

# SAS Software Limited Tax Policy

## 1. Introduction

### 1.1 Background

The principal activity of SAS Software Limited is to licence software to business customers, typically on an annual basis, and to provide professional services, most notably consultancy, training, hosting and remote managed services, to support the installation, adoption and use of the software licensed.

This document sets out the strategic tax objectives of SAS Software Limited.

### 1.2 Approval

The North EMEA Finance Director is responsible for leading the Tax Policy which is approved by the Executive Management team.

The document will be periodically reviewed and any amendments will be approved by the Executive Management team. It is effective for the year ended 31 December 2017.

### 1.3 Audience

This document is primarily of relevance to the Finance Team together with the Executive Management team who are responsible for tax across the Company.

The policy is available to all employees and can be found on the Company's intranet and website.

### 1.4 Scope

The following taxes are in scope:

- All direct taxes including Pay As You Earn (PAYE) and Corporation Tax (CT)
- All indirect taxes including VAT and Customs and Excise Duty
- The policy applies to:
  - Tax compliance of all in scope taxes
  - Tax financial reporting

## 2. Tax Policy

### 2.1 Summary

SAS Software Limited is committed to paying the right amount of tax required under the laws and regulations of UK tax legislation and practice. It takes a conservative approach to tax planning, and does not pursue aggressive tax planning arrangements. The Company uses third party advisors to provide advice and guidance necessary to assess the tax risks and ensure its compliance with applicable laws, rules, regulations, and reporting and disclosure requirements.

### 2.2 Tax Objectives

#### **Risk Management and Governance**

The Company operates effective tax governance, understanding the tax risks in place and ensures that senior personnel with the appropriate skill and experience are involved in key tax decisions.

The Company uses third party advisors to provide advice and guidance necessary to assess tax risks and ensure its compliance to applicable laws, rules, regulations and reporting and disclosure requirements.

The Company wants to ensure that it pays an appropriate amount of tax in relation to its commercial activities. It does not engage in aggressive tax planning arrangements, and believes that it's conservative in its approach to tax planning, applying tax rules and regulation in the manner in which intended by the tax authorities, statute, and the courts.

SAS Software Limited has a clear overview of its tax risk which is documented in its tax risk register. Any matters where there is considered to be an unexpected, previously unidentified, or un-provided tax exposure are discussed between the Finance Director and the Executive Management team as may be appropriate.

The Company has a capable Finance team with clear roles and responsibilities to ensure compliance with tax and financial requirements. Staff are suitably skilled, and training is offered as considered relevant. In cases of uncertainty, matters will be referred to the Finance Director who may seek advice from external professional advisors, or seek advice from HMRC direct for assistance in interpretation of application of tax rules.

### **Attitude towards tax planning and level of risk it is prepared to accept**

The Company aims to maintain a low risk rating with HMRC and takes a conservative approach to tax planning. We do not pursue aggressive tax planning arrangements and where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws shall be considered.

We seek to be efficient in our tax affairs but ensure that any planning is based on sound commercial principles, taking advantage of the reliefs and incentives that exist whilst showing respect for the intention of the law, as well as the letter of the law, at all times.

The Company will use incentives and reliefs to minimise the tax costs of conducting its business activities, but will only undertake arrangements which they reasonably believe do not contradict the spirit of the law. Furthermore, SAS Software Limited does not engage in any artificial tax arrangements and will not establish business in tax havens.

SAS Software Limited is a wholly owned subsidiary of SAS Institute Inc. based in the United States of America. The SAS group has an adverse appetite to tax risk and provides guidance to the group accordingly. The responsibility of the group's tax affairs resides with the Chief Tax Officer, who is supported by a team of international tax specialists. Global tax policy and Country by Country reporting responsibility is retained by the parent company. All local taxation responsibility resides with the local Finance Team.

### **Approach to dealing with HMRC**

SAS Software Limited is committed to working in a collaborative, transparent and proactive way with HMRC at all times seeking open and early dialogue with HMRC to discuss the Company's tax affairs. We seek advice in cases of uncertainty of doubt and the Company is committed to making fair, accurate and timely disclosure in correspondence and returns, and respond to queries raised by HMRC in a timely manner.

SAS Software Limited has an open and transparent relationship with HMRC and values the trust which HMRC places in the business to correctly deliver taxes due. In all dealings with HMRC, SAS Software Limited seeks to maintain and further build on this relationship through proactive engagement.

## **3. Governance**

The Executive Management team acknowledges that it has responsibility for fully complying with the tax laws in all relevant jurisdictions.

The Executive Management team is responsible for establishing the overall governance and approving the tax policy. However, management authority for the day to day operation of the business is delegated to the Financial Controller. Tax is considered as part of the overall governance framework.

To ensure that the Tax Policy is delivered, diligent professional care and judgement is employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed.

### **3.1 Structure and organisation**

The organisation of the management of tax across the Company can be described as follows:

***Finance Team***

SAS Software Limited is supported by an appropriately qualified and experienced Finance team and invests in their continued professional development. The Finance team employs various risk management processes and systems to provide assurance that the requirements of the Company's tax policy are met.

***Use of Professional advisors***

Where it is believed that there is insufficient skill or experience internally, matters are referred to external professional advisors who have suitable knowledge of the Company and hold suitable accounting and tax qualifications, as well as relevant experience.

As an employer with a large number of employees, Corporation tax alone is not a balanced reflection of the total tax contribution made by SAS Software Limited.

The Executive Board of SAS Software Limited recognises that compliance with tax filing and payment obligations is one of its key responsibilities. In common with all aspects of the operation of its business, the oversight is assigned to the Finance Director, whose responsibility is to apprise the Board of key tax events. This allows all Board members to be adequately engaged in the tax affairs of the business and thereby ensure SAS Software Limited is adhering to its responsibilities.