

**Deloitte.**



**Deloitte LLP**  
**Tax Impact Report**

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Through our work with clients and the taxes we pay we have a significant role to play in the UK tax system. Our stakeholders have an interest in how we play that role and the impact we make. This document seeks to inform our stakeholders through sharing the principles that inform our approach, examples of our work and the details of our tax contribution.

## Foreword by Lisa Stott

Tax is at the heart of the most important questions we need to address as a society. Over the past year, we have seen these explored and debated in relation to our recovery from the pandemic, the cost of living crisis, action on climate change and the government's longer-term economic strategy for the UK.

At Deloitte, we believe that tax systems can play a significant role in addressing the era-defining issues that affect us all – like delivering sustainable economic growth and tackling inequality and climate change. Through our work with clients and the taxes we pay, we have a considerable part to play.

This document illustrates for our stakeholders, the principles that inform our approach, examples of our work and the details of our tax contribution.

In our UK Tax and Legal business, our 4,000+ people use their diverse skills, disciplines and experiences to help make tax and regulatory systems work, for the benefit of all.

We want to build trust and confidence, and guide people, businesses and governments to become forces of progress. That's how we make an impact that matters.

We do this by helping our clients to manage complexity and navigate change and I'm proud of the contribution our tax services have made over the past year, which includes:

- **Supporting responsible taxpayer engagement:**

We help clients understand and meet their many tax compliance obligations, identify and resolve uncertainty in more complex aspects of tax law and appropriately govern and control tax risk. This work directly underpins the flow of tax revenues and associated reporting from tens of thousands of taxpayers.

- **Promoting the growth of the UK economy:**

We have helped clients to unlock and execute UK transaction and investment activity effectively, fund innovative research and development, and navigate the ongoing adjustment needed following the UK's departure from the European Union.

- **Responding to challenges in society:**

We have enabled organisations and institutions to make the right tax choices to accelerate their journey to net zero emissions and tackle financial crime. We have also contributed tax and legal expertise as part of the firm's broader response to the conflict in Ukraine.

- **Helping shape the future of tax:**

We offer expertise and insight to the development of tax law through consultation with HM Treasury and HMRC in collaboration with a broad range of stakeholders. We are also creating better futures for our teams, our clients and our communities through investment in people.



**Lisa Stott**  
Tax & Legal  
UK Managing Partner

# Supporting responsible taxpayer engagement

Our clients operate in a complex business and financial environment. We advise clients on all aspects of their activities, from selling products and services, hiring staff and managing their supply chain, to major events like financing and mergers and acquisitions (M&A) which can have numerous tax implications. Our role is to share our knowledge and advice, so taxpayers can understand their obligations and make informed choices, while maintaining the highest standards of compliance.

We are often directly responsible for the delivery of compliance for our clients via our Operate services. Under this model we act as an extension of our clients teams, embedding leading-edge technology and hard-to-source talent to meet increasingly challenging compliance requirements.

Appropriate tax governance, risk management and transparency are a key aspect of our clients' priorities as they relate to their ESG priorities. We help clients establish, and monitor, the controls needed to meet the expectations of their stakeholders.

Given the technical and operational complexity of taxation, from time to time our clients will encounter cases of error, uncertainty and dispute. Our Resolution team helps those that do to move forward constructively, and with confidence, in situations that can have a material financial impact for them, including in some cases on their ability to continue in business.

All Deloitte partners and employees who advise on UK tax matters are committed to upholding the reputation of the profession and adhere to the principles set out in the Chartered Institute of Taxation's (CIOT's) Professional Conduct in Relation to Taxation.

