



Tax report 2024

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Foreword from our Chief Financial Officer



At Aberdeen, our purpose – to enable our clients to be better investors – continues to guide our strategic decisions and long-term ambitions. Across our businesses, we focus on providing leading platforms, specialist investments, and long-term value – unlocking opportunities and outcomes that matter. We are focused on three key strategic priorities – Transform performance, Improve client experience and Strengthen talent and culture, to drive improved performance. We are driving transformation across the Group to improve efficiency and deliver valued outcomes for all of our stakeholders. This commitment to sustainable, profitable growth is underpinned by a strong sense of responsibility in how we operate, including in how we approach tax.

As ever, our approach to tax reflects our purpose and our strategy, meaning that we seek to operate responsibly in all our tax matters. We recognise that contributing to public finances is a key part of the broader contribution we make to society in the countries in which we operate.

In meeting our responsibilities in paying and collecting taxes in the countries and communities where we live and work, our tax strategy is guided by our strong commitment to the highest ethical, legal, and professional standards. We are also committed to being open, honest, and transparent about what we are doing and how we meet those standards.

Siobhan Boylan

Chief Financial Officer,
Aberdeen Group plc



Our Global Code of Conduct sets out the standards and behaviours that our business expects all of our colleagues to follow.

Aberdeen Group plc regards the publication of this Tax Report as complying with its duty under paragraph 16(2) of Schedule 19 of Finance Act 2016 to publish its UK tax strategy in respect of the year ending 31 December 2024.

Aberdeen Group plc is registered in Scotland (SC286832) at 1 George Street, Edinburgh EH2 2LL.

Our tax strategy

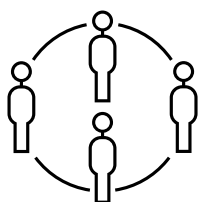
Our group is structured around our three businesses – interactive investor, Adviser and Investments – focused on the changing needs of our clients and customers. Our approach to tax is closely aligned to our ambition to become the UK's leading Wealth and Investments group.

We seek to operate responsibly in all our tax matters and recognise its importance across our stakeholders, from our clients, customers and employees to our shareholders and the contribution we make to society more widely.



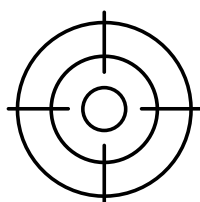
Our principles

The principles of our tax strategy are closely aligned to the standards and behaviours we expect from all of our colleagues.



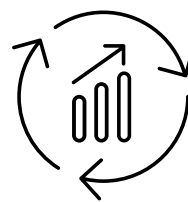
Responsibility

We recognise the importance of the contribution we make to public finances through our payment of taxes and take into account the needs of all our stakeholders in the way we manage our tax affairs.



Purpose

We do not seek to apply an aggressive interpretation of tax legislation and we will not undertake any transaction whose sole or main purpose is the creation of a tax benefit greater than that intended by legislation.



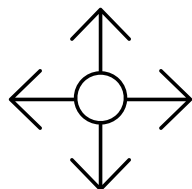
Sustainable tax development

We discuss tax policy and regulation development with tax authorities, government and international organisations to ensure the sustainable and effective development of tax rules.



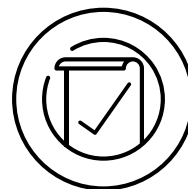
Transparency

We work cooperatively and transparently with HMRC and other tax authorities.



Control

We operate a strong governance framework in managing and controlling our tax risks.



Compliance

We ensure that we meet our tax compliance and reporting obligations.

How and where we pay tax

The range of solutions we offer our clients and customers across our three businesses is reflected in the broad scope of our tax responsibilities. We pay taxes to tax authorities, as well as collecting taxes on their behalf, in a wide range of countries across the globe. These taxes relate to our business operations, our customers, our people and the assets we manage and administer.

We pay tax on the profits generated in the countries in which we operate, as well as taxes on employing our people. We also incur VAT/GST on goods and services used in our business.

Our clients and customers

We collect taxes on certain payments made to our customers, including income tax withheld on pension products offered by our Adviser and interactive investor businesses. We also collect VAT/GST on fees levied on customers.

Our colleagues

We collect income tax and social security taxes deducted at source from payments we make to our employees.

