

University of Oxford Tax Strategy



2024

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1. Purpose

This document records the University's Strategy regarding UK and overseas taxation for the financial year ended 31 July 2024/25. The University regards its publication as complying with its duty under Finance Act 2016 Schedule 19 paragraph 16(2).

2. Scope

This tax strategy applies to the University of Oxford and all its related, subsidiary entities in accordance with paragraph 16 of Schedule 19 to the Finance Act 2016. The University comprises around two hundred departments which constitute the four academic divisions, the Oxford University Press, the Gardens, Libraries and Museums division, and the University Administration and Services. A list of the subsidiaries to which it applies is included in section 12 below.

References to "UK Taxation" are to the taxes and duties set out in paragraph 15(1) of Schedule 19 of the Finance Act 2016, which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax. References to "tax", "taxes", "taxation" are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the University has legal responsibility.

3. Taxation Status

In the UK, the University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 472-488 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992. This includes teaching, research, publishing, ancillary services, royalties, most investment income and chargeable gains to the extent it is applied to exclusively charitable purposes.

In the UK, the University is partially exempt for VAT purposes as the provision of education by an 'eligible body' is a core exempt supply in relation to other supplies. The methods of attribution and accounting for VAT are defined in a Partial Exemption Special Method agreed with HM Revenue & Customs.

In the UK, commercial trading activities and fundraising undertaken by the University are operated through its subsidiary companies. This income will attract applicable VAT and the profits are liable to Corporation Tax. However, the taxable profits made by these companies are covenanted to the University and paid under Gift Aid which negates that liability.

In the UK, the University is also a major employer. The University operates in line with the Higher Education National Framework Agreement and participates in the Universities Superannuation Scheme.

Overseas, a range of different structures is operated whose status derives from applicable local legislation.

4. Objectives

The Tax Strategy has four core objectives:

- (1) To comply with mandatory tax, compliance and reporting requirements;
- (2) To manage the tax risks and opportunities arising from routine operations;
- (3) To support furtherance of the University's charitable objectives.
- (4) To communicate and coordinate with HMRC, where appropriate.

5. Responsibilities

The University recognises the following responsibilities in defining its Tax Strategy:

- (1) Statutory obligations;
- (2) Reporting responsibilities, including those to tax authorities and the Office for Students (OfS);
- (3) The duty of a trustee to manage finances with the care and skill of a prudent person;
- (4) To make prompt and open disclosure of all identified tax errors or inaccuracies to the relevant authorities;
- (5) To follow appropriate internal governance procedures;
- (6) An ethical duty to make prudent and appropriate use of public funding;
- (7) Obligations to research funding bodies where appropriate;
- (8) Contractual and fiduciary responsibilities.

6. Guiding Principles

These are the Guiding Principles to the management of the University's taxation:

- (1) To account for tax liabilities in a timely and accurate manner;
- (2) To maintain documented procedures and controls;
- (3) To undertake only transactions or structures that support the University's charitable aims, using legitimate opportunities to minimise tax liabilities;
- (4) To not sanction arrangements with any third parties other than at arm's length terms;
- (5) To make early and open disclosure to the applicable authority of all known tax errors and inaccuracies, and initiate discussion of potentially contentious developments;
- (6) In the UK, to promote a dialogue with HM Revenue & Customs using a risk based approach to tax compliance; ensuring that we maintain
 - i. A transparent relationship with HMRC;
 - ii. An open dialogue and regular communication with our CCM, and

- iii. That any inadvertent errors in returns and submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.
- (7) To employ suitably qualified tax staff deemed 'fit and proper'; to support Continuing Professional Development;
- (8) To seek professional advice in specialist areas beyond in-house experience, where appropriate;
- (9) To justify any arrangements within these Guiding Principles that fall under the regimes for disclosure schemes;
- (10) To involve key stakeholders in regular liaison and embed taxation at decision making across the organisation;
- (11) To participate in Higher Education sector discussion and to share best practice, as appropriate;
- (12) To keep abreast of changes in legislation and sector guidelines and to communicate meaningful information to stakeholders as appropriate.

7. Risk Assessment

The University fully engages with HM Revenue & Customs to review inherent risks relating to taxation.

Specific risk factors include

- the complexity of the University as one of the leading universities in the world with a highly-developed organisational structure and increasingly diverse academic activities, including international activities and the Press's global operation;
- the HE sector carries high level of tax compliance requirements reflecting the various tax reliefs open to charitable bodies; and
- the fast pace of change driven by the exploitation of digital opportunities and an increasing focus on commercialisation.

8. Internal Control Framework

The University's system of internal control provides assurance over the governance, operational, compliance, management, quality, reputational and financial risks to the University. The system of internal control is designed to manage the principal risks to the achievement of the University's aims and objectives efficiently, effectively and economically; to safeguard the assets for which Council is responsible, including public funds and other assets; and to ensure that liabilities incurred are recorded and managed effectively. These internal control procedures help to ensure that underlying data used in statutory and tax reporting are accurate and reliable.

The University's Financial Regulations are designed to ensure the proper use of University financial resources, satisfying the University's requirements for accountability, internal control, and the

management of financial risk; fulfil any legal or financial obligations established by HM Revenue & Customs, the Office for Students, and other government agencies; and form part of a management framework, designed to ensure that resources are being effectively applied and support the implementation of the University's Strategic Plan.

