

## **Netflix UK Tax Strategy**

This tax strategy statement is published in compliance with the statutory obligation under Schedule 19 of the UK Finance Act 2016 for the Netflix group of companies ("Netflix") for the financial year ending December 31, 2023. The tax representative company in the UK is Netflix Services UK Limited ("Netflix UK"). The following statement sets out the UK tax strategy for Netflix's UK subsidiaries and operations.

### **Background**

Founded in 1997, Netflix is the world's leading internet entertainment service, with paying members in over 190 countries enjoying TV series, films and games across a wide variety of genres and languages. Netflix began streaming internationally (i.e., outside of the United States) in 2010 and in the United Kingdom in 2012.

In the UK, Netflix UK pays corporate income tax and other taxes arising from the access to the Netflix service to UK members, the provision of content services, and the employment of UK-based employees. In addition, Netflix remits VAT arising from the provision of its internet entertainment service to UK consumers. Netflix also invests directly in the UK entertainment ecosystem. This includes the creation of original content, co-productions with UK broadcasters, and licensing UK content for Netflix's global audience.

### **Tax Strategy**

Netflix develops tax decisions in a manner that is aligned with the company's overall business strategy and always in compliance with all domestic and international tax laws. A primary factor in making business decisions concerns the provision and maintenance of the Netflix service to subscribers. Tax considerations are secondary and reasonably based on commercial operations and economic substance. Where appropriate, Netflix relies on government-sponsored tax incentives or opportunities for sound business development activities. Transactions between Netflix group companies are conducted on an arm's-length basis and in accordance with the OECD Transfer Pricing Guidelines for multinational enterprises and tax administrations.

### **Tax Governance and Risk Management**

Netflix appreciates that risks may arise in relation to potentially diverging interpretations of increasingly complex tax laws. Netflix continuously identifies, monitors, and manages tax issues to ensure compliance with all relevant tax laws in a way that prevents disputes while avoiding double taxation. The Netflix tax team implements the company's approach to tax and is responsible for ensuring that appropriate procedures and controls are in place. The company's approach to tax, after being managed by the Tax team, are reviewed by its Chief Financial Officer, General Counsel, and other finance leaders, as well as by a committee of the Board of

Directors tasked with accounting and financial oversight. Where the tax uncertainty or complexity is significant, Netflix seeks professional advice from reputable external tax advisers.

### **Level of Tax Risk Accepted**

Netflix seeks to identify, assess, and manage tax risks and to account for them appropriately. Netflix has no rigid levels of acceptable tax risk other than those imposed by applicable law.

### **Relationship with HMRC**

Netflix seeks to maintain an open and transparent relationship based on mutual respect with HMRC and to work collaboratively with the local tax administration to resolve disputes and to achieve early agreement and certainty. Such an approach follows the proactive attitude Netflix is retaining vis-a-vis international organizations such as the OECD.

**Date:** 10 November 2024