## Examples of our contribution

- During FY22, we helped businesses to file in excess of 10,000 corporation tax returns and more than 21,500 income tax returns;
- We converted the financial statements that accompany corporation tax returns into electronic "iXBRL" format for over 4,600 companies;
- Since Making Tax Digital for VAT went live on 1 April 2019, more than 24,000 VAT returns have been filed to HM Revenue and Customs (HMRC) using our technology;
- We support hundreds of businesses with their UK indirect tax compliance needs, using our VAT Compliance & Technology services;

- We administer the UK payroll compliance for nearly 200 major employers, collecting the PAYE for 11,000-plus individuals;
- Our Global Mobility Compensation team helps manage the tax and other compliance obligations of our clients' internationally mobile staff across more than 100 jurisdictions.
- We increased confidence in compliance by working with 97 clients to document, improve and test the controls they have in place to comply with UK tax legislation. We also work with many groups who look to do this on a global basis;
- We helped inform stakeholders on key tax matters by enabling 11 clients to improve their external reporting, including enhancing control environments and complying with measures like GRI207, which seeks to standardise tax transparency reporting and ensure it is relevant and understandable; and
- Through time to pay negotiations, our Tax Resolution specialists supported the payment of more than £15 million of tax to the Exchequer. Without these discussions, HMRC is obliged to proceed to debt collection and potential bankruptcy, even though it may yield only a small percentage of the tax due. In all cases, tax was paid to HMRC on time and in full through an instalment plan resulting in more funds for the public purse and individuals and businesses remaining active within the economy.

# Promoting the growth of the UK economy

Businesses are reacting to a range of issues, from COVID-19 recovery to evolving workplaces and supply chains, and compliance requirements. This is causing them to rapidly reassess and adapt their strategies, resulting in the accelerated adoption of technologies, different business models and entry into new markets to find or enhance growth. Groups are also seeking to improve profitability by unlocking cost efficiencies and divesting businesses that are no longer aligned to their risk, profit or growth objectives.

We are helping our clients to achieve their commercial goals in this ever-changing environment.

## Supporting UK investment

### M&A

Every year we provide tax advice on hundreds of transactions in relation to billions of pounds worth of investment.

Whatever stage our clients are at in the transaction lifecycle, our market-leading end-to-end M&A services help guide them through the tax consequences, so they can anticipate and manage change.

## Equity capital markets

A vital part of the UK's financial ecosystem is the process by which companies raise capital on the markets, including by going public. Our services often include the implementation of robust tax control frameworks suitable for a public company environment, where results need to be reported quickly and accurately. We have also supported businesses looking to understand the tax and corporate structuring consequences of the Financial Conduct Authority's recent reforms to the UK listing regime, which are focused on ensuring London remains a competitive listing location.

We are proud to be in a position where we can assist companies that are able to benefit from these important reforms, particularly those with the potential for high growth in technology and life sciences innovation.

## Incentives, innovation and investment

Innovation is at the heart of growing the UK economy and the government continues to support pioneering businesses through R&D incentives.

We help companies access and respond to these incentives, whether they are privately owned small and medium-sized enterprises, or multinational, listed corporates.

Enhanced capital allowances to stimulate investment in the UK were available throughout the year, as was the UK's patent box regime, which enables businesses involved in cutting-edge R&D to have profits on patented innovations taxed at a reduced rate.

Following Brexit, the government has made numerous announcements on funding for private businesses that will support delivery of the UK's strategic priorities, with a strong focus on achieving its net zero target by 2050. We have helped companies to understand the evolving UK funding landscape and the extent to which they could benefit, now and in the future. We have already supported clients with successful grant funding applications for projects that range from replacing inefficient plant with greener alternatives to increasing manufacturing capability within life sciences.

## Post-Brexit trade

Our Tax and Trade Policy Group, Global Trade, Indirect Tax and Legal Immigration teams, in particular, have continued to help both our people and clients navigate the considerable implications of Brexit. These range from a new customs environment and VAT changes to withholding tax requirements and immigration and social security considerations. Our support has helped smooth trade in a period of administrative change not seen for a generation.

# Promoting the growth of the UK economy

## Budget insight

As each Chancellor seeks to steer the country through a complex and challenging economic environment, our Tax and Trade Policy Group oversees an intense programme of activity to help taxpayers understand and engage with the implications of Government fiscal events and other announcements.

