



UK Research and Innovation

2026/2027 Tax Strategy

This document sets out UKRI’s approach to ensuring tax compliance. UKRI is committed to paying the correct amount of tax to the relevant authorities in the countries in which it operates.

Scope

This tax strategy applies to UK Research and Innovation (UKRI), and its UK subsidiary entities in accordance with Schedule 19 to the Finance Act 2016 (subsequently known as the “Act”). A list of entities to which this Tax Strategy applies, is itemized below ⁽¹⁾.

This Tax Strategy applies to the current Financial Year ending 31st March 2027. This is the sixth Tax Strategy of UKRI, which was Incorporated by an Act of Parliament known as the Higher Education Research Act 2017 (HERA 2017), making UKRI a legal Body Corporate from 1st April 2018. This Tax Strategy will be in force until it is superseded. The Tax Strategy has been published in accordance with Paragraph 16 (4) of Schedule 19 to the Act, by being made available on the UKRI website (www.ukri.org).

References to UK Taxation are to the Taxes and Duties set out in Paragraph 15 (1) of Schedule 19 to the Act; including Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to Tax, “Taxes” and “Taxation” are to UK Taxation, and where applicable to corresponding overseas taxes, where UKRI has a legal responsibility.

A list of the UK entities covered by the UKRI Tax Strategy:

- UK Research and Innovation
- STFC Innovations Ltd
- Innovate UK Loans Ltd
- Knowledge Transfer Network Ltd operating as IUK Business Connect
- Research Councils Pension Scheme



Background and Governance

The UKRI Board is the primary Governing Body of UKRI, that oversees and directs UKRI activities, including UKRI Research and Innovation strategy. The UKRI Board consists of a Chair, UKRI CEO (Chief Executive Officer), UKRI CFO (Chief Finance Officer), and between nine to twelve Non-Executive Board Members. The Board is supported by the Audit and Risk Committee, the Nominations and Remuneration Committee, the Growth Committee and the Board Investment Committee.

The Board is required to give updates and advice to the DSIT Secretary of State. Executive responsibility for managing UKRI's tax affairs is delegated to UKRI's Chief Finance Officer (CFO), who has general overall responsibility for the tax strategy of UKRI. The tax strategy is set to ensure that UKRI meets its commitment as a responsible taxpayer, in terms of being compliant and transparent on all tax matters. The day-to-day responsibility for tax compliance resides with the various UKRI Finance and Procurement groups located throughout the UK and with UK SBS, a provider of shared business services to UKRI and other public sector bodies. UKSBS provides expert advice on VAT when required. UKRI employment taxes are overseen and managed by UK SBS, who run UKRI's payroll.

The UKRI Tax Strategy is in line with the requirements laid out in "Managing Public Money", which expresses the principles and behaviours expected of a Non-Departmental Public Body (NDPB), acknowledging UKRI has a duty to deliver value for money for the UK Taxpayer.

Commitment to Tax Compliance

In accordance with UKRI's commitment to work to the best ethical and professional standards, UKRI conducts its tax affairs to the following objectives:

To comply with all the relevant tax laws, rules, regulations and reporting requirements, wherever UKRI operates.

To ensure that UKRI's Tax Strategy is at all times consistent with UKRI's overall strategy, its approach to risk, and the professional standards it has set itself.

To apply professional diligence and care to the management of risks associated with tax matters.

To ensure that governance and safeguarding assurances are appropriate to UKRI's reputation as a responsible taxpayer.

To foster constructive, professional and transparent relationships with tax authorities, based on integrity, collaboration and mutual trust.

To use incentives, reliefs, or where appropriate, tax structures to minimise tax costs, but not to enter into any transactions that have the prime purpose of gaining a tax advantage, or deliberately interpreting tax law in a way contradictory to the original



tax legislation intention. Where savings are made, they will be re-invested back into the core activity and purpose of UKRI.

Tax Risk Management

UKRI is active in its management of financial risks; including an assessment of its tax risks. In reviewing these risks in line with its tax management, the following points are considered:

UKRI will protect its corporate reputation.

UKRI will have regard to the wider consequence of any potential disagreement with HMRC and any other Tax Authorities, (whether they are in the United Kingdom, or in locations outside the United Kingdom); including any potential impact this may have on any future relationships with any of these tax organisations.

UKRI will not enter into any transaction, which has the primary purpose of seeking a tax advantage, which is against the spirit or intention of any tax legislation.

UKRI, through its business frameworks will seek to ensure, that through its business, all tax risks, are highlighted and managed.

UKRI will ensure that all taxes to which it is liable, will be paid in full, and will ensure that it is fully compliant with all tax rules and regulations.

UKRI's approach to its dealings with HMRC and other Tax Authorities

UKRI seeks to work together with all Tax Authorities, in a transparent, constructive, and cooperative relationship where UKRI might operate.

UKRI in its relationship with HMRC has a Customer Relationship Manager (CRM), who is readily contactable, and who updates UKRI when there is any significant development which could impinge on any tax matters relevant to UKRI.

UKRI will interpret tax laws in a reasonable way, and apply them in a manner and spirit, in which we understand they were intended. This will apply to HMRC and any other relevant Tax Authority that UKRI will need to deal with.

Where there is any material tax uncertainty in UKRI tax matters, UKRI will seek to find professional and proportionate advice from well-regarded professional organisations. Where it is relevant, rulings, or suitable clarifications will be sought from HMRC, and any other overseas Tax Authorities, if applicable.

UKRI
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