BRITISH BROADCASTING CORPORATION ('BBC')

TAX STRATEGY – FINANCIAL YEAR ENDING 31 MARCH 2026

This paper sets out the BBC's tax strategy and is published in accordance with paragraph 16 (2) of Schedule 19 of the Finance Act 2016.

It outlines the BBC's approach to managing UK tax risks, tax planning, governance, and its relationship with HMRC.

The tax strategy applies to the financial year ending 31 March 2026.

1. Overview of the BBC

The BBC is the world's leading public service broadcaster, producing programmes and services for audiences throughout the UK, and across the globe. Its mission is to enrich people's lives with programmes and services that inform, educate, and entertain. Employing over 21,000 staff the BBC is able to reach audiences in over 200 territories around the world, and delivers news, factual and creative content on a variety of platforms, including TV, radio, and online.

2. Tax Strategy

The BBC is subject to a range of taxes globally including, but not limited to, employment taxes, indirect tax such as VAT, corporate income 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 and/or oversees UK tax compliance. It also advises on tax matters arising in the UK and overseas. The UK tax team is supported by in-house professionals in the US and India, together with the BBC's finance function and external advisors.
- Business partnering – the tax team partner with the BBC divisions and subsidiaries to proactively engage on new developments, to provide timely advice, and ensure that the business divisions 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 divisions, and in particular to the finance teams.
- 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 the team has a thorough understanding of the tax and filing requirements in those countries, using external advisors where required.
- Governance – the tax team report to the Audit and Risk Committee on a quarterly basis.

The BBC's tax strategy reflects its unique role as a publicly funded broadcaster committed to serving UK audiences with integrity, transparency, and accountability. It aligns with the BBC's broader strategic objectives, including its public purposes under the Royal Charter, and supports both its public service and commercial operations.

The tax strategy is embedded across the BBC Group, including BBC Studios and other commercial subsidiaries, ensuring consistency with our values and operational priorities.

3. Approach to Tax Risk Management

The BBC maintains a low tolerance for tax risk, consistent with its public accountability and ethical standards, and as demonstrated by its attitude to tax planning and governance. Tax risks are managed through:

- Defined escalation procedures for complex or material tax matters.
- Integration of tax risk considerations into strategic decision-making, particularly for commercial ventures and international operations.
- Periodic internal audits and compliance reviews to ensure adherence to policy and legislation.
- Where the tax 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.
- In instances where tax uncertainties arise, the tax team undertake an assessment to determine the necessity of recognising tax provisions in accordance with IFRIC 23, and such provisions will be duly recorded as appropriate.

4. Governance and Oversight

Tax governance is overseen by the Audit and Risk Committee, with delegated authority across the BBC Finance function. The Audit and Risk Committee receive updates on tax matters, including:

- Monitoring of emerging tax risks and regulatory changes.
- Assurance reporting on internal controls and compliance.

5. Attitude to Tax Planning

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

The BBC engages in responsible tax planning only where it supports genuine commercial activity and complies fully with UK and international tax laws. The BBC:

- Does not use tax havens or artificial structures.
- Does not enter into any transactions with a view to artificially or aggressively reducing its tax liability.
- Seeks to access available reliefs and incentives (e.g. R&D tax credits, creative industry reliefs) where appropriate and justifiable.

- Ensures all responsible tax planning is documented, transparent, and subject to internal review.

This approach supports the BBC's commercial sustainability while maintaining public trust. The BBC does not engage in aggressive tax planning and avoids arrangements that could be perceived as artificial or contrary to the spirit of the law.

6. Relationship with HMRC

The BBC maintains a transparent and collaborative relationship with HMRC, characterised by:

- Constructive and continuing dialogue with HMRC on new issues, consultations, any changes to tax legislation or compliance requirements throughout the year.
- Timely and accurate disclosures.
- Engagement on material transactions and strategic developments.
- Participation in HMRC's Business Risk Review process.
- Open dialogue to resolve uncertainties and ensure compliance.

The BBC communicates with HMRC in an open, transparent manner, and responds in a timely manner to queries and requests for information. The relationship is built on mutual trust and supports the BBC's commitment to public accountability.

7. International Tax Governance

While the BBC is primarily UK-based, its operations have a growing international footprint. To manage cross-border tax risks, the BBC seeks to:

- Apply OECD-aligned transfer pricing policies, reviewed periodically.
- Follow compliance procedures to local jurisdictions tax laws.
- Monitor emerging risks such as Pillar 2, digital services tax, and regulatory changes.
- Engage external advisors where necessary to ensure compliance and mitigate risk.

The BBC does not operate in jurisdictions classified as tax havens and maintains a consistent ethical approach across all territories.

8. Operational Integration

Tax strategy is embedded in day-to-day operations through:

- Staff training and awareness programmes across finance and commercial teams.
- Documented internal controls and compliance procedures.
- Integration of tax considerations into budgeting, forecasting, and strategic planning.