The assets we manage or administer

Withholding taxes are often deducted at source from investment returns and transaction taxes are incurred on certain types of transactions.

We have tax compliance obligations in the countries in which we operate, in the countries in which our funds are registered and in which our clients and customers are located.

Whilst the majority of our people are located across our operational hubs, our distribution networks and customer base means we have a role to play in the effective and efficient operation of tax systems in a large number of countries. This covers our operating companies and the funds we manage and administer.

Information reporting

We collect and report data to multiple tax authorities relating to the investments we manage and administer for our clients under international exchange of information agreements. These regulations aim to ensure transparency and compliance by taxpayers on a worldwide basis. This includes reporting to the US tax authorities under the terms of the Foreign Account Tax Compliance Act (FATCA), and to other tax authorities – including those in the UK – under the Common Reporting Standard (CRS) or the local equivalent.



Our locations across the globe

As a global investor, we have operations in financial capitals and important regional centres in countries around the world. These bring us closer to our clients and provide invaluable knowledge and insight. We also have a substantial presence in the UK savings and wealth market.



Europe

Belgium
Denmark
France
Germany
Ireland
Italy

Luxembourg
Netherlands
Spain
Sweden
Switzerland
UK

Middle East

United Arab Emirates

Asia Pacific

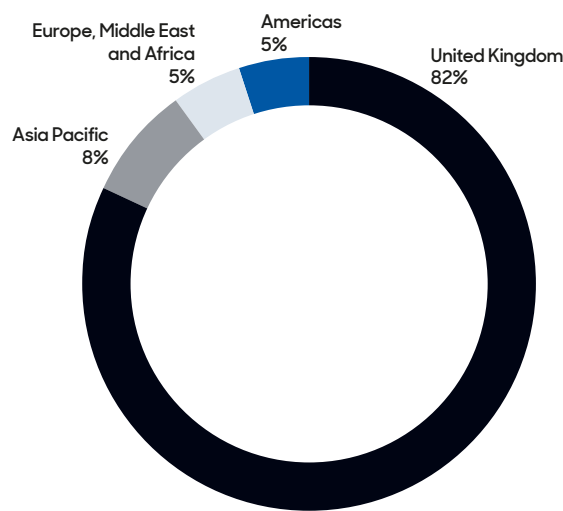
Australia
China
Hong Kong
Japan

Malaysia
Singapore
South Korea
Thailand

Americas

Brazil
USA

Where our colleagues are located



We have operational hubs in the UK, Luxembourg, Singapore and the US where the majority of our colleagues are located.

We also have distribution and client servicing operations in many other countries where we have clients and customers.

We have clients and customers in the UK, EMEA, Asia Pacific and Americas regions.

We hold strategic investments and joint ventures operating in the UK, Bahrain, China and Hong Kong, and previously held similar interests in India.

Our total tax contribution

Our total tax contribution consists of the taxes paid by our group to tax authorities, and the taxes our group collects that are then passed to tax authorities.

Taxes paid

These are the taxes that our group pays to tax authorities where we have operations. The main types paid are:

- payroll taxes, which relate to our role as an employer.
- corporation tax, which we pay on the profits generated from our operations, including the sale of assets.
- VAT/GST which we pay on goods and services purchased and are unable to recover.

Taxes collected

These are the taxes that we are obliged to collect and then pay to tax authorities arising from our operations across the globe. They most frequently include:

- taxes deducted from payroll and reward payments made to our employees.
- VAT/GST on services provided to clients and customers.
- taxes deducted from payments made to clients and customers, such as those on pension products offered by our Adviser and interactive investor businesses.

