Global Tax Strategy

Amdocs is a leading software and services provider to the world’s most successful communications and media companies. As our customers reinvent themselves, we enable their digital and network transformation through innovative solutions, delivery expertise and intelligent operations.

Amdocs and its 25,000 employees serve customers in over 85 countries. Listed on the NASDAQ Global Select Market, Amdocs had revenue of $3.87 billion in fiscal 2017.1

Our business activities around the world incur a substantial amount and variety of business taxes. We pay corporate income taxes, employment and many other business taxes in all jurisdictions where applicable. In addition, we collect and pay employee taxes and indirect taxes such as Value Added Tax (VAT).

To fulfill the new requirements under UK law2, and to support transparency of our approach to taxation, this document sets out:

- Our tax strategy statement
- Our approach to governance, risk management and compliance
- Our approach to tax planning
- Our approach towards dealings with Tax Authorities
- The level of tax risk we are prepared to accept

This document has been approved by the Chief Financial Officer (“CFO”) and will be periodically reviewed by the Head of Tax. It is effective for the year ending 30 September 2017, and will remain in effect until any amendments are approved by the CFO. This strategy is publicly available on Amdocs website in order to allow external stakeholders to understand the Group’s approach to tax.

Amdocs’ goal is:

- Follow all applicable laws and regulations relating to its tax activities with the objective of being fully compliant in all jurisdictions in which it operates.
- Maintain an open and honest relationship with the tax authorities based on collaboration and integrity.
- Apply diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensure that our tax governance is appropriate.
- Manage tax risk as any other operational risk by seeking to identify, monitor and manage risks as applicable.

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1 For more information, visit Amdocs at www.amdocs.com.
2 Our Tax Policy is aimed to comply with the UK legislative requirement under paragraph 16(2) Schedule 19 Finance (No.2) Bill 2016.
The Group Tax Department is part of the central finance function that reports to the CFO. The Group Head of Tax leads a team of experienced tax professionals with appropriate professional qualifications and experience commensurate with the responsibilities required for their roles. The Group Tax Department works closely with the corporate, commercial and regional finance teams. Moreover, tax personnel are fully engaged with and involved in all aspects of the business life cycle including functions relating to treasury, corporate development, commercial transactions, human resources, global mobility, research & development etc. to ensure that appropriate tax considerations are taken into account in all aspects of the business and that the Group Tax Strategy is properly implemented. The Head of Tax represents the Group Tax Department as part of a formal quarterly tax review by the CFO and an annual tax review by the Board of Directors audit committee.

The Group Tax Department has established and maintain robust policies and compliance processes that are designed to ensure the integrity of our tax returns, and timely and accurate tax payments in all countries in which we operate. This includes ensuring that our tax professionals and staff have the necessary training to manage our tax position appropriately. To support us in ensuring that we have interpreted tax law and its spirit correctly, we seek advice from large accounting firms, legal firms and/or tax counsel as appropriate.

Our structure and approach to taxation is reviewed periodically in light of changes to:

- The general business environment
- Our business operations
- Tax laws and regulations (national and international)
- Emerging business and tax risks

The Group’s tax planning aims to support the commercial needs of the business by ensuring that the company’s affairs are carried out in a tax efficient manner whilst remaining compliant with all relevant laws. The Group uses tax incentives and reliefs, to make our conduct in terms of taxes as efficient as possible, while ensuring that these reliefs are not used for purposes which are contradictory to the intent of the legislation. The Group has defined lines of responsibility for its tax affairs, with decisions being taken at an appropriate level. In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice will be sought to support the Group’s decision making process. Moreover, where necessary or appropriate, the Group will seek advance clearance from relevant tax authorities confirming the tax consequences of certain transactions (e.g. in relation to transfer pricing matters, through advance pricing arrangements).

The Group is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever we operate around the world. We seek to conduct all
dealings with the tax authorities and other relevant bodies in a collaborative, professional and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

We don’t have a formally defined tax risk appetite but our approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements and with shareholders’ best long term interests, taking into account operational, economic and reputational factors. Tax legislation can sometimes be subject to different interpretations. The Group’s policy is to ensure that material tax positions are developed with and supported by opinions from reputable external advisors. The group accepts that not all risk can be fully mitigated and will manage tax risk in a similar manner as any other operational risk by seeking to identify, monitor and mitigate risks as applicable.