



Tax Policy and Strategy

Finance Services

December 2025

1. Background and Compliance

1.1 The University of Exeter is committed to ensuring that it operates within professional guidelines across the board and tax is no exception. Under HMRC guidelines, Finance Services' Tax Policy and Strategy outlines the University's approach to tax management and good governance based around professional advice and good practice across the sector. Governance is managed through Dual Assurance and the Tax Strategy is reviewed annually by Finance Services before seeking approval through the formal Dual Assurance/ViceChancellor's Executive Group structure.

1.2 Overarching Principles

The Tax Policy of the institution is consistent with the overall values and Corporate Strategy of the University and will consider reputational risks, corporate and social responsibilities. The Policy ensures that the institution:

- is compliant with tax laws, rules, regulations and reporting requirements in all its operations;
- builds strong relationships with, and trust of HM Revenue and Customs (HMRC) to develop a collaborative approach;
- consider risk management in all areas where tax has an input, operating within institutional guidelines on risk; and
- ensures effective governance and quality assurance are in place.

1.3 The institutional approach to tax planning aims to reduce tax costs within the spirit of the legislation and the University will not engage in tax avoidance but will look to optimise its tax position through reliefs and tax structures supporting the business model adopted. Savings will be reinvested into the University's core activities. However, the University will not look to aggressively gain tax advantages or operate outside of the spirit of current legislation and will make appropriate tax payments as required. In situations where a due amount is unclear the University will make a decision using relevant expertise and advice. External professional advisors may be required in these circumstances. Appropriate disclosure will be made to HMRC, where appropriate, ensuring a transparent approach to tax matters.

2. Governance and Risk

2.1 The University operates within its Statutes and Ordinances, is overseen by the Governing Body - the Council - and managed by the Vice-Chancellor Executive Group (VCEG). The high level work of Council is conducted through Dual Assurance. This model involves a VCEG executive taking responsibility for the management and development of policy in a particular area of business and a lay member of Council who provides assurance to Council that this activity is well managed and that decisions have followed due process with appropriate consultation. The University's leadership team are fully signed up to the Tax Policy and Tax Strategy and are duly consulted where appropriate. Delegated authority for leadership of the institution lies with the Vice-Chancellor's Executive Group with financial matters being managed by the Chief Financial Officer. An Audit Committee is also in place to assure the University's arrangements for the management of risk and control systems. The tax function will be involved in planning and advising around a wide range of University activities, including:

- routine tax compliance;
 - large-scale capital projects;
 - international projects and activities;
 - staffing implications covering rewards and benefits and global mobility;
 - significant transactions; and
 - new legislation and processes around tax compliance.
- 2.2 A Tax Manager has been put in place to manage all tax affairs, working within Finance Services. The post reports to the Deputy Director of Finance and ultimately the Chief Financial Officer is the responsible person who determines the degree of risk appropriate to activities. Consultation with Dual Assurance, the Vice-Chancellor's Executive Group and other colleagues is undertaken when required. Risk is given a high priority and managed on a case by case basis. The University's reputation is of paramount importance at all times and decisions are taken in a structured way taking into account overall governance requirements. Risk will, at all times, take into account the impact on:
- the University's reputation;
 - short-and long-term ambitions; and
 - relationships with HRMC, particularly around unclear or disputed areas.
- 2.3 A risk assessment will be undertaken and classified as low, medium or high. Likely assessment of risk will include:
- a summary of the issue;
 - likelihood of risk coming to fruition; □ impact on the institution; and □ proposed mitigation of risk.
- 2.4 The Tax Manager has extensive experience and other members of Finance Services carrying out duties related to tax, eg compiling statutory returns, ensuring the University is compliant with all tax matters are appropriately qualified. All members of the team engage in regular Continual Professional Development and are involved with the British Universities Finance Directors Group (BUFDG) and appropriate training to ensure they are kept up-to-date with current tax legislation and best practice. The tax function will ensure compliance with legislation requirements and deadlines and defend the institution's position on tax at all times. Decisions will only be taken following appropriate discussion and documentation and consideration of risk. Professional advisors are used in circumstances when additional advice is deemed appropriate.
- 2.5 Risk is managed by ensuring there are sufficient processes and controls in place to meet University requirements, including through compliance, monitoring, internal reviews, and regular consideration of the risk register. The Tax Manager advises staff across the institution to ensure a thorough understanding of the legislation and compliance regulations is in force. Departments across the University are provided with up-to-date information through the intranet, FAQs and training. Staff are encouraged to make contact with the Tax Manager and colleagues within Finance Services proactively for provision of appropriate tax advice to aid compliance.

3. Relationship with HMRC

3.1 A key factor in managing tax within the University is the institution's relationship with HMRC. At the University of Exeter relationships are positive. The University meets all of its statutory and legislative tax requirements through the Financial Services team. The institution aims to maintain a professional relationship with HMRC through collaboration and consultation and operating in a transparent and constructive manner, thereby building mutual respect and a trusting relationship. The tax function will, at all times:

- begin discussions around tax planning, strategy, governance and risk in a pro-active manner particularly where significant transactions are to be made, and ensure that risks of future challenge are minimised;
- work in a timely fashion with professional advisors and the tax authorities in cases where uncertainty around the tax treatment is likely;
- ensure the University's standards and ethical values are complied with when dealing with tax issues;
- be compliant with anti-bribery legislation;
- operate in a professional, open, honest, courteous and timely manner with the tax authorities;
- work with appropriate authorities should any disagreements arise to ensure that issues are able to be resolved and relationships are not damaged during the process; and
- seek to engage in regular discussion across the sector through appropriate channels, such as BUFDG, and respond to Consultations as required.

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