

Infosys Group Tax Strategy

Infosys Limited and its subsidiaries (“Infosys” or “Company”) regard the publication of this tax strategy as complying with the duty under paragraph 22(2) of Schedule 19 of the UK Finance Act 2016 to publish the group tax strategy in the current financial year ended 31st March, 2018.

Company overview

Infosys is a global leader in technology services and consulting providing end-to-end business solutions that leverage technology. The company was incorporated in India in the year 1981. Infosys currently has operations in over 45 countries. The company’s presence in UK is listed in Appendix “A”.

Group tax strategy:

The group tax strategy is aligned to the company’s corporate governance practice, value system and its enterprise risk management framework.

Integrity and transparency are key to the corporate governance practices to ensure that we gain and retain the trust of all the stakeholders at all times.

The tax strategy charter comprises the following:

1. Governance
2. Compliance
3. Planning
4. Risk management and certainty
5. Engagement with tax authorities

1. Tax Governance

The Board, Audit and Risk Committee have oversight with regards to identification, evaluation and mitigation of strategic, operational, legal and compliance risks.

The objectives of the Audit Committee (“committee”) of the Board of Directors includes assisting the Board with oversight of compliance with legal and regulatory requirements. The committee reports regularly to the Board with respect to the committee’s activities including any significant issues that arise with respect to the company’s compliance with legal or regulatory requirements.

The Chief Financial Officer (CFO) is responsible for the tax strategy, the supporting governance framework and management of tax risk. Group Head of Tax, who reports to the CFO and Deputy CFO is responsible for each of the operational areas of Tax.

Issues related to tax are reported to and considered by the Group Risk Committee and the Audit Committee on a quarterly basis.

2. Tax compliance

As regulatory compliance is a key objective for the company, tax compliance is a priority in each and every jurisdiction where the company operates. Infosys seeks to comply with tax filing, tax reporting and tax payment obligations globally for all taxes. External tax advisor support is sought on a need basis to comply with local country tax regulations. All global compliances are tracked through compliance tracker systems which have inbuilt early warning mechanism. The summary report from the system and the dashboard is made available to Group Tax Head and monitored at regular intervals.

3. Tax planning

Infosys recognizes that it has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. Infosys may avail tax incentives which are made available by the laws and regulations of a jurisdiction provided they are aligned with its business or operational objectives. The company endeavors to operate in an efficient and legally compliant manner and may seek external advice in relation to tax matters or areas of complexity or uncertainty to support Infosys in complying with its tax strategy. As a policy, the company does not undertake aggressive tax planning, does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the company.

4. Tax risk management and certainty

As a large multi-national organization, Infosys is exposed to a variety of tax risks and has a low tolerance to tax risk. The company's enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of the strategic, operational, legal and compliance risks to achieve the key business objectives.

The tax law may be subject to risk of interpretation especially where there is less clarity on taxation of new business models due to continuous evolving technology.

The Tax function takes the lead role in identifying, managing and monitoring tax risks within the business with regular review. The team constantly monitors its various tax risks and mitigation measures. The Tax team is made up of a team of tax professionals. The team provides advice to the business on tax-related issues, undertakes tax filings, engages with tax authorities and assists with various forms of tax and financial reporting. This is supplemented by SOX and Internal Audit teams. Internal controls and escalation procedures are put in place with the aim of identifying, quantifying and managing key risks.

Where there is significant uncertainty or complexity in relation to a risk, external advice is sought to get certainty. In order to achieve greater certainty, the company engages with tax authorities to disclose and resolve issues, risks and uncertain tax positions by obtaining tax rulings, Advance pricing agreements etc.

5. Engagement with tax authorities

Infosys engages with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. We are committed to prompt disclosure and transparency in all tax matters with respective tax authorities. From time to time, our views (or those of our advisors) on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we are prepared to litigate where we disagree with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation. Any inadvertent errors in submission of tax returns and tax computations are fully disclosed to respective tax authorities as soon as reasonably practicable after they have been identified. Infosys have concluded unilateral Advance Pricing Agreement and Mutual Agreement Procedure with various countries tax authorities.

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Appendix” A”

Infosys UK Operations

- Infosys Limited – UK branch office
- Infosys BPM Limited – Infosys BPM UK branch office (Infosys BPM is a direct subsidiary of Infosys Limited)
- Brilliant Basics Holding Company UK – direct subsidiary of Infosys Limited
- Brilliant Basics Ltd UK- Subsidiary of Brilliant Basics Holding Company UK
- Infy Consulting UK - Subsidiary of Infosys Consulting Holding AG, Switzerland (Infosys Consulting Holding AG is a subsidiary of Infosys Limited)