

# The Capco Group Tax Strategy

**This tax strategy document fulfills Capco's obligations under UK law, Bill 2016, paragraph 16(2) Schedule 19 Finance (No.2).**

The Capco Group, founded in 1998, is a leading global provider of consulting services to the financial services industry. The employees of the Capco Group combine innovative ideas with deep industry knowledge to provide consulting expertise, complex technology solutions, package integration and management services to financial services firms around the world. Capco has 26 offices globally in Asia, Europe, and the Americas.

This document sets out Capco's approach to publishing information about our tax strategy, in line with the new requirements under UK law. Specifically, this document provides guidance on:

- governance, risk management and compliance;
- tax planning;
- dealings with Tax Authorities;
- defining an acceptable level of tax risk.

## **Governance, Risk Management and Compliance**

Capco's Chief Financial Officer ('CFO') is responsible for managing the business' financial risk and for raising key issues to the Board, including tax issues.

Capco's Tax Director has responsibility for managing tax risk within the group and for regularly communicating any issues to the CFO. Tax compliance is delivered at a local level by finance staff under the guidance of the Tax Director who oversees the process at a global level.

Tax compliance is part of Capco's wider business risk management process. On an ongoing basis, the Tax Director seeks to identify and address tax risk throughout the worldwide group and focuses on continually improving processes and controls.

Capco adheres to local tax legislation in each of its respective geographies, ensures that an accurate and fair amount of tax is paid and that tax returns are filed in a timely manner. Capco works closely with a big four professional services firm, and leverages the advisor's in-depth knowledge of local tax regimes to ensure compliance with local tax regulations, and to address and resolve areas of uncertainty.

## **Tax Planning**

In line with other corporate functions and the wider Capco business, Capco's approach to tax planning is informed by the group's Code of Conduct.

Capco treats tax costs as any other business cost, and are therefore discussed as a regular part of doing business. Tax follows business commercial drivers only; no artificial tax planning arrangements are in place.

Where legally and substantively appropriate, Capco seeks to benefit from government sponsored tax incentives such as UK R&D tax credits.

## **Dealings with Tax Authorities**

Capco strives to maintain transparent and successful working relationships with tax authorities in each jurisdiction. Capco endeavors to ensure an ongoing, professional dialogue with local tax authorities, and to provide them with access to information that demonstrates the integrity of Capco's tax compliance process.

## **An Acceptable Level of Tax Risk**

The Capco Group takes a responsible approach to tax risk, and treats tax risk in line with other business risks. Our approach to managing and resolving tax risk is dependent on the materiality and uncertainty of the issue. Capco considers the impact of social responsibility, our business reputation and impact on the group's profit margins when considering issues of business risk. When necessary, the Tax Director will seek guidance and appropriate assurances from our professional services firm regarding positions taken.