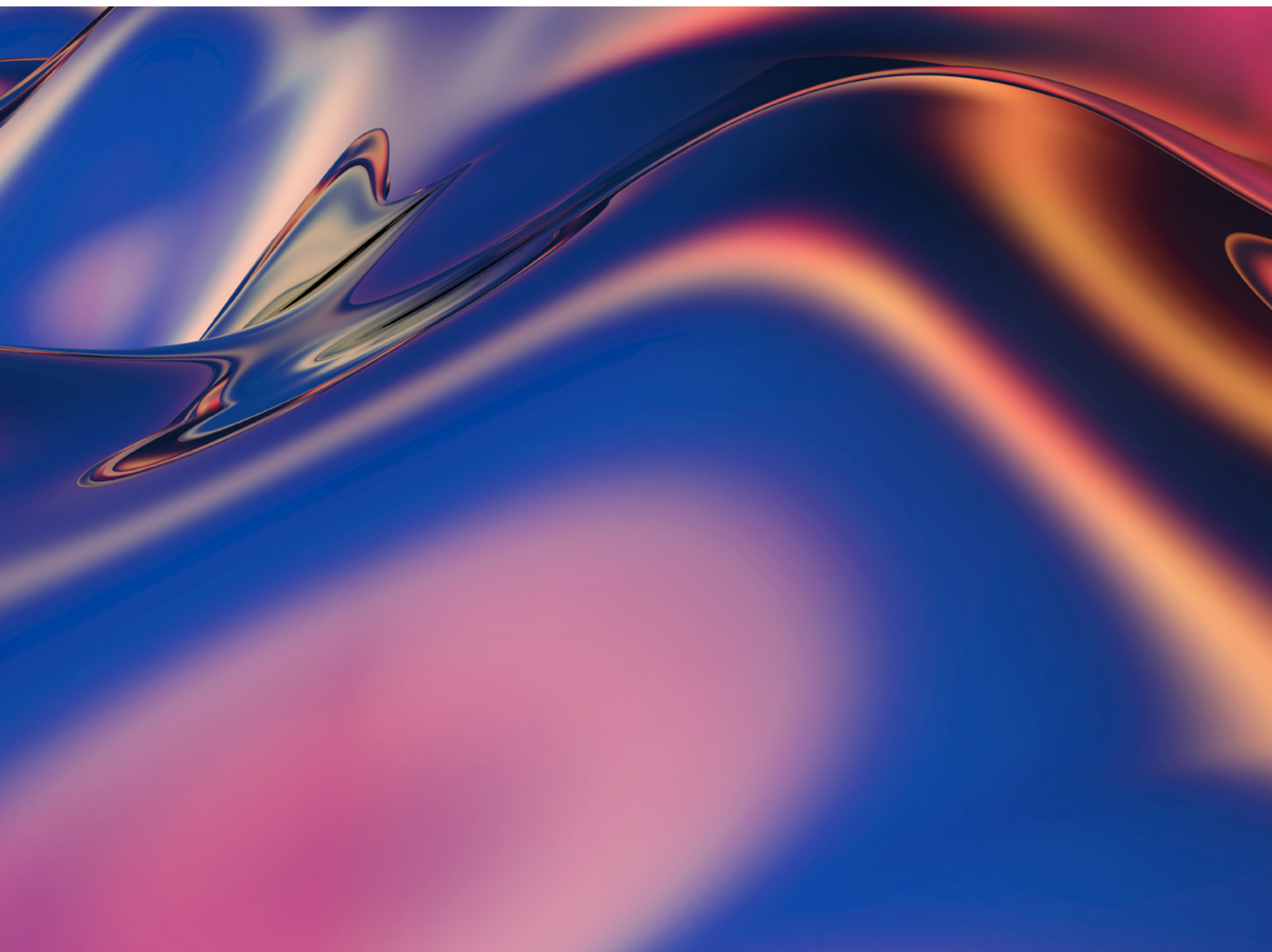


Tax Strategy

December 2022



1 Introduction

1.1 This document, known as the Tax Strategy, represents the overarching tax risk governance principles of ICBC Standard Bank Plc (hereafter “ICBCS” or “the Bank”) and encapsulates:

- our commitment to accurate and timely tax compliance and tax risk management;
- our principled approach towards legitimate and responsible tax planning;
- our belief in open and honest tax authority engagement; and
- our resolve to co-operate fully with all anti-tax evasion and tax transparency initiatives.

