

UK Tax Strategy

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Introduction

This UK tax strategy (“The Strategy”), approved by the Board of Coalition Development Limited (“Coalition UK”) sets out Coalition UK’s policy and approach to conducting its tax affairs and dealing with tax risk, and is made available to all Coalition UK stakeholders, in accordance with paragraph 19(2) and 22(2) Schedule 19 to the Finance Act 2016¹.

The Strategy applies to all UK taxes, is periodically reviewed by Tax Department and any amendments will be approved by the Board of Directors of Coalition UK. The Strategy is effective for the year ending 31 December 2017, and will remain in effect until any amendments are approved by Coalition UK’s Board of Directors. The UK Tax Department is accountable to the Board of Directors for the implementation of The Strategy and the overall management of tax risk.

The Strategy is guided by CRISIL Limited’s core values of Integrity, Excellence, Accountability, Teamwork and Respect.

1. UK tax legislation which received Royal Assent on 15th September 2016

Tax Risk Management

Coalition UK 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.

Responsibility and accountability for Coalition UK's tax affairs resides primarily with the Tax Department and is clearly defined with decisions being taken at a suitable level; including Board approval and engagement with HMRC, where appropriate.

Coalition UK's approach to tax risk follows the same principles that apply to all other business risks and diligent professional care and judgment is applied in assessing tax risks in order to arrive at well-reasoned conclusions on how these risks should be managed. When making decisions on tax risk the materiality of any item is taken into consideration, as well as the costs of effective risk mitigation actions. Specifically there are no pre-defined limits of the amount of acceptable tax risk as it will be judged on an issue by issue basis.

Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process.

In addition, Coalition UK seeks to manage its UK tax risk through:

- a) submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return;
- b) paying the amount of tax legally due at the right time;
- c) maintaining tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK;
- d) ensuring that the business divisions and support functions of Coalition UK who are involved in Coalition UK's tax processes are both adequately resourced, and supported in order to manage tax compliance issues on a timely basis; and
- e) ensuring all tax filing positions are supported with appropriate documentary evidence.

Attitude to Tax planning

Coalition UK believes that it should pay the amounts of tax legally due in the UK and will not engage in transactions whose main purpose is to avoid UK taxation or to defeat the stated purpose of the legislation. There will, however, be circumstances where there is uncertainty surrounding the interpretation of tax law and the amount of tax due may not be clearly defined, or where alternative approaches to transactions may result in differing tax outcomes. As such where multiple legitimate options are available to implement a transaction, the most tax-efficient method will normally be chosen.

External advice may be sought in relation to tax planning or areas of complexity or uncertainty to support Coalition UK in complying with The Strategy. The UK Tax Department uses its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible, where these are:

- a) not considered to carry significant reputational risk or significant risk of damaging our current or future working relationship with HMRC;
- b) aligned with the intended policy objectives of the UK Government which introduced the incentives; and
- c) aligned with our business or operational objectives.

Working with HMRC

Coalition UK strives to comply with all relevant compliance and disclosure requirements in an open and transparent manner ensuring that all information provided to HMRC is clearly presented.

In its dealings with HMRC, Coalition UK is committed to act in a collaborative, courteous and timely manner. Coalition UK's aim is to strive for early agreement on disputed matters, achieve certainty wherever possible, and thus minimise tax risk. We will seek to achieve this through seeking pre-transaction clearances from HMRC, where appropriate.

In the event Coalition UK is unable to reach agreement with HMRC on a disputed matter or there is a difference in interpretation of the law and our position is supported by external advice, Coalition UK would be prepared to pursue alternative dispute resolution or litigation, as appropriate.

About CRISIL Coalition

CRISIL Coalition is a leading Analytics and Business Intelligence provider to the global financial services industry. We provide objective research and analysis to support strategic and tactical decision-making in four areas:

- Competitor Analytics: Benchmarking performance to assess competitive advantage.
- Capital Analytics: Analysing RWA, Exposure & Returns to assess efficiency and performance.
- Client Analytics: Sizing individual client wallets across Institutions and Corporates to assess opportunities.
- Country Analytics: Quantifying market size and characteristics to assess positioning by country.

CRISIL Coalition is a business division of CRISIL, a global, agile and innovative analytics company driven by its mission of making markets function better.

About CRISIL Limited

CRISIL is an agile and innovative, global analytics company driven by its mission of making markets function better.

We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers. CRISIL's businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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