## Examples of our contribution

- During FY22, we were involved in more than 10 main market listings in London, helping companies navigate the process of initial public offerings;
- We have provided R&D support to around 250 innovative clients in over 15 sectors covering more than £1.5 billion of investment;
- We supported 202 clients from a range of sectors with capital allowances claims last year, including advising some of the largest UK infrastructure projects and a number of life sciences and healthcare clients looking to invest for the future;
- We have provided patent box claim support to more than 55 clients involved in cutting-edge R&D that have patented their innovations, generating over £2.5 billion in profits in the UK and supporting jobs and future investment;
- Our Global Trade Bureau continued to help businesses comply with the submission of UK customs declarations and has enabled over 100,000 import/export flows with a combined value in excess of £6.2 billion, and associated taxes and duties of almost £392 million;
- We keep clients up to date through our Brexit and Trade Developments insights web page and a dedicated newsletter;
- A total of 150 Deloitte colleagues were involved in our Budget Day work. Also:
  - We published 11 pieces of analysis relating to the 2022 Spring Statement measures and 36 for the 2021 Autumn Budget;
  - There were over 4,000 sessions on our dedicated website UKBudget.com after each of the 2021 Autumn Budget and 2022 Spring Statement;
  - Our Budget notifications reached 23,500 clients and contacts for our 2021 Autumn Budget analysis, and 18,200 for the 2022 Spring Statement;
  - We welcomed 370 attendees to our 2021 Autumn Budget webcast and 75 board and executive committee members joined a session on the 2022 Spring Statement through the Deloitte Academy; and
  - We created a Budget calculator to help illustrate the impact on personal finances. This was accessed hundreds of times in the weeks following the Autumn Budget and Spring Statement.



# Responding to challenges in society

Through our work, we are making a positive contribution to how society responds to key challenges.

## Public and third sector support

Charities, social housing associations plus educational and health organisations are at the forefront of responding to some of society's most important issues. Our Tax team helped more than 100 public and third sector organisations navigate the complexities of the tax system and ensure robust governance of their tax affairs. We enabled clients to reduce unnecessary cost and uncertainty and de-risk the delivery of frontline projects (see the 'Stories of our impact' section page 9 for an example of our work).

## Tackling financial crime

Tax evasion hurts us all as it denies government the funds needed for public services, which can mean higher taxes for those who do meet their obligations.

All companies and partnerships are required to implement reasonable procedures to prevent people who work for them, or on their behalf, from enabling third-party tax evasion. Our Tax Risk teams help businesses understand their risk and respond through proportionate and effective prevention procedures.

We also help clients follow global initiatives such as the Automatic Exchange of Information (AEOI) regimes. These encompass the US Foreign Account Tax Compliance Act and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard. Under these, more than 100 jurisdictions have entered into over 2,000 bilateral agreements to swap information. We have continued to expand our practice in this area and, this year, successfully implemented new analytics technology to assist clients with wider tax transparency regimes such as the OECD Treaty Relief and Compliance Enhancement initiative.

Our analytics tools can review vast amounts of customer data to detect suspicious activity and significantly improve the accuracy of information sent to tax authorities under AEOI. This leads to better intelligence, while protecting the right to privacy for tens of thousands of account holders who would otherwise potentially be misreported.

We are participating in the fledgling Tax Crime Alliance, a public private partnership between HMRC, industry and a range of professional advisors. The aim is to develop resources to help institutions combat tax evasion more effectively.

## The road to net zero

As part of our commitment to a more sustainable future, we are working with a growing number of businesses in the UK and abroad to help them achieve – and exceed – their carbon reduction targets. This includes sharing our insights and experiences to increase awareness of the environmental benefits of Electric Vehicles (EVs).

We continue to support and participate in the EV100 global initiative, which brings together companies switching to electric

fleets. We have also contributed to national and trade publications to reach a wider audience.

We have revised the car scheme available to our UK staff so only zero-emission vehicles are available, and ran several new employee-focused initiatives. This helped push new vehicle orders up by 250 percent a year and has enabled our employees to access an EV at a much lower price. In the current climate, with the growing focus on the rising cost of living, this is helping our people to make savings, while cutting carbon emissions. These changes also mean we can convert our entire fleet to EVs by 2025 – five years ahead of our goal.