1.2 This Tax Strategy is owned and approved by the Board of ICBCS (the “Board”). It will be reviewed annually by the Executive Committee (“ExCo”) who will recommend any amendments necessary to accommodate changes in internal policy and / or in law and tax authority practice. All such amendments will be similarly approved by the Board.

2 Scope

2.1 This Tax Strategy is applicable to ICBCS and to all legal entities and branches that are controlled by ICBCS (hereafter “the ICBCS Group”). This also means that all employees operating within the ICBCS Group must comply with this Tax Strategy.

2.2 The principles articulated in this Tax Strategy apply across all taxes irrespective of the nature of the tax, the jurisdiction in which it is chargeable or the party liable to pay or collect it.

3 Core Values

3.1 The business of ICBCS and the ICBCS Group is built on trust and integrity. These concepts are fundamental to the way in which the Bank deals with its stakeholders including its clients, its employees, the markets in which it operates and the regulators and tax authorities to whose jurisdiction it is subject internationally.

3.2 This is reflected in its Core Values which include commitments to integrity, openness, prudence, innovation and excellence. In essence, the Bank always seeks to undertake the right business in the right way.

3.3 With this Tax Strategy, the Bank reaffirms its commitment to conducting its tax affairs in a manner that is consistent with these Core Values. Specifically, it wishes to (i) deliver fully on its tax compliance and tax risk governance obligations, (ii) act with the utmost integrity in tax planning matters, and (iii) maintain its transparent and honest relationships with tax authorities.

4 Overarching Principles

4.1 Commitment to Tax Compliance, Tax Risk Management and Governance

4.1.1 The ICBCS Group is committed to accurate and timely compliance with all applicable tax laws, reporting, and disclosure requirements in the countries to whose tax jurisdiction it is subject internationally.

4.1.2 The Bank’s approach in this regard is governed by a suite of policies and procedural standards which collectively ensure that there is a clear matrix of responsibilities and accountabilities for tax compliance and tax risk management.

4.1.3 Ultimate responsibility for the oversight of the Bank’s tax compliance rests with the Board but this is assigned on a day-to-day basis to the Chief Financial Officer (CFO) who is supported in this regard by a dedicated and experienced team of tax experts within the Finance function (Group Tax).

4.1.4 Group Tax collaborates with the Bank’s businesses and other relevant support functions to provide the advice and oversight necessary to ensure compliance with all relevant tax laws and to identify and control any tax risks.

4.1.5 Reputable, well known and trusted legal or accounting firms are consulted where required and / or where uncertainty arises as to the application or interpretation of any particular laws; in the right circumstances and where facility exists in the relevant jurisdiction, clearances or rulings may alternatively be sought from the local tax authorities.

4.1.6 Where tax risks are identified, they are managed, measured, controlled and reported through the relevant channels with material issues being conveyed to the Board as appropriate.

4.2 Attitude Towards Tax Planning

4.2.1 Like all commercial enterprises, the ICBCS Group seeks to maximise shareholder value and is prepared to undertake legitimate and responsible tax planning in the realisation of this objective.

4.2.2 Recognising that there may not always be a universally accepted view of what constitutes “legitimate and responsible tax planning”, the ICBCS Group delineates this by reference to the following:

- The ICBCS Group adopts an overarching risk philosophy in relation to tax matters which aims to mitigate any adverse and / or unexpected financial consequences and protect its reputation;

- Consequently, the Bank avoids taking extreme positions on tax-sensitive matters and adopts a cautious approach to any tax risks that cannot be sensibly and accurately evaluated and priced;
- In practical terms, this means that the ICBCS Group will only engage in tax planning arrangements that are technically robust and that do not carry a material degree of reputational risk.

