

## **The Depository Trust & Clearing Corporation U.K. Tax Strategy**

The Depository Trust & Clearing Corporation (“DTCC”) is publishing this strategy statement in relation to its United Kingdom (“U.K.”) subsidiaries’ approach to tax risk management and attitude to tax planning in the U.K. This statement is for the financial year ending 31 December 2021 and is made in compliance with the requirements outlined in Part 2 of Schedule 19 of the Finance Act 2016. The strategy below applies to taxes in the U.K.

This document sets out DTCC’s UK strategic tax policy. We are committed to the following key principles in conducting our tax affairs:

- We comply with and fulfill our statutory obligations as required by the tax laws of the jurisdictions in which we operate.
- We align our tax strategy with DTCC’s overall business strategy and in consideration of DTCC’s corporate governance and risk management policies.
- We apply professional diligence and care in managing tax matters.
- We use available permitted incentives and reliefs to achieve the most tax efficient outcome.
- We do not undertake purely artificial transactions to obtain a tax benefit; all of our transactions must have a business purpose or commercial rationale.

### **Risk Management and Governance**

The responsibility for DTCC’s tax strategy, risk and the supporting governance framework is the responsibility of the Chief Financial Officer (“CFO”). Day to day responsibility for these functions sits with the Global Head of Tax who reports to the CFO. The DTCC Tax department consists of qualified and experienced finance professionals and works with the Global Controller’s organization, which is similarly staffed, to manage DTCC’s tax affairs globally. A full time, UK based role has been created within the Tax department, reporting directly to the Global Head of Tax, to assist in managing the UK tax affairs of the group, with sufficient UK tax qualifications and experience.

DTCC has robust internal procedures and compliance programs to ensure DTCC meets its tax compliance responsibilities. Those procedures are reviewed and tested by DTCC’s Internal Audit department.

Our tax strategy aligns with DTCC's wider risk management framework. As and when required, significant risks and issues related to tax are escalated to DTCC's management committee and relevant board committees.

## **Tax Planning**

DTCC recognizes that it has a responsibility to pay an appropriate amount of tax in the U.K. In structuring our business operations, we adhere to UK tax laws, amongst other considerations, with a view to sustainably minimizing

our tax liabilities. DTCC will not undertake any tax planning that cannot be sustained by the commercial requirements of the group and does not have economic substance. DTCC will not undertake any tax planning unless DTCC believes that the strategy is compliant with tax legislation and more likely than not to succeed

## **Tax risk**

DTCC sees compliance with tax legislation as key to managing DTCC's tax risk. DTCC's attitude towards risk is to be compliant in the U.K. Where there is significant uncertainty or complexity relating to an identified risk, external professional tax advice may be sought. DTCC uses reputable tax advisers to assist in the fulfilment of its tax compliance responsibilities where it does not have appropriate local resources internally.

DTCC aligns its transfer pricing policy with the Organisation for Economic Co-operation and Development (OECD) guidelines and the guidelines of the jurisdictions in which DTCC operates. DTCC applies the arm's length standard when remunerating the parties in intercompany transactions. We seek professional opinions and advice from independent external advisors, as needed.

## **Relationship with Her Majesty's Revenue & Customs (HMRC)**

DTCC engages with HMRC in a transparent manner, with the highest degree of integrity, in order to foster cooperation and trust. DTCC seeks to handle any queries or disputes through pro-active discussion with HMRC.

Should they arise, we will work with HMRC with honesty, integrity, respect, fairness, and work collaboratively to resolve disputes and obtain certainty.

Should they arise, we will respond to HMRC's information requests in a timely manner and with full and open disclosure of relevant information.