

Europe Arab Bank plc Tax Strategy

Europe Arab Bank plc (“EAB”), inclusive of its subsidiaries (13-15 Moorgate No.1 Limited, 13-15 Moorgate No.2 Limited and EAB Client Assets Nominee Limited), provides as its core businesses Corporate & institutional Banking, Private Banking and Treasury services to its clients. The Bank operates through six offices in four European countries (United Kingdom, France, Italy & Germany).

This document, approved by the Board of Directors of EAB, sets out its approach to conducting its tax affairs.

EAB is committed to:

- Following all applicable laws and regulations relating to its tax activities;
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity;
- Applying diligence and care in management of the processes and procedures by which all tax related activities are undertaken, and ensuring that tax governance is appropriate and proportionate to the size of the business; and
- Using incentives and reliefs to minimise the tax cost of conducting business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Risk management & Governance

EAB wants its tax affairs to be transparent and compliant with tax legislation, and recognise that managing tax compliance is increasingly complex. EAB’s internal structure is set up to ensure;

- The Board of Directors is ultimately responsible for the management of the tax affairs;
- There is a constant dialogue between the Board, the Chief Financial Officer and the Finance function to whom day to day management of tax risk are delegated and to ensure the business manages the tax risk.
- The business portrays a positive view towards tax compliance and the importance of meeting the tax obligations.

EAB constantly reviews how it meets its tax obligations, by seeking external tax advice, investing in tax training for the staff and also how it manages its relationship with tax authorities.

Tax planning

EAB’s tax planning aims to support the commercial needs of the business by ensuring that the business affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. As a signatory to the Code of Practice on Taxation for Banks (the “Code”), EAB is committed to ensuring that any tax planning is aligned with genuine commercial activity and it will not undertake any tax planning or structuring that is contrived or artificial.

The Finance function is therefore involved in commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or EAB does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the decision making process.

Level of tax risk the business is willing to accept.

In situations where applicable tax law is unclear or subject to interpretation, or a tax result or position is not free from doubt, EAB aims to consider the commercial and other non-tax drivers, the technical merits, legislative intent, external tax advice, and (when appropriate) guidance from and communications with the relevant tax authority.

Relationship with HMRC (HM Revenue & Customs)

EAB is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular EAB commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible; and
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.

This document is considered to comply with the requirements of Section 16 (2) of Schedule 19 of the Finance Act 2016.