Tax contribution

£135m

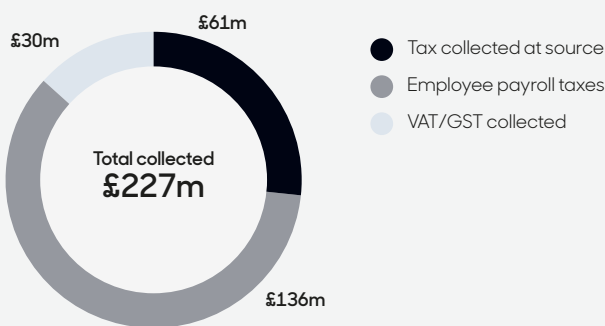
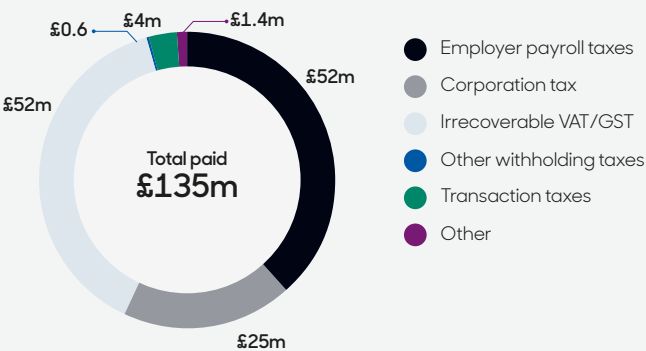
Total taxes paid in 2024

+£227m

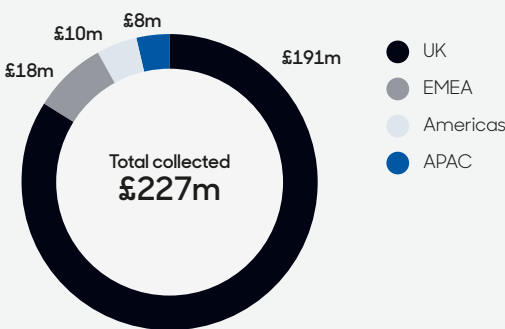
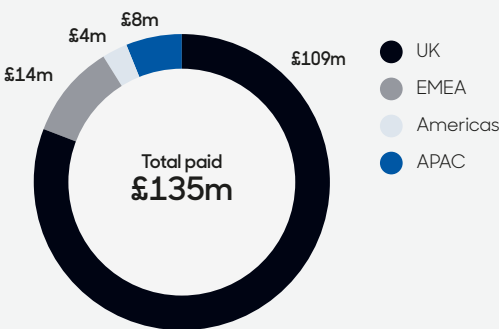
Total taxes collected in 2024

=£362m

Our total tax contribution for 2024



Regional view



Corporation tax charge 2024

How the tax charge in the accounts translates to tax paid

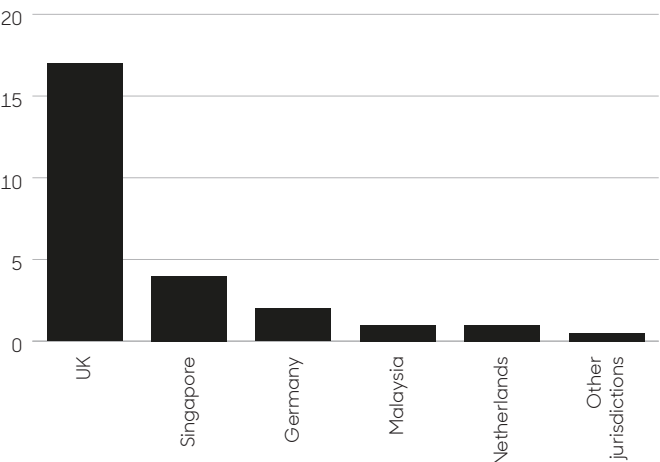
The tax charge in our financial statements is made up of both 'current tax' and 'deferred tax'. Deferred tax relates to tax amounts that will arise in future periods. In 2024, the biggest component of the deferred tax credit arose from the release of deferred tax liabilities associated with intangible assets acquired through business combinations.

The timing of payments of corporation tax is governed by local tax laws. As such, there can be some timing differences that result from estimated tax paid in advance of the liability determination or liabilities from prior periods being paid in a later year. Both these factors give rise to movements in the amount of corporation tax payable in the year.

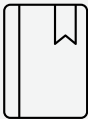
Where we paid corporation tax in 2024

Our international footprint means that we pay tax in a large number of countries, helping support the societies and communities in which we operate.

The countries in which we pay corporation tax reflects where we operate and generate profits. The level of tax paid depends on the profitability of our businesses in each country and the local tax rules.



* Other movements include R&D tax credits and disposals of subsidiaries with Corporation Tax on their Balance Sheet.