The UK government introduced a Plastic Packaging Tax (PPT), which came into force on 1 April 2022. It is payable by the manufacturer or the importer at a rate of £200 per metric tonne on chargeable plastic packaging components and is designed to incentivise businesses to use recycled plastic. HMRC estimates that the use of recycled plastic in packaging could increase by 40 percent as a result, equating to carbon savings of nearly 200,000 tonnes in 2022-2023. Deloitte worked with businesses to prepare for the introduction of the PPT and advised on the management of tax obligations, from obtaining the relevant data to reporting the amount due.

## Examples of our contribution

- During FY22, we filed more than 3,200 AEOI reports across 55 jurisdictions covering 1.7 million reportable accounts, and supported some of the world's largest financial institutions;

### Client quote

*"Deloitte's purpose-led linking of global information reporting and financial crime, alongside the use of their latest technology, has led to active investigations and helps the bank to reduce financial crime risk."* – HSBC Wholesale Bank

- We have worked with over 40 clients to put in place the right procedures to prevent tax evasion;
- Through our EV scheme, we estimate we will remove around 2,500 tonnes of carbon dioxide from the atmosphere each year;
- Last year, we worked with more than 30 businesses to help them review their car schemes and make changes that encourage the switch to EVs;
- We published two articles in the Guardian and three in the trade press to help readers understand the financial implications and wider benefits of switching to EVs;
- Our head of Tax and Trade Policy, Amanda Tickel, is representing Deloitte on the CIOT's climate change working group; and
- We launched our Atlas database, which contains details of all global environmental taxes and incentives, and have made it available to 260 external users.

# Helping shape the future of tax

## Policy

Throughout the year, we have provided input as part of consultations and calls for evidence from HM Treasury, HMRC and international bodies including the OECD.

Through these formal responses, and a programme of communications, technical conferences and other business meetings and events, we contribute to an effective and efficient tax system.

We also provide specialist support to UK and international policymakers, helping to ensure tax laws achieve policy objectives, are clear and unambiguous, and do not create undue burdens on businesses and individuals.

All our tax policy contributions are conducted in line with our robust risk and independence procedures.

## People

The future of tax will be shaped and delivered by tax professionals. We are passionate about helping our people and clients to have purposeful careers in the industry and to play their part in managing and facilitating the flow of tax revenues that fund our public services.

We aim to give our people the best learning experiences and opportunities to connect with industry peers so they can develop both personally and professionally throughout their time at Deloitte. We pride ourselves on delivering engaging in-person programmes and conferences, such as our Corporate Tax Technical Conference, Academy for new analysts and the Deloitte University CDX programme for new consultants. We also offer online learning pathways to help our people develop specific knowledge and skills relevant to the areas they work in at key points in their careers.

Four important client development programmes demonstrate our investment in their futures too.

- The **Tax Director Transition Lab** is a one-day, facilitated workshop designed to help newly appointed tax directors thrive in their role. It focuses on three areas – time, talent and relationships – and is shaped with input from the participant's key stakeholders. Everyone who takes part leaves the lab with a roadmap and a 180-day action plan. One FTSE 100 participant said, "This is an incredibly valuable opportunity to reflect on priorities as you enter a new role, not only on what needs to change over the longer term, but how to get there and with whom."
- Our **Next Generation Tax Director** programme supports aspiring tax directors in developing the skills required to meet the challenges of the role. An invitation-only initiative, it has been designed for people with the capabilities and ambition needed to become a tax director of a FTSE 100 or equivalent organisation in the next 18 to 36 months. The programme comprises a one-day workshop that includes sessions delivered by tax directors about their experiences. Quarterly follow-up sessions focus on topics such as managing boardroom dynamics, courageous communication and the tax department of the future.
- Deloitte hosts three **Global Tax Conferences** a year (in EMEA, the Asia-Pacific region and the Americas). They aim to provide a highly valuable experience for our firm's most strategic and fast-growing global and regional portfolio clients. More than 70 UK clients attended our EMEA conference in June 2021, which was held virtually given the various lockdown restrictions in place at the time.
- Our **Tax Directors' Academy** is for tax directors of UK listed and large private companies and partnerships, plus senior tax professionals from large multinationals. Through a programme of external speaker briefings and opportunities for peer networking, it aims to provide the support and guidance needed to navigate today's complex tax landscape. Membership is free and by invitation.

