



# Fair Tax

## SUMMARY SCORECARD

CRITERIA	SCORE	NOTES
<b>Transparency (Total 5)</b>		
1. Does the company publish a full (i.e. non-abbreviated) set of accounts even if not required to do so by law?	1	
2. Is there clear evidence of what the company does either within its accounts or on an easily identifiable website that it runs?	1	
3. Is there clear evidence of a trading address (as opposed to a registered office address), or a statement that they are the same in the accounts or an easily identifiable website that the company runs?	1	
4. Is it clear who the ultimate beneficial owners of all shareholdings of more than 10% in the company are either from a statement in the accounts or at Companies House?	1	
5. Are the names and addresses of all directors provided either in the accounts or at Companies House? Note: if the directors have been provided with an exemption from supplying this data and a properly notified service address is used a mark may still be given.	1	

<b>Country-by-country reporting (Total 12)</b>		
6.a) Does the company disclose a full list of subsidiary companies stating their name and place of incorporation?	1	
b) Is the country of tax residence of each subsidiary disclosed, if different from place of incorporation?	1	
c) A further mark is given if a short description of the nature of the trade of the company is supplied.	1	
7. a) Does the company either disclose data on the net asset value or equity invested in each subsidiary or a consolidated total for this sum for each country in which it operates?	1	
b) Is data on either the net income or loss for the period provided for each of its subsidiaries or a consolidated total for this sum for each country in which it operates?	1	
8. Does the company either disclose the current tax provision made by each subsidiary for each trading period or a consolidated total for this sum for each country in which it operates?	1	

<p>9. a) Does the company either disclose the average number of employees each subsidiary engages for each period together with a note on the basis of calculation used or a consolidated total for this sum for each country in which it operates?</p> <p>b) Is either the aggregate gross remuneration of the employees engaged during each period disclosed for each subsidiary together with a note of what the data disclosed includes or, alternatively, a consolidated total for this sum for each country in which it operates?</p>	<p>1</p> <p>1</p>	
<p>10. Does the company provide consolidated data in its financial statements that at least differentiates UK trading and investment data as separate from data for all other territories?</p>	<p>2</p>	
<p>11. Does the company disclose trading data of the types noted in questions 7, 8 and 9 above on a consolidated basis by country with the totals reconciling to the group's consolidated accounts?</p>	<p>1 or 2 depending on scale of disclosure made</p>	
<p><b>Tax policy, implementation and compliance (Total 12)</b></p>		
<p>12. Does the company have a tax compliance policy either on its web site or referred to in its accounts?</p>	<p>1</p>	
<p>13. Has the company appointed a named director to have responsibility for its tax policy?</p>	<p>1</p>	
<p>14. Does the company report on its effective compliance with this policy and is this referred to in the annual financial statements?</p>	<p>1</p>	

<p>15. Does the tax policy statement refer to:</p> <p>a) seeking to declare profits in the place where their economic substance arises?</p> <p>b) not using tax havens for tax avoidance purposes?</p> <p>c) not using marketed or abusive tax avoidance schemes likely to fall foul of the domestic tax avoidance legislation of any country in which the multinational company operates?</p>	<p>1</p> <p>2</p> <p>2</p>	
<p>16. Does the company use tax havens either as locations for subsidiaries or for transactions?</p> <p>If no award 4 marks and this section is complete.</p> <p>If yes but it is clear that the use reflects the economic substance of transactions really located in the territory, award marks and this section is complete.</p> <p>If yes but it is disclosed that all such companies are UK tax resident, score 3 points</p>	<p>4</p> <p>4 if none for previous question</p> <p>3 if none for previous questions</p>	
<p><b>Tax rate and disclosure (Total 16)</b></p>		
<p>17. Is the company's average tax rate within 1% (6), 1-3% (4.5), 3-5% (3) or 5-7% (1.5) of the expected headline rate?</p> <p>Grant up to 3 bonus points if the marks from questions 18, 19 and 20 when combined equal at least 6 in total.</p>	<p>6</p> <p>*3</p>	

<p>18. a) Does the company provide a numerical tax reconciliation of its actual current tax charge to the current tax rate that might be expected for the year at the tax rate applying to the profits of the company?</p>	2	
<p>b) Does the company then reconcile its current tax charge with its total tax charge for the year by offering a reconciliation that explains the deferred tax provision for the year and other items that make up the difference?</p>	2	
<p><i>Note: A bonus point may be added if at least 75% of the reconciling items in both parts of this process are precisely described e.g. using such phrases as 'The impact of capital allowance claims' or 'Reduced tax owing on capital gains arising'. Terms such as 'Other' or 'Losses' (without explanation being given) do not qualify in this respect.</i></p>	1	
<p><i>An additional bonus point may be given for disclosure of how variance in different national tax rates has affected the overall rate but reference to the countries where the main variances have arisen is essential if this point is to be awarded.</i></p>	1	

