



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. All taxes that we pay and collect for governments are an integral element of our corporate social responsibility. We regard it as a critical element of 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;
- never engage in tax evasion, artificial or high risk transactions;
- not adopt tax schemes without commercial and economic substance, such as hybrid instruments and entities that result in tax avoidance and double deduction and;
- be timely, accurate and complete with respect to the filing of tax returns and strive to avoid adjustments, fines and interest costs.

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

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:

- **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.

- **Transaction Risk**

In line with our governance model, a risk assessment is undertaken for all material transactions (e.g. new products, business change). As part of this due diligence, tax risk is assessed by external tax advisors to ensure all tax risks are known.

- **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.

The tax risks are assessed through our Operational Risk Assessment template. 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.

Tax Planning

We only engage in tax planning initiatives that are aligned to our wider business and commercial objectives. Where available, we will seek to make use of legally available tax incentives, within the context of sound and sustainable business decision-making. We have signed up to the Code of Practice on Taxation for Banks (Code) and all tax planning decisions made would be aligned to the Code.

Tax Risk Appetite

The global group has a low appetite to risk and the UK branch's tax risk appetite is aligned to this. 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. We seek to provide clarity and establish certainty on all relevant tax components in advance.

Reviewed and Approved by IBG on 11 November 2020