

# **TCS UK TAX STRATEGY**

March 2024

Tata Consultancy Services Limited (“TCS”) regards this document as complying with its obligation under para 22(2) Schedule 19 Finance Act 2016 for the financial year ended 31 March 2024.

This document has been approved by the Board of Directors of TCS and applies to TCS including its UK Branch.

## **OVERVIEW**

This document sets out TCS’s approach to the management of UK taxation matters and defines the principles governing the management of such taxes.

## **INTRODUCTION**

TCS, headquartered in India, is a globally recognized service provider in the realm of Information Technology and Information Technology Enabled Services.

In the United Kingdom (‘UK’), TCS operates through a branch (‘TCS UK’) for providing information technology services to its customers in the UK local market. TCS also operates through a wholly owned subsidiary in the UK providing business process services for the life and pension industry.

## **OUR APPROACH TO TAX**

TCS’ UK tax strategy is consistent with its overall approach to corporate governance and is aimed at-

- Maintaining high standards to protect the TCS brand and reputation
- Effective, balanced, and active management of tax affairs in alignment with overall business strategy
- Compliance with tax laws, regulations, and reporting & disclosure requirements
- Conducting tax affairs in the spirit of the law
- No aggressive or contrived tax planning
- Maintaining a transparent relationship with Revenue Authorities.

Our tax policy comprises the following core components:

### **1. Compliance**

TCS is committed to comply with the applicable laws and regulations of relevant countries/jurisdictions in which it operates. In the context of tax, TCS is committed to –

- Pay tax which we are legally obliged to pay as and when it becomes payable
- Comply with relevant tax laws and regulations
- Utilize tax rulings, agreements, clearances, concession, or reliefs which are provided by the relevant governments.
- Respond to tax enquiries and audits in a transparent and timely manner; and
- Engage with governments, tax authorities and regulators in a constructive manner.

### **2. Transparency**

TCS supports the principle of transparency to increase understanding of tax legislations and build public trust. In all the jurisdictions it operates, TCS believes in reporting to the respective tax authority, information that is complete and accurate, in a timely manner.

### **3. Risk management**

TCS's aim is to ensure that risk is minimized as far as possible, driven by management's focus on avoiding any unexpected impact on performance through crystallization of risks and to avoid any adverse impact on its brand and reputation.

Tax management can involve areas of uncertainty and risk in relation to the interpretation of complex tax laws and nature of compliances required, on which we are required to make judgements. We actively seek to identify, evaluate, monitor, and manage these risks to ensure they remain in line with our objectives. Where there is uncertainty over the tax treatment in any aspect of the business, advice is obtained from external, professional tax advisors to ensure that our risk management decisions are based upon the latest and most relevant interpretations of laws and regulations.

### **4. Relationship with tax authorities**

TCS maintains open and collaborative relationships with governments and tax authorities worldwide. Where appropriate, TCS seeks advance clearance from tax authorities on the proposed tax treatment of transactions, these offer an opportunity for early resolution and minimising the risk of future disputes.

Accordingly, our tax relationship and engagement with HMRC is open and collaborative. The engagements with HMRC involve face to face meetings and dialogue as and when required.

## **5. Governance**

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, and society at large.

## **6. Responsible attitude to arranging tax affairs**

In keeping with its Corporate Governance standards, TCS does not engage in aggressive and contrived tax planning or tax structuring for the purpose of gaining tax advantages. TCS aims for compliance with laws, having regard to the spirit as well as the letter of the law; Our management of taxes is primarily driven by the key objective of ensuring compliance and minimizing tax risk.

In accordance with the provisions of the UK Criminal Finance Act 2017, TCS has zero tolerance towards tax evasion and / or facilitation of tax evasion, either by the company in its own right and / or by its employees, vendors, customers, or any other associated person(s)

## **About Tata Consultancy Services Ltd. (TCS)**

Tata Consultancy Services is an IT services, consulting, and business solutions organization that has been partnering with the world's largest businesses in their transformation journeys for over 55 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 6,03,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US \$ 27.9 billion in the fiscal year ended March 31, 2023, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index.

For more information, visit us at [www.tcs.com](http://www.tcs.com)