

UK TAX STRATEGY

This tax policy applies to the UK affiliate of OpenAI. The UK affiliate regarding this policy as complying with its duty under paragraphs 19(2) and 22(2) of Schedule 19 Finance Act 2016 to publish a tax strategy in 2024. We have operated within the principles detailed below since incorporation on 21 September 2022.

1. Our approach to risk management

OpenAI believes that it operates effective tax governance by understanding the tax risks and ensuring that senior personnel and outside advisors with appropriate skill and experience are involved in key tax decisions. Any identified risks are escalated as needed to senior leadership, where they are addressed with appropriate action.

The Company engages an independent accounting firm to audit its UK financial results to ensure the reporting meets all applicable standards, and engages with external tax advisors to ensure compliance with evolving UK tax laws and regulations. Processes relating to different taxes are assigned to appropriate process owners who identify key risks and implement appropriate protocols, which are reviewed on a regular basis to ensure risks are adequately managed.

We are committed to compliance with tax laws and practices. We continuously monitor changes to tax legislation, ensuring that we take advice where appropriate from professional advisers.

2. Tax planning

OpenAI does not engage in artificial tax arrangements, or any activities aimed solely at reducing UK tax liabilities. All tax planning aligns with commercial objectives and adheres to UK laws and OECD guidelines. Where uncertainties arise, expert advice is sought.

OpenAI accesses UK government-sponsored tax incentives, such as capital allowance, where appropriate, and in line with substantive business activities. When entering into transactions or making changes to its business, OpenAI assesses what it must do in order to remain compliant and takes appropriate steps to achieve this. The same approach is taken whenever new tax legislation is introduced or modified by HMRC.

As a responsible corporate citizen, OpenAI is dedicated to upholding the highest standards of governance and compliance in taxation. This strategy aligns with OpenAI's broader commitment to ethical business practices and financial accountability.

3. Our relationship with HMRC

OpenAI is committed to maintaining a transparent, constructive, and cooperative relationship with HMRC. This includes timely and accurate filing of tax returns, full disclosure of relevant information, and addressing any queries with integrity and respect. OpenAI seeks to resolve any uncertainties in collaboration with HMRC and has no pending tax disputes in the UK.