

ABC International Bank Plc

Tax Strategy

31 December 2022

This document sets out the approach to tax for ABC International Bank plc (“ABCIB”) and all other UK based Bank ABC entities, in relation to UK taxation. ABCIB’s approach to tax is overseen by the Audit Committee and approved by the Board of Directors and is communicated to the business units.

Approach to Tax planning

1. ABCIB has adopted the HMRC Code of Practice on Taxation for Banks (“the Code”), and continually seeks to comply with legislative intent and in so doing apply the spirit, as well as the letter, of tax law in all cases
2. ABCIB seeks to pay the correct amounts of taxation in respect of its various obligations on the dates on which the amounts become payable.
3. ABCIB does not engage in tax planning other than that which supports genuine commercial activity. ABCIB will take advantage of available reliefs or well established and accepted structures or arrangements where this is provided for by the law and is consistent with the principles of the Code.
4. Procedures are in place to ensure that tax implications of new business activities, or of new types of transaction are considered before the business commences, or the transaction is entered into.
5. Where appropriate, ABCIB engages tax advisors to assist with tax compliance and advisory matters, to support ABCIB in complying with its tax strategy and tax reporting requirements.

Governance and how UK tax risk is managed

The Board is responsible for setting the tax strategy of ABCIB and the Board Audit Committee exercises oversight in this regard. The CFO is responsible for ensuring ABCIB’s tax strategy and approach to tax is implemented and managed on a day to day basis with updates provided to the Audit Committee on a quarterly basis on ABCIB’s tax position and any other further tax issues or developments during the period.

ABCIB has a low appetite towards tax risk. Tax risk is considered as part of the wider ABCIB enterprise risk management framework which seeks to identify, assess and manage the Bank’s overall risk. ABCIB also has documented procedures around its main tax obligations, which are reviewed regularly by the Finance Team and the Human Resources department and approved by the CFO.

Relationship with HMRC

ABCIB believes in having an open, transparent and constructive relationship with HMRC. This approach is evidenced by:

- Responding to questions in a clear, full and timely fashion.
- Undertaking careful research before responding to questions to ensure that responses are based on documented facts, and take account of relevant legislation and guidance.
- Accommodating meetings with HMRC and making full disclosure of relevant records and documentation as they may reasonably request.
- Approaching HMRC for guidance on significant tax issues, where appropriate.

This document represents the tax strategy that was in place in respect of the financial year ended 31st December 2022 and meets ABCIB’s obligation under para 19(2), Sch 19, Finance Act 2016 to publish a tax strategy.