4.2.3 The Bank believes that compliance with the above can best be assured by adhering to the following core principles. These are that the ICBCS Group will never engage in, facilitate or promote any tax planning initiatives that:

- lack commercial substance or serve no commercial purpose other than the avoidance of tax;
- produce a tax outcome that it knows or suspects to be contrary to the spirit of the law; or that
- might be viewed as aggressive or as pushing the boundaries of acceptable tax planning;

4.2.4 In assessing whether a particular initiative complies with these core principles, the Bank will always assume that all relevant facts are known to the relevant tax authorities and / or are disclosed to them transparently and in a manner that is wholly consistent with the commercial reality and with the principles outlined in section 4.3 below.

4.2.5 The Bank does not prescribe any specific target, “floor” or “cap” on the level of tax risk that it is prepared to accept but anticipates that compliance with the principles articulated in this section should lead to it naturally striking the optimal balance between tax efficiency and tax risk.

4.2.6 For the avoidance of doubt, the above principles will be similarly applied to the structuring of remuneration packages offered to Bank employees. This means that the Bank will not seek to reduce the remuneration taxes and / or social security contributions payable by it and / or by its employees unless the Bank reasonably believes such planning to be within the spirit of the law and so of a nature that the relevant tax authorities would consider acceptable.

4.3 Approach to Tax Authority Engagement

4.3.1 In all dealings with the tax authorities to whose jurisdiction it is subject internationally, the ICBCS Group is committed to fostering transparent and constructive relationships – based on open and honest disclosure, building mutual trust wherever possible – and will routinely and proactively (where such facility exists) seek feedback from tax authorities on the quality of our relationship with them.

4.3.2 The ICBCS Group will adopt and comply with the codes of practice / conduct advocated by the relevant authorities in the countries to whose tax jurisdiction it is subject in all reasonable circumstances.

4.3.3 In the UK, for example, the Bank has adopted HMRC’s Code of Practice on Taxation for Banks and is unconditionally committed to full compliance with it. This means inter alia that where significant uncertainties in relation to UK tax matters arise, the Bank will transparently disclose this to HMRC and work collaboratively to achieve early resolution and hence certainty on both sides. The ICBCS Group will act similarly in other jurisdictions where comparable facility exists.

4.3.4 Consistent with our wider corporate values, any tax authority disputes will be handled by our employees in a constructive, professional and respectful manner but if differences of opinion persist, the ICBCS Group is prepared to proceed to litigation where it believes that a position under challenge by a tax authority is technically defensible on a cost-effective basis and without materially adverse consequences to its reputation.

4.4 Co-operation with Anti-Tax Evasion and Tax Transparency Initiatives

4.4.1 The ICBCS Group will never knowingly facilitate attempts by its clients, counterparties or employees to deceive or otherwise mislead any tax authorities.

4.4.2 The ICBCS Group also does not provide tax advice of any kind to clients or counterparties and does not promote tax avoidance products or transactions of any kind to anyone.

4.4.3 The ICBCS Group is committed to full compliance with all applicable client tax information reporting requirements, including Automatic Exchange of Information (AEOI) regimes such as the US Foreign Account Tax Compliance Act (FATCA) and the OECD’s Common Reporting Standard (CRS).

4.4.4 The ICBCS Group is committed to full compliance with all applicable mandatory disclosure rules for the reporting of in-scope cross border tax arrangements.

4.4.5 The ICBCS Group has instituted the mechanisms required by the relevant authorities in its jurisdictions of operation to detect and report suspicions of tax evasion and is committed to taking all reasonable steps to prevent the facilitation of tax evasion by its employees or other associated persons.

ICBCS Group regards the publication of this tax strategy as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish the group tax strategy in the current financial year.

This Tax Strategy is published on 5th December 2022

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