The University maintains comprehensive web-based documentation of its Financial Regulations, financial processes and controls. These are supported by risk based financial assurance, internal audit and external audit programmes, and additional assurance is provided by independent audits carried out by funding bodies. The University's Audit and Scrutiny Committee provides an annual opinion to Council on the adequacy and effectiveness of the University's system of internal control.

9. The University's Attitude to Tax Planning

The University is committed to acting honestly and with integrity. It aims to meet all its statutory obligations, ensure that the right amount of tax is paid at the right time and that returns are made on a timely basis. The University ensures that the groups activities are carried out in a tax efficient manner and any planning is undertaken in this context. The University's policy is not to undertake an aggressive interpretation of the tax legislation or use tax avoidance schemes. The University will apply the relevant tax laws in a reasonable manner and in the spirit, they are intended, such as making use of the appropriate reliefs and exemptions permitted by the legislation.

10. Risk Management and Reporting

The University's objectives for risk management are to align risk management with the University's objectives (as set out in the Strategic Plan and elsewhere); to appraise and manage risks and opportunities in a systematic, structured and timely manner, in accordance with best practice; to strengthen decision-making, prioritisation and planning; to achieve the appropriate balance between stability and innovation; and to assign accountability and responsibility for risk within the University. The University's Audit and Scrutiny Committee provides an annual opinion to Council on the adequacy and effectiveness of the University's arrangements for risk management.

In light of the above, the University's approach towards risk in relation to UK taxation is with the aims of:

- reducing tax risks as far as possible,
- achieving certainty of taxation treatment where possible, and
- ensuring that all tax submissions are timely, accurate, complete, and subject to full disclosure.

11. Stakeholders

The key stakeholders in the University's Tax Strategy are:

- (1) The Vice Chancellor and the Registrar, who will represent the Tax Strategy in various University forums and committees, including Council;



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- (2) The Chief Financial Officer, who will oversee the University's Tax Strategy and advise the Finance Committee;
- (3) The Director of Legal Services, who will advise upon the interaction of tax and charity legislation in respect of the University's aims and objectives;
- (4) The Director of Estates, who will advise upon University property developments and ensure that due consideration is given to their tax efficiency;
- (5) Heads of Division and Department, who will ensure that staff are aware of working within the University's Tax Strategy;
- (6) Directors of Finance, or equivalent, in subsidiary companies who will oversee the Tax Strategy within their companies;
- (7) The Tax Teams who will act as professional tax advisors to the University in support of the Tax Strategy.

12. Subsidiary bodies of the University

Africa Research Collaboration for Health Limited	Oxford University Innovation (Hong Kong) Limited
Bab.la GmbH	Oxford University Innovation Centres Limited
Denting Keyayaan SDN. BHD	Oxford University Innovation Limited
Ecosystem Capital Limited	Oxford University Press (China) Limited
Endowment Estates Limited	Oxford University Press (Cyprus) Limited
Instruct Academic Services Limited	Oxford University Press (Macau) Limited
Jenner Vaccine Foundation	Oxford University Press (Shanghai) Limited
OELT Limited	Oxford University Press (Singapore) Ltd
OUC Investments Limited	Oxford University Press Argentina S.A.
OUP Egypt Limited	Oxford University Press do Brasil Publicacoes Limitada.
OUP Group Pension Trustee Limited	Oxford University Press East Africa Limited
OUP India Private Limited	Oxford University Press Espana S.A
OUP Properties SA (Pty) Limited	Oxford University Press GmbH
OUPM Limited	Oxford University Press India Private Limited
Oxford Advanced Research Centres Limited	Oxford University Press Kabushiki Kaisya
Oxford Fajar SDN. BHD.	Oxford University Press Korea Limited
Oxford in Berlin gGmbH	Oxford University Press Lesotho (Pty) Limited
Oxford Information Limited	Oxford University Press Mexico S.A. de C.V.
Oxford Limited	Oxford University Press Namibia (Pty) Limited
Oxford Mutual Ltd	Oxford University Press ORBIS (Pty) Limited
Oxford NDM-Overseas Limited	Oxford University Press Polska Sp. Z.O.O.
Oxford Publishing (Malaysia) SDN. BHD.	Oxford University Press Southern Africa (Pty) Ltd
Oxford Publishing Limited	Oxford University Press Srl
Oxford Reference Limited	Oxford University Press Tanzania Limited
Oxford Research South Africa Limited (UK and South Africa)	Oxford University Property Development Ltd
Oxford Saïd Business School Limited	Oxford University Trading Limited
Oxford University (Beijing) Science & Technology Co. Limited (In Liquidation)	Oxford Yayincilik Limited Serketi
Oxford University (Suzhou) Science & Technology Co. Limited	Oxuniprint Limited
Oxford University Clinic LLP	The Gray Laboratory Cancer Research Trust
Oxford University Development (North America), Inc.	TOF Corporate Trustees Limited
Oxford University Development Limited	University of Oxford China Office Limited
Oxford University Endowment Management Limited	Voltaire Foundation Limited (in dissolution)
Oxford University Farm and Woodland Limited	Warneford Park LLP
Oxford University Fixed Assets Limited	