

CRISIL – UK Tax Strategy

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CRISIL – UK Tax Strategy

Scope

This UK Tax Strategy (“the Strategy”), approved by the Boards of the relevant UK subsidiaries of CRISIL Limited (for those companies noted in **Appendix A** – (collectively referred to as “CRISIL UK”)), sets out CRISIL UK’s policy and outlines the approach towards matters relating to tax compliance, risk and management. It is made available to all CRISIL UK stakeholders, in accordance with paragraphs 19(2) and 22(2) Schedule 19 to the Finance Act 2016¹.

This Strategy is guided by the CRISIL Group Taxation Policy and sets out CRISIL UK’s approach to conducting its tax affairs and dealing with tax risk. It shall apply to all UK taxes (direct and indirect taxes) and associated tax risk and shall be used for guidance in all such matters.

CRISIL UK is committed to maintaining full transparency with tax authorities and aims to comply with all the taxation laws applicable to it, in letter and spirit. This Strategy is guided by CRISIL’s core values of Integrity, Excellence, Accountability, Teamwork and Respect.

Tax risk management

CRISIL 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.

CRISIL UK’s approach to tax risk follows the same principles that apply to all other business risks within the company and diligent professional care and judgement is applied in assessing tax risks 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.

CRISIL UK employs appropriately qualified and experienced tax professionals to manage its tax affairs. Responsibility and accountability reside primarily with CRISIL Tax Group and is clearly defined with decisions being taken at a suitable level, including board approval and engagement with HMRC, where appropriate. 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.

Attribute to tax planning

CRISIL UK will aim to pay the appropriate amount of tax to each of the jurisdictions where value is created in the normal course of commercial activity, measured in terms of profits. CRISIL UK is committed to undertaking transfer pricing using the arm’s length principle.

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

Further, CRISIL UK will not engage in transactions lacking commercial substance with an intent to avoid UK taxation or to defeat the stated purpose of the legislation. 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 CRISIL UK in complying with the Strategy.

CRISIL UK seeks to reduce the level of tax risk arising from its operations by ensuring that reasonable care is applied in relation to all processes which could materially affect compliance with tax regulations. Diligent professional care and judgement is applied in assessing tax risks to arrive at well-reasoned conclusions on how these risks should be managed.

Working with HMRC

CRISIL strives for transparency in its dealings (with respect to all relevant compliance and disclosure requirements) with the tax authorities and is committed to act in a collaborative, courteous and timely manner in resolving differences in interpretation/positions under the applicable tax regulations. CRISIL's aim is to strive for early resolution of disputed matters, achieve certainty wherever possible, and thus, minimize tax risk.

In the event CRISIL is unable to reach an agreement with HMRC on any disputed matter or if there is a difference in the interpretation of the law, CRISIL UK would be prepared to pursue alternative dispute resolution actions as prescribed under the relevant regulations/laws and/or litigation, as deemed appropriate.

Roles and responsibility

CRISIL's Tax Group is accountable to the Board for the implementation of the policy and the overall management of tax risk.

Review

The Strategy is periodically reviewed by CRISIL Tax Group, and any amendments will be approved by the board of directors of each of the CRISIL UK entities. The Strategy is effective for the year ending 31 December 2023, and will remain in effect until any amendments are approved by CRISIL UK's boards of directors.

Appendix A – List of UK subsidiaries of CRISIL Limited

- CRISIL Irevna UK Limited
- Coalition Development Limited
- Greenwich Associates UK Limited