Glossary of terms

VAT/GST

The tax collected on the services we provide and paid on goods and services we buy.

tax authorities under Automatic Exchange of Information rules.

Income tax

Taxes deducted by us on some payments made to customers and employees on behalf of tax authorities.

Social security tax

Contributions to local social welfare schemes which are deducted (collected) from payments made to employees and contributions paid by the company.

Corporation tax

Tax we pay on profits from our business activities.

Withholding tax

Deductions made on investment income before it is received by us.

Operational tax

Tax relating to our products such as tax relief on pension products we offer through our Adviser and interactive investor businesses and reporting made to

Transaction taxes

Taxes paid on transactions which mainly relate to properties and shares bought and sold.

Tax planning and tax advisers

We manage and control our tax affairs in a balanced way, supporting our wider business objectives whilst meeting our stakeholder interests. This includes the contribution we make to public finances.

Our approach

We have complex tax affairs reflecting the international nature of our business, our broad range of customers and clients and the differing types of products we offer those customers and clients. Tax authorities and governments are also developing their approach to tax to deal with changing business models and the increasingly international nature of business. This complexity makes it important that we have a transparent and straightforward approach to managing and controlling our tax affairs.

- We do not seek to apply an aggressive interpretation of tax legislation outside what is understood to be intended. We avoid undertaking any transactions whose sole or main purpose is to create a tax benefit greater than that intended by legislation, which would be inconsistent with our Global Code of Conduct.
- We plan and manage our tax affairs to ensure that we make appropriate claims for reliefs and deductions provided by the law, where it is cost effective to do so.
- Any tax planning is done within a commercial context. Transactions or arrangements entered into are based upon a primary business purpose and commercial reason beyond any tax benefits which may arise.
- As an international business, we often have transactions between companies in our group which are in different countries. Where there are such transactions, we will apply arm's length transfer pricing principles in line with Organisation for Economic Co-operation and Development (OECD) transfer pricing principles and any local rules.
- We seek external tax advice where the application of tax law to a transaction or situation is unclear, or where specialist knowledge is required. We may also seek external advice for significant or complex transactions.
- It is our policy not to enter into any transaction or arrangement that we know or reasonably believe to be contrary to any General Anti-Abuse Rules on tax avoidance. Variations of these rules apply in the different countries in which we operate.

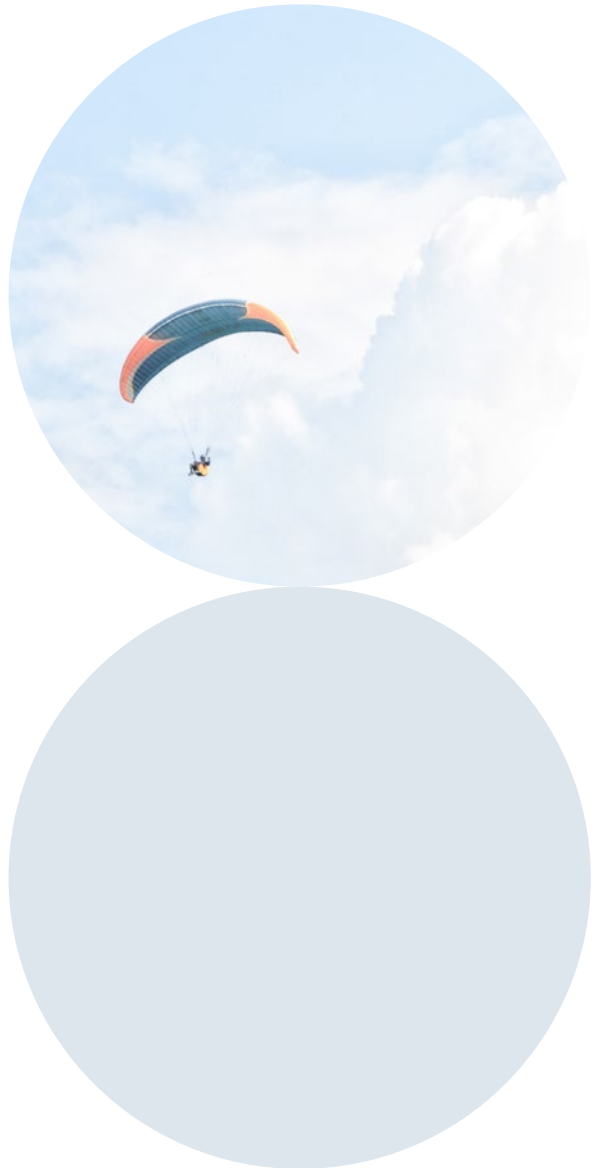


Our products

Understanding the needs of our clients is key to our ability to deliver on their expectations both in terms of required outcomes and our service proposition.

