**COWI UK Limited – UK Tax Approach[[1]](#footnote-1)**

*Regarding the financial year 2017 in accordance with the UK Finance Act 2016*

**Introduction**

COWI UK Limited is a wholly owned subsidiary of COWI International A/S, Denmark and member of COWI Group, a Danish-based consulting group owned by the COWI Foundation, Denmark. COWI Group has a history of 85 years of experience within engineering consultancy.

Worldwide, COWI Group employs 6,612 engineers, planners, sociologists, biologists, agronomists, economists and other specialists with academic backgrounds. We provide technical, supervisory and advisory services within engineering, economics and environmental science in more than 35 subsidiaries around the world.

COWI UK Limited is a company in COWI's international business line, Bridge, Tunnel and Marine Structures and provides services on projects worldwide from UK locations. COWI UK Limited is headquartered in London with additional offices in the UK and has 255 employees.

In 2017, the company had a turnover of approx. GBP 30.5 million, which is approx. 4.2% of the total turnover of the COWI Group. In 2017, the COWI Group had an effective tax rate of 34%.

Our tax function is part of the global finance function and refers to COWI's Group CFO who is a member of the Executive Board. The global finance function has employees located in the UK working with UK tax compliance requirements.

**Our Approach to Tax**

Taxes form a natural part of the cost base in COWI. Like any other costs, taxes and their implications are analyzed and assessed in consideration of our business activities and strategy. We aim to comply with local and international tax laws and regulations acknowledging that a responsible approach to tax is necessary to sustain our business in the countries where we operate.

**Our UK Tax Approach**

COWI's global tax approach, which also encompasses the UK tax approach, is based on compliance and integrity. This means that in COWI UK Limited:

* We aim to comply with local tax laws and international regulations when calculating taxes due.
* Where there are alternative routes to achieving the same commercial results, we consider the most efficient tax approach in compliance with applicable laws.

**Our Approach to Tax Risks**

COWI's approach to risk management is defined by our desire to protect the assets and reputation of our business and our stakeholders. In line with this approach, we seek to minimize tax risks where possible, which means that we do not engage in any artificial transactions for tax optimization purposes.

To underpin this approach, we manage our tax matters in a governance framework with communication lines that ensure that relevant stakeholders, including the Board of Directors, are consulted when making significant business decisions with a tax impact.

**Our Management of Tax Risks**

Given the size and complexity of our business and activities, the COWI Group is exposed to a variety of tax risks. We aim to manage these risks through:

* Employment of a qualified in-house COWI tax team. The team is based in Denmark. It undertakes regular training and knowledge sharing through internal corporate tax networks in the global finance function, including the UK finance team working with UK tax compliance requirements.
* Engagements with external tax firms on complex tax matters where profound local knowledge of tax compliance requirements is required.
* Regular control and auditing. The COWI tax team and the finance function located in the UK working with UK tax compliance requirements perform their activities in a reporting and control framework, which is documented and reviewed regularly by internal controllers and external auditors according to legislative requirements.

**Our Relationship with Tax Authorities**

COWI UK Limited seeks to maintain a good working relationship and to keep an open dialogue with HMRC and other tax authorities throughout the world. We cooperate with tax authorities and react in a timely and professional manner to any enquiries. In case of misunderstandings or disagreements regarding fact or law, we seek to work with the tax authorities to resolve any such issues.

1. Questions or comments regarding our UK Tax Approach are referred to Manuel Vigilius, Vice President, Communication, COWI A/S, Parallelvej 2, DK-2800 Kongens Lyngby, Denmark, +45 56 40 00 00. [↑](#footnote-ref-1)