## Examples of our contribution

### Consultations

In FY22, our experts responded to almost 40 consultations on a wide range of UK and international tax issues, including:

- Amendments to existing legislation (e.g. in relation to R&D tax reliefs and the taxation of securitisation companies);
- Tax transparency (e.g. the notification of uncertain tax treatment by large businesses);
- Modernising the UK tax administration framework;
- The UK's implementation of internationally agreed model rules in areas of taxation (e.g. the OECD/G20 global minimum tax rules and transfer pricing documentation requirements); and
- The OECD/G20 Inclusive Framework's development of new global international rules for reallocation of profits to market countries ('Pillar One') and global minimum tax rules ('Pillar Two').



# Helping shape the future of tax

## Direct engagement

We take part in many HMRC forums to contribute to the development of tax and trade policy. These include the Big 6 Tax Agents Group, Large Professional Services Forum, Joint Forum on Expatriate Taxation and NICs, the Big 6 roundtable on tax governance, the Employment and Payroll Group and cryptoasset roundtable meetings.

## Our voice in the industry

- Deloitte UK tax professionals consistently took part in our EMEA Debriebs programme, which included more than 50 webcasts that reached over 11,000 attendees;
- Over 660,000 technical update emails were issued to our clients and contacts through our Business Tax Briefing, Monthly Tax Update, Weekly VAT News and Global Indirect Tax News;
- More than 40 alerts, blogs and insight pieces were published on [TaxScape](#) providing, for example, analysis on trade negotiations and tax case law, discussion of UK fiscal event announcements and next steps, and updates on international tax developments. These included information on the G20/OECD Inclusive Framework 'two pillar' approach to address the tax challenges arising from the digitalisation of the economy;
- Articles by Deloitte employees on specific technical areas featured in a range of trade and national press publications, for example:
  - Amanda Tickel and Claire Galineau's article on [Net Zero in the International Tax Review](#); and
  - Michelle Robinson's articles in Tax Adviser magazine on [inheritance tax exemption](#) and [register of overseas entities](#).
- Representation on seven CIOT and Institute of Chartered Accountants in England and Wales technical committees including the CIOT's climate change working group.

## People

- Our Tax and Legal team comprises over 4,000 people;
- In FY22, we recruited 768 experienced hires and 200 graduates;
- We celebrated 883 promotions;

- A total of 62 people earned a professional qualification and we had 10 prize winners in relation to professional exams in our Tax and Legal team;
- We provided 15,624 study days – 36.5 per individual, on average;
- We have an annual learning budget of at least £10 million a year and 12 full-time professionals who focus on learning and development;
- We provided 46,100 hours of internal technical training within Tax and Legal (including 18,400 hours of senior tax technical conferences across more than 90 sessions, attended by 950 people);
- A total of 13,289 hours of training were provided by our UK Global Tax and Legal programmes to 758 of our people in the UK, averaging 17.5 hours per attendee;
- In all, 9,768 courses were completed through our online learning platform;
- Our people recorded, on average, 12 hours of personal learning a month;
- Our new analyst induction at the Tax and Legal Analyst Academy had 206 attendees with more than 35 hours of learning per person;
- Our event to welcome newly promoted consultants and support them in their new role had 227 participants with more than 19 hours of learning per person; had 227 participants with more than 19 hours of learning per person;
- We hosted 11 Tax Director Transition Labs with clients in FY22; and
- We welcomed 39 new participants to the next Generation Tax Director Programme.

# Stories of our impact

## Specialist support for Tax Charities

We have worked closely with the charities TaxAid and Tax Help for Older People since 2017, helping to support individuals on low incomes who need assistance with their taxes but cannot afford to pay for professional advice. Through our involvement, we are making sure everyone can access tax representation.