We have a broad range of clients and customers, from individuals who use our wealth management and financial planning services, to institutional investors such as pension funds. We manage a wide range of collective investment vehicles in which they may invest. These investment vehicles can range from well-established mutual funds, to more bespoke and complex structures, often used for investing in real estate and infrastructure assets.

In common with many other companies in our industry, we have established collective investment schemes and other fund structures in jurisdictions such as Ireland, Luxembourg and the Cayman Islands which do not impose an additional layer of tax on the fund or the structure itself. These fund structures enable investors to obtain the scale benefits and efficiencies from pooling investments, as well as removing additional layers of tax. The structures typically aim to result in a broadly similar taxable return to that which investors would receive if they invested directly in the underlying assets themselves. Ultimately, investors will pay tax on their returns in accordance with the tax rules applying in the country in which they are resident. We do not use so-called tax havens to avoid paying tax on activities which take place elsewhere.



How we engage with tax authorities and other bodies

It is important that we maintain a cooperative and transparent relationship with tax authorities in the jurisdictions in which we operate.

Engagement with tax authorities

We engage with tax authorities where a transaction is complex or material. Depending upon the nature of the transaction, we may seek statutory or non-statutory tax clearances.

We may also engage with tax authorities where there is uncertainty as to how tax legislation applies to a transaction or circumstance.

In the UK we proactively discuss with HMRC key business developments, significant transactions, and material tax uncertainties. We aim to make our tax returns and other communications with HMRC as clear and accurate as possible and include appropriate disclosures where necessary. We seek to resolve issues arising before returns are filed, whenever practicable.

Development of tax policy

Tax rules for international companies are evolving as governments seek to tackle tax avoidance in business models and cross-border activities. We consider that it is important to play our part in the development of tax policy where it could have an impact on our stakeholders.

It is important that tax authorities and other bodies involved in the development of tax policy understand our business model and the structure of our fund offerings. Therefore, we engage in public policy debate and discussion on tax matters which are important to our stakeholders, either through trade bodies or directly. These matters can range from the tax regime relating to long-term savings and investments, to the development of international tax principles by organisations such as the OECD.

Our aim is to ensure the sustainable and effective development of tax regimes relevant to our businesses, so that legislation meets its policy objectives without unintended consequences for our stakeholders. Consistent effective tax regimes can promote confidence among clients and customers to continue saving and investing. They also contribute to sustainable and efficient growth for our business.

We support the modernisation and development of international tax regimes to reflect modern business practices and structures. It is important that we play an active role on behalf of our stakeholders to ensure developments are sustainable, proportionate and do not create an administrative burden that is disproportionate to the intended aims.



Our governance of tax

A strong governance framework is important to enable us to manage and control our tax risks. Ultimate responsibility for our tax strategy and compliance rests with the Board. Day to day management of our tax affairs is delegated to the Global Head of Tax by the Chief Financial Officer who represents Finance at the Board.

Our governance framework

We have a separate tax risk policy which sets out how we manage and operate tax risk across our business. It is approved by our Board and reviewed annually and sets the operational standards by which we manage tax risk across the business. The tax risk policy is part of our enterprise risk management framework, the basis upon which we manage risk.

We have a 'three lines of defence' model for managing tax risk:

First line of defence

Operationally, tax risk management and tax related compliance and control processes sit with the various regions and functions of the business, supported by our tax team.

Day to day responsibility for the oversight of the operation of our tax risk policy sits with the Global Head of Tax, supported by a wider team of tax specialists.

The tax department works closely with the businesses and other functions such as Human Resources and Finance, ensuring that our approach to tax is consistently applied throughout the organisation.

Second line of defence

Our Risk & Compliance function designs and delivers the frameworks and tools to enable the business to effectively manage its risks.

