The BBC's approach to risk management and governance

This paper is published in accordance with paragraph 16 (2) Schedule 19 Finance Act 2016.

The BBC's mission is to enrich people's lives with programmes and services that inform, educate and entertain. Its vision is to be the most creative organisation in the world. Employing over 21,000 staff the BBC is able to reach audiences in over 200 countries around the world, and delivers news, factual and creative content on a variety of platforms, including TV, radio, BBC iPlayer and the internet.

The BBC is subject to a range of taxes globally including, but not limited to, employment taxes, VAT, corporate tax, stamp duties and other local levies.

The BBC is committed to paying the right amount of tax at the right time, in all the jurisdictions in which it operates. The BBC recognises the importance of paying the right amount of tax for the communities in which it operates, and takes its tax compliance obligations seriously. In order to manage risk and governance, the BBC has undertaken a number of actions including:

- Team – the BBC has a team of appropriately qualified tax professionals based in the UK. This includes specialists in VAT, employment taxes and corporation tax. The team manages UK tax compliance and advises on tax issues arising in the UK and overseas.
- Business partnering – the tax team partner with the BBC divisions and subsidiaries to proactively engage on new developments, to provide timely advice, and ensure they are kept up to date with changes in the tax legislation.
- Tax controls – tax matters are proactively managed by having robust business controls and processes which are reviewed on a regular basis.
- Training – the tax team keep up to date through regular professional and industry training. In turn the tax team provides updates and training to the business
- New jurisdictions – the tax team recognises that BBC teams are often called upon to work in new territories. Where this is the case care is taken to ensure that a thorough understanding of the tax and filing requirements in those countries

Attitude towards tax planning and risk

The BBC's attitude to tax planning is in line with our Code of Conduct.

The BBC manages its tax affairs within the framework of the taxes legislation for the UK and the other jurisdictions in which it operates. Where the taxes legislation is not clear, the BBC follows the generally understood interpretation of the law, with the assistance of external advisors and seeks engagement with tax authorities to resolve any uncertainties. The BBC does not enter into any transactions with a view to artificially or aggressively reducing its tax liability.

The BBC has a low tolerance to tax risk, as demonstrated by its attitude to tax planning and governance. Assessment of tax risk takes into account not only the financial amount at stake, but also the reputational consequences of the matter in question.

Approach to dealing with HMRC
There is a constructive and continuing dialogue with HMRC on new issues, consultations, any changes to tax legislation or compliance requirements throughout the year. The BBC communicates with HMRC in an open, transparent manner and responds in a timely manner to queries and requests for information.