



Bangkok Bank Tax Strategy London Branch

Introduction

Bangkok Bank Public Company Limited, headquartered in Thailand, operates in the UK through a branch. We provide a wide range of banking products and services including trade finance, corporate lending, remittance services, foreign exchange service and deposit taking. We view all taxes that we pay and collect on behalf of HMRC as being an integral element of our approach to good Corporate Social Responsibility ('CSR'), in line with our commitment to grow in a sustainable, responsible and socially inclusive way.

Our UK strategic objectives are to:

- comply with all UK legislation relating to tax, following the spirit as well as the letter of the law;
- pay the right and proper amount of tax in the UK;
- only take tax positions that are defensible under full disclosure;
- not to enter into arrangements without commercial and economic substance in order to obtain a tax benefit; and
- be timely, accurate and complete in respect of all of our tax filings.

We have outlined below in further detail the way the branch approaches tax in the UK.

This UK Tax Strategy has been developed by the London branch of Bangkok Bank Public Company Limited in respect of the year ending 31 December 2023 in accordance with Section 161 and paragraph 19(2) of Schedule 19 of the UK Finance Act 2016.

Our approach to tax risk management

UK risk management is overseen by the leadership team of the UK branch and ultimately the Board of Directors of Bangkok Bank Public Company Limited. The leadership team's role is to provide and oversee a risk framework by which the branch can identify, manage and monitor its business risks, including tax risk. Day-to-day responsibility for tax is delegated to Compliance and Control departments. Our tax risks fall into three broad categories:

1) Compliance and Reporting Risk

As with any business, the branch has the risk that tax returns will not be submitted on a timely or accurate basis. In order to mitigate this risk, the branch has robust financial and operational systems and internal controls to support tax compliance. Where appropriate, the branch uses external advisors to advise on or prepare the UK tax filings.

2) Transaction Risk

In line with our governance model, a risk assessment will be undertaken for all material transactions, for example the introduction of new products or changes impacting our business structure. As part of

our assessment of risk, we will engage with external tax advisors to ensure all tax risks are known and taken into consideration before decisions are finalised.

3) Legislative Change Risk

Legislative and regulatory changes pose risk to our business and customers. To ensure this risk is mitigated from a tax perspective, we receive regular updates from our tax advisors and attend industry events.

Tax risks are assessed through our Operational Risk Assessment template which is supported by our Operational Risk Management Policy. The operational risks in the template are defined as any risks of loss resulting from inadequate or failed internal processes, people and systems or from external events. Any such breach is escalated to the UK leadership team and ongoing risks will be monitored by our Compliance Department and Internal Audit function.

In addition to risks concerning our own tax reporting and compliance obligations, we recognise the importance of the requirements of the Criminal Finances Act 2017 concerning the prevention of the facilitation of tax evasion by associated persons and have taken steps to embed a zero-tolerance culture to the facilitation of tax evasion across the business.

Tax Planning

We only engage in tax planning initiatives that are aligned to our wider business and commercial objectives. Where appropriate to do so, we will seek to make use of legally available tax incentives, within the context of sound and sustainable business decision-making. In respect of any matters of uncertainty we will seek input from our tax advisors.

We have signed up to the Code of Practice on Taxation for Banks and all tax planning decisions made would be aligned to the code. Furthermore, all personnel within the business must adhere to our own Code of Conduct and Business Ethics Practice, which requires duties to be performed with, “honesty, morality, [and] responsibility.”

Tax Risk Appetite

The global group has a low appetite to risk and the UK branch’s tax risk appetite is aligned to this. Risks should be considered in line with our Operational Risk Management Policy, one of the principles of which is to avoid risk losses that would “cause severe damage to the bank’s reputation, stability, business leadership or future earnings potential”. Complex or uncertain tax matters are discussed with our tax advisors to ensure that we stay within our risk appetite and aligned to the Code.

Relationship with tax authorities

We seek to establish and maintain an open and constructive dialogue with HMRC, based on the disclosure of all relevant facts and circumstances. Where necessary, we will seek to provide clarity and establish certainty on all relevant tax components in advance of any material changes to our business. Where there are any matters of uncertainty, or differences in the interpretation of legislation, we will engage with our tax advisors to help resolve these.