Business operational – Growth in scale, complexity, and nature of UCL business impacts the tax throughput.

To manage and mitigate these risks UCL regularly seeks to:

- Ensure personnel remain close to business decisions in managing tax impacts.
- Have documented procedures to ensure smooth compliance.
- Formal governance processes in place to manage decision making.
- Effective tax control through systems and knowledgeable teams.
- Effective tax risk management through governance and risk reviews.

- 6.2. The tax risk appetite for UCL is therefore considered to be low due to the charity sector in which it operates along with the need for it to remain compliant.

7. Tax Planning

- 7.1. UCL remain committed to correctly collecting and paying tax in all jurisdictions in which it operates and does not participate in tax planning with the main purpose of gaining tax advantage.