

Aspen Technology, Inc - UK Tax Strategy

Company profile

Aspen Technology, Inc. (“AspenTech”) is a leading industrial software partner, with more than 60 locations worldwide. AspenTech solutions address complex environments where it is critical to optimise the asset design, operation and maintenance lifecycle. AspenTech is helping companies at the forefront of the world’s dual challenge meet the increasing demand for resources from a rapidly growing population with the expectation of a higher living standard in a profitable and sustainable manner. Through our unique combination of deep domain expertise and award-winning innovation, customers in asset-intensive industries can improve their operational excellence while achieving sustainability goals.

This tax strategy applies to Aspen Technology Ltd and all other UK subsidiaries of AspenTech (“UK companies”). References to UK Taxation are to the taxes and duties set out in paragraph 15(1) of Schedule 19 of the UK Finance Act 2016 which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax.

AspenTech’s Approach to Taxes

Governance and Risk Management

As a market leader, we are committed to the highest standards of ethical business conduct and corporate governance. There is a shared accountability among our employees to operate in accordance with the highest ethical and legal standards. Driven from the top, corporate responsibility is executed across all business functions internally and we also expect all our partners to adhere to the same standards. We remain committed to operating with the highest levels of integrity and in compliance with all applicable law.

The principles governing the oversight of our tax matters are aligned with AspenTech’s commercial, reputational and business practices and are consistent with our Code of Business Conduct and Ethics.

AspenTech is exposed to tax legislation that is complex and subject to interpretation. AspenTech has implemented internal policies and practices that establish a process for assessing, reporting, and monitoring tax risks. Our tax calculations are reviewed on a quarterly basis with the Vice President of Tax (“VP”) overseeing the review of AspenTech’s tax returns. We strive to comply with our tax compliance obligations in a timely manner and maintain a tax calendar to meet filing and payment deadlines. A quarterly meeting is held with our accounting teams to ensure any significant transactions and associated tax risks are captured and appropriately managed.

Responsibility for the management of our tax risks ultimately sits with the Chief Financial Officer (“CFO”). Day to day responsibility for the management of AspenTech’s tax affairs is delegated by the CFO to the VP. The VP maintains continuous dialogue with AspenTech’s tax team and reports directly to the CFO to ensure any material tax risks are promptly identified. Quarterly business reviews with the CFO and the Chief Executive Officer (“CEO”) of AspenTech are also attended by the VP to discuss any material events and ensure any tax consequences are appropriately managed. The VP presents on tax during quarterly Audit Committee and Board meetings as necessary.

Our published UK tax strategy, satisfies Paragraph 19(2), Schedule 19 of the UK Finance Act 2016, in respect of the financial year ending 30 June 2023.

Our tax processes are subject to the same level of internal control and external audit review as other AspenTech activities. The Audit Committee of the Board of Directors provides oversight of AspenTech's risk management, and its compliance with legal and regulatory requirements.

Where appropriate, AspenTech consults qualified external advisors to ensure compliance with our obligations and to assist in assessing our tax risks.

Attitude Towards Tax Planning

Aspen Technology's Board of Directors, Executive Management, and all of our employees, are dedicated to the utmost standards of ethics and integrity as set forth in the Code of Business Conduct and Ethics.

Market demand for our products and the location of our business operations determine the jurisdiction of our profits and consequently the appropriate amount of tax. Accordingly, we only engage in tax planning that has a bona fide business purpose based upon our commercial and economic activity. We engage qualified external advisors for material or complex transactions to ensure they meet the applicable tax laws and regulations.

Acceptable Level of Tax Risk

AspenTech is strongly committed to conducting its business affairs with honesty, integrity and in compliance with the applicable laws, rules, and regulations. Rather than having rigid defined levels of acceptable tax risk, AspenTech proactively seeks to identify, evaluate, manage and minimise these risks. To achieve this, AspenTech uses qualified external advisors to ensure we meet our tax reporting and compliance obligations. AspenTech's policies and practices are designed to identify and mitigate material tax risks.

Working with HMRC

Interactions with HMRC are undertaken transparently, constructively and honestly. AspenTech's goal is to build a strong working relationship with HMRC that will allow us to interact in an open and collaborative manner to resolve any areas of ambiguity timely and responsibly. Where the application of a tax law is unclear, AspenTech engages with HMRC to seek clarity on the interpretation of the law.