

# Tax Policy

## Principles and Rules

The Bank's purpose Banking for better, for generations to come, guides its tax strategy and embraces corporate social responsibility. Recognising the role that tax plays in this regard, ABN AMRO has adopted the following set of global tax principles. ABN AMRO believes that these principles illustrate good corporate practice in the area of tax management and tax transparency, balancing the interests of its various stakeholders, including its clients, shareholders, employees and society at large. The principles provide guidance for responsible tax behaviour throughout ABN AMRO and are in line with its moderate tax risk profile. In addition, its supervisor DNB expects the Bank to fulfil its gatekeeper role for tax integrity purposes as well. To this end, DNB has issued guidelines in the DNB Good Practices on Client Tax Integrity Risk Management. The Bank has implemented these guidelines and amended its processes and procedures where necessary.

The Executive Board reviews and approves the tax policy on an annual basis. As tax is a responsibility of the board and the business, tax issues are discussed in meetings of the Executive Board, the Executive Committee, the Group Risk Committee, the Financial Crime Risk Committee, Business Risk Committees and the Ethical Committee where appropriate.

A tax risk is the risk of unexpected tax charges, including interest and penalties. A tax risk is also the risk of adverse consequences of events related to tax, such as damaged reputation with the tax authorities, investors, employees and the public at large. Tax risks may seriously affect the financial performance of the Bank and may arise both in relation to the Bank's own behaviour, products or solutions as well as with regard to the tax integrity of its clients.

ABN AMRO aims at adhering to a moderate tax risk profile which can only be achieved if ABN AMRO has sufficient control over its tax risks, including the tax integrity risks of its clients.

### **Accountability and governance**

ABN AMRO regards paying tax as part of its corporate social responsibility. Rather than being regarded as a cost, tax is a contribution to the society that the Bank operates in. Tax, the related corporate responsibility and governance is overseen by the Management Body and the Supervisory Board.

### **Compliance**

ABN AMRO's structure is in line with its commercial activities. The Bank complies with the tax legislation of the countries in which it operates, both to the letter as well as the spirit of the law. The Bank does not use transfer pricing to achieve results that are not commercially warranted and does not seek tax incentives without commercial justification.

### **Relationships with tax authorities**

ABN AMRO strives to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust. It will cooperate with the Dutch tax authorities and other tax authorities in their efforts to streamline their compliance reviews of its tax affairs.

## **Relationships with governments**

ABN AMRO respects the rights of governments to determine their own tax regime, tax reporting and collection mechanisms, as well as their obligation to protect a sustainable tax base. The Bank actively monitors developments in this area and engages with government bodies to ensure that its legitimate interests are taken into account.

## **Client tax integrity**

ABN AMRO does not knowingly and actively assist clients with structures or products that do not meet its own tax integrity standards. Where appropriate, the Bank engages with its clients with the aim to explain its view on tax and tax integrity, and to improve its clients' appreciation of the concept of paying tax as part of social responsibility, rather than as a cost.

## **Investments and tax integrity**

Long term investments for ABN AMRO's own account should meet its own tax integrity standards in as far as this relates to the tax affairs of the investments. While the Bank believes it is the prerogative of its clients to determine what standards of tax integrity their own investments should meet, the Bank determines to what extent the identified tax integrity risks of the investments are in line with its own principles regarding tax integrity given the relevant circumstances.

## **Tax risk management**

Tax risks exist both in the Bank's reporting environment as well as in the business. Tax risks are described, controlled, monitored and tested. ABN AMRO's tax risk management is part of its overall risk management approach. The Bank's tax control framework is set up to ensure and evidence that its internal processes are structured such that its material tax obligations are met.

## **Transparency**

Transparency is important to ABN AMRO. The Bank provides regular information to all its stakeholders about its tax strategy and tax position. The Bank also provides information on its account holders and clients, where it is legally obliged to do so. In light of the increased demand for transparency, the Bank intends to enhance its required public country-by-country report with additional information, such as assets and taxes paid.

## **Products**

The products that ABN AMRO offers are in line with its tax principles. That means that a product may only make use of tax benefits or tax incentives where obtaining these tax benefits or incentives are in accordance with the object and purpose of the law, and where the overall rationale outweighs any possible tax rationale, having regard to all relevant facts and circumstances.