Six Deloitte teams made up of eight to 10 volunteers provide around 3.5 hours a month to TaxAid clients in London, Reading, Cambridge, Manchester, Leeds and Belfast.

This year, we have expanded our support to include preparation of tax returns in addition to dealing with P800 cases, incorrect PAYE codes and making appeals to HMRC on people's behalf. In FY22, our volunteers helped approximately 160 individuals to resolve their tax affairs with HMRC.

Valerie Boggs, Chief Executive of both charities, said, "Deloitte's support enables TaxAid and Tax Help for Older People to aspire to meet its vision to ensure that people in need around the UK have access to free help for tax problems.

"Their support provides the charities with the confidence to have bold ambitions, knowing that the team at Deloitte do not just help through the corporate volunteering programme, financial support and pro bono advice and special projects, but because they share the vision and recognise opportunities to work in partnership to meet it."

## VAT assistance in the third sector

We helped a South West-based housing association through significant uncertainty when a possible historical VAT charge threatened improvement works, impacting residents.

It would have meant rethinking much-needed redecoration plus kitchen and bathroom re-fits. Savings would also have had to be made from the fund that helps local community anchor groups provide services, for example, a local food bank, which supported hundreds of people during the summer.

The organisation's CEO said, "It was likely that we would have needed to reduce our development programme by at least six homes, which meant that six local families in Bristol would continue to live in temporary accommodation or remain on the housing register alongside 13,000 other people."

Our Tax team worked closely with the association and HMRC to ensure the facts were properly communicated and all appropriate mitigations had been fully considered. We successfully agreed that the historical assessment should be withdrawn in full.

## The skills to support Ukraine

The United Nations has described the conflict in Ukraine as the fastest and largest displacement crisis in living memory. Desperate to use their skills to help, Deloitte teams have offered financial

assistance, immigration and legal advice, and digital support. We have worked with aid agencies and, among other things, launched an accommodation matching scheme for refugees.

We delivered pro-bono support to World Jewish Relief, which included advising on customs arrangements. As Andrew Yule, a consultant in our Tax practice, explains, "We were able to use our customs and global trade knowledge to ensure medical goods could be exported into Ukraine and distributed in the conflict zone without duties, delays or seizures. It was a great opportunity to help vulnerable people to get what they needed quickly."

We have also been able to support clients and their employees. Svitlana Hauser, a director in the UK Immigration Practice within our Tax & Legal team, helped to evacuate one client's Ukrainian employees and their families who had been forced to remain in the country as they did not have the right paperwork. This included people with newborn babies.

Svitlana and the Deloitte team talked to Ukrainian authorities, as well as governments in other countries, to find a solution.

The European Union agreed to activate the 2001 EU Temporary Protection Directive for the first time on 4 March 2022 – an exceptional measure never used before. It gives people the right of residence, work, accommodation and means of subsistence in member states for a year, with the possibility to extend for another.

Building on their experience, the Immigration team set up hotlines for clients so Ukrainian employees, relatives and friends can reach out for support. They prepared a practical paper summarising the options for Ukrainian nationals in every European country as well as the US, Canada and Brazil. It explains what the Temporary Protection Directive is and how it works in each location.

"Being Ukrainian, and with my family still there, it was important for me to be involved," said Svitlana. "It's been such a traumatic experience for people leaving Ukraine; it hasn't just been about knowing the law, but also being able to say, 'everything will be fine, we will get through this.'"

To date, Svitlana and the wider Deloitte team have helped hundreds of people. She has also volunteered on the ground, offering legal advice on Ukraine's border.

# Our Tax Policy

## **This policy applies to Deloitte LLP and all UK entities in its group.**

We apply the standards set out in the Professional Conduct in Relation to Tax to both our own tax affairs and when advising clients. This policy covers our approach to arranging our own tax affairs.

Ensuring that we pay the right amount of tax, in the right place, at the right time is core to our commitment to being a responsible business and Deloitte LLP makes a significant contribution to the UK Exchequer each year.