Our Tax Risk Policy, owned by the Global Head of Tax, is part of the Group Policy Framework. This Framework is maintained by the second line of defence to ensure a clear approach to establishing, communicating, and overseeing compliance with policies. Additionally, the Enterprise Risk Management Framework facilitates the holistic identification, assessment, management and monitoring of risks across Aberdeen to a common methodology.

Our Risk & Compliance teams oversee Aberdeen's management in their handling of risks and compliance obligations, providing independent support and challenge as necessary.

Third line of defence

Aberdeen Group plc has a Global Internal Audit function, which operates independently from the business and reports directly to the Audit & Risk Committee, previously known as the Group Audit Committee. The Committee reviews the terms of reference of Internal Audit on an annual basis to ensure that it remains fit for purpose.

The Internal Audit Function's risk-based audit plan reflects the global nature of the business and focuses on areas of higher risk to the organisation. Tax based risks are considered as part of this planning process. This plan is presented annually to the Audit & Risk Committee for approval and undergoes a quarterly refresh to adapt to emerging risks throughout the year.

The Audit & Risk Committee maintains oversight of matters relating to the public disclosure of tax information, such as analysis of the tax charge in our company's Annual Report and Accounts.



Our attitude to managing tax risk

We make sure that the 'appetite' we define for accepting each of our tax risks is consistent with our company's overall approach to risk.

Tax risk	Our risk appetite	How we manage the risk
<p>We do not meet our tax compliance and tax reporting requirements.</p> <p>This can expose us to additional tax cost as well as interest and penalties. It may also lead to enhanced scrutiny from tax authorities.</p>	<p>We have no appetite for any activities that would breach the tax compliance rules and reporting obligations that apply to our business. We seek to manage our obligations in line with this approach.</p> <p>We recognise, however, that errors or omissions may happen from time to time due to the complexity of tax legislation and/or the business.</p>	<p>We have an in-house team that manages our company's tax activities. These activities include reporting our company's tax position, ensuring we understand and comply with our tax obligations in each of the countries we operate in, and ensuring that our clients and customers are provided with the information they need to meet their own tax obligations.</p> <p>We operate across a large number of jurisdictions. Where we do not have local teams, we engage with external tax specialists to help ensure that we are meeting our tax compliance obligations and paying the right amount of tax at the right time.</p>
<p>We do not take appropriate consideration of the tax consequences of our actions and transactions.</p> <p>This can lead to additional tax cost and increased compliance costs.</p>	<p>We recognise that tax risks exist in the overall commercial context of transactions and developments in our business. We are committed to assessing tax risks throughout the processes involved, in a way that is consistent with our overall framework for assessing risk.</p> <p>When determining the best approach to take, we need to consider how this will support fair outcomes for clients and customers, shareholders and other relevant stakeholders.</p> <p>Where issues or disputes arise, we also recognise that not all matters can be settled by agreement with the tax authorities and that we may have to resolve some through formal appeals or other proceedings.</p>	<p>Our tax team works closely with our different business areas so that we understand their operations, the products we offer to customers and how this is evolving. For material transactions or tax events, we may engage with HMRC and other relevant tax authorities while the transaction or tax event is taking place to agree or clarify that we are applying tax legislation correctly in the circumstances.</p> <p>Where tax laws require interpretation, or where tax regulations or codes are ambiguous or untested, we take reasonable steps to determine their applicability, including seeking tax advice where necessary.</p> <p>As a large business, we are subject to HMRC oversight under their Business Risk Review process. We engage with HMRC to discuss and agree the status of current, future and past tax risks.</p>
<p>Our approach and practice of tax could lead to reputational risk and/or financial loss for our business.</p>	<p>We have a low appetite for tax-related activities that could damage our reputation or cause financial loss.</p>	<p>Where breaches of our tax policy are identified, we ensure that these are resolved in a timely manner, taking into account the interests of clients, shareholders and other stakeholders. This may involve engaging with tax authorities, ensuring we remain transparent throughout.</p> <p>In line with our Global Code of Conduct, colleagues can raise concerns about unethical or unlawful behaviour directly with their local regulator or confidentially through our company's whistleblowing procedures.</p>

For more information visit aberdeenplc.com

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