

## UK Tax Strategy

This statement applies to the accounting period ended 30 June 2024.

At Microsoft, we strive to create local opportunity, growth, and impact in the United Kingdom and every country around the world. From our inception, Microsoft has worked to democratise and personalise technology for every person and every organisation. Microsoft's technology has contributed to the achievement of many individuals and organisations in every corner of the world. The way Microsoft does business, including the economic impact from the taxes we pay in the UK and worldwide, also reflects the role technology can play in increasing opportunity around the world.

The following statement sets out the tax strategy of Microsoft in the UK in accordance with the provisions of section 19(2) of Schedule 19 Finance Act 2016. This tax strategy applies to all Microsoft UK group companies for which Microsoft Corporation is the ultimate parent company.

### **Our approach to tax governance and tax risk management**

Ultimate responsibility for management of all tax matters for Microsoft and its subsidiaries rests with our Chief Financial Officer (CFO). Day-to-day responsibility is delegated by the CFO to the Corporate Vice President, World-wide Tax & Customs (CVP Tax). A team of qualified experienced tax professionals support the CVP Tax to meet our tax obligations. The Audit Committee of Microsoft Corporation's Board of Directors provides regular oversight of tax matters, along with the full Board as appropriate. The Board of Directors for the Microsoft UK group of Companies also provides oversight for UK tax matters.

We are committed to complying with all of the tax laws and practices of the countries in which we do business, including the UK. We proactively identify and manage tax risks and continuously monitor changes in tax law and practice.

As a dynamic business developing new innovative technologies we can encounter uncertainty in respect of the taxation treatment of our products or transactions we undertake. This can give rise to risk with respect to the application or interpretation of complex tax legislation. We routinely seek external professional guidance to reduce such uncertainty when required.

## **Our attitude to tax planning**

We manage our tax affairs so as to support the commercial and investment objectives of our business. Our overriding principle is to comply fully with all relevant and applicable tax laws. Microsoft's current approach to tax is guided by a desire to allow us to keep up with a rapidly evolving technology environment, and to enable Microsoft's global business to better execute on the company's mission. We interpret UK tax law in a reasonable manner taking into account both the purpose and intent of that law. We seek external professional guidance when required.

When appropriate to our business, we will seek to apply UK tax incentives and exemptions in the manner in which they are intended.

## **Level of acceptable tax risk**

We do not have prescribed levels of acceptable tax risk. We consider tax risk on a case by case basis taking into account the relevant facts and circumstances. We employ experienced tax professionals to identify uncertainties and ensure risks are fully assessed. Where appropriate we seek external professional advice.

## **Working with HMRC**

Microsoft is committed to working with HMRC in a cooperative, transparent and compliant manner. We provide all information required by HMRC to understand our business, to review our tax returns and to assess tax risks. We work collaboratively with HMRC seeking to conclude matters on a timely basis. Where material uncertainty exists in relation to the application or interpretation of UK tax law, we will pro-actively discuss with HMRC to resolve.

Date: 1 July 2023