Our tax policy comprises five key components:

### **1. Commitment to compliance**

We are committed to compliance with tax law and practice in the UK. Compliance for us means paying the right amount of tax in the right place at the right time. It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

### **2. Responsible attitude to arranging our tax affairs**

In structuring our commercial activities we will consider – among other factors – the tax laws of the countries in which we operate, with a view to maximising value on a sustainable basis for our partners or employees.

For example, we will often look to take steps to reduce the risk of double taxation (i.e. the same income being taxed twice in two different jurisdictions).

Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on our reputation and broader goals. We will not put in place any arrangements that are contrived or artificial. We prepare all UK partners' tax returns in accordance with Professional Conduct in Relation to Tax.

### **3. Effective risk management**

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and nature of our compliance arrangements. We actively seek to identify, evaluate, monitor and manage these risks.

Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought, particularly in relation to our international tax obligations.

We have a rolling programme of Internal audit activity focused on our tax controls.

We seek to adhere to the low-risk characteristics set out in HMRC's Business Risk Review methodology.

### **4. Constructive approach to engaging with HMRC**

We engage with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Wherever possible, we do so on a real time basis, to minimise tax risk.

Whilst we will not take positions on tax matters that may create reputational risk or jeopardise our good standing with taxing authorities, we are however prepared to litigate where we disagree with a ruling or decision of a tax authority, having always first sought to resolve any disputed matters through active and transparent discussion.

### **5. Board ownership and oversight**

This tax policy is aligned with our Ethics Code and is approved and owned by the Executive and overseen by the Board. It is published in compliance with the requirements of Paragraph 16(2) and Paragraph 25 of Schedule 19 to the Finance Act 2016. It applies for the financial year ending 31 May 2023 and all subsequent years until superseded.

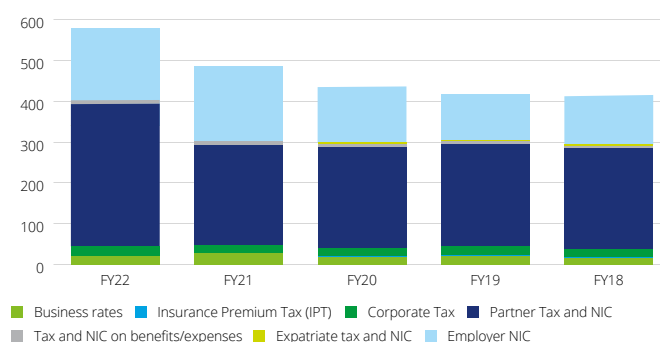
# Our taxes paid and collected

Deloitte makes a significant contribution to the UK Exchequer through the taxes paid by the members and the business. In total this is estimated to be £594m in respect of the past year (2021: £485m). The partnership itself does not pay tax as UK tax rules look through a partnership to its members.

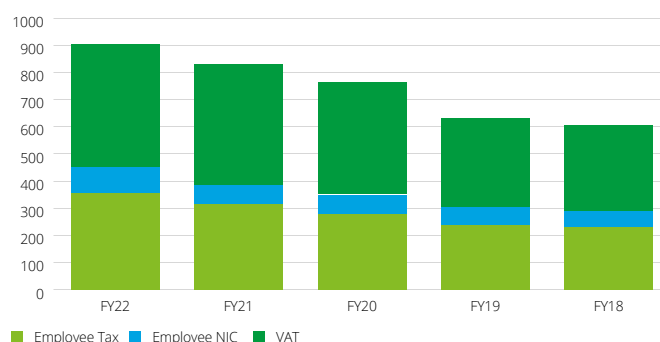
The tax borne by the members of Deloitte relates to the profits earned by them. Income tax and national insurance payable by members on the current year profits arising in the UK are estimated to be £368m (2021: £286m). This resulted in an average effective rate of tax for members of approximately 55.44% (2021 51.46%).

In addition, Deloitte has collected business taxes on behalf of the UK Exchequer of £902m (2021: £838m) which includes employee tax and national insurance of £451m (2021: £386m) and VAT of £452m (2021: £452m).

**Taxes paid by Deloitte in the UK (£m)**



**Taxes collected by Deloitte in the UK on behalf of others (£m)**





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