London School of Economics and Political Science

Tax strategy

Introduction

London School of Economics and Political Science (the ‘Group’) is committed to ensuring that it continues to meet its responsibility for governance, risk management and decisions made in relation to taxation. We aim to comply fully with our legal obligations and engage openly with tax authorities and other stakeholders whilst also effectively managing our tax expense.

These tax principles apply to the whole of the Group’s activities.

Our approach to tax risk management and governance arrangements:

- Our tax principles have been approved by Council on 21st November 2017 and revalidated by the Finance Director on 25th March 2019.
- The Group operates a framework to manage its tax risks. This involves having a specialist in-house tax team with the appropriate qualifications and experience, supported by advisors. There are regular meetings involving relevant departments and the tax team to identify, assess, manage and monitor tax risks arising from operations. Any significant issues identified are reported to the Finance Director who will brief the School’s Finance Committee as appropriate.
- There is a robust Senior Accounting Officer process, which consists of an annual organisation-wide tax accounting compliance assessment, sign-off by the School’s Financial Controller and subsequent review and certification by the School’s Finance Director.

Our attitude towards tax planning:

- In line with our Group values, we undertake tax planning that supports genuine charitable, and commercial activities and transactions. We seek to achieve this by:
  - Identifying and considering both potential tax costs and tax opportunities arising from proposed charitable, and commercial transactions.
  - Not using contrived or artificial tax structures that have no economic substance.

The level of risk in relation to taxation that we are prepared to accept:

- We seek to establish the tax consequences of transactions beforehand, taking advice where necessary from external advisors, and where appropriate, seeking confirmation from a relevant tax authority. However, we recognise that there may be instances where the complex nature of the underlying legislation means that it is not possible to gain assurance in relation to a transaction. In such cases, we will liaise with our external auditors to determine whether the possible risks should be provided for in our accounts.

Our approach towards dealing with tax authorities:

- We believe in constructive, open and timely dialogue with tax authorities; seeking to sustain mutually respectful relationships with national tax authorities based on transparency and mutual trust. We undertake all dealings with them in a professional, courteous and timely manner. We collaboratively work with them to achieve early agreement on disputed issues and certainty on a real-time basis, where possible.

List of the entities to which this document applies:

London School of Economics and Political Science
LSE Lets Ltd
LSE Enterprise Ltd