

Tax Policy

Principles and Rules

ABN AMRO aspires to be a good corporate citizen and underlines the important role tax plays in this respect. ABN AMRO has adopted the following set of global tax principles. These principles are aligned with the Bank's purpose, its strategy and underlying strategic pillars.

ABN AMRO believes these principles illustrate good corporate practice in the area of tax management, compliance, governance 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 consistent with the moderate tax risk profile adopted by the Bank. These principles also take into account the gatekeeper role that the bank has when it comes to its clients and tax integrity, in line with the DNB Good Practices on Customer Tax Integrity Risk Management for Banks.

The Executive Board reviews and approves the tax policy on a regular basis. Tax (risk) issues are discussed in meetings of the Executive Board, 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 maintains 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 Executive Board 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 and maintain constructive and collaborative relationships with tax authorities, based on mutual respect, transparency, trust and cooperation.

Relationships with governments

ABN AMRO respects the rights of governments to determine their own tax regimes, 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

Client tax integrity risk is the risk that the bank accepts new clients or continues relationships with existing clients with a tax risk profile that does not fit within the tax risk appetite. It also is the risk that the bank is actively involved in a client structure that does not fit its own tax risk appetite. 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. Where this is warranted, ABN AMRO may refuse to enter into a relationship with a new client or seek to end the relationship with an existing client where it does not meet the Bank's tax integrity standards

Investments and tax integrity

Investments for ABN AMRO's own account should meet its own tax integrity standards. Clients of the Bank set their own standards of tax integrity for their own investments, although the Bank reserves the right not to offer certain investments, for example where the identified tax integrity risks of the investments are not in line with its own principles regarding tax integrity.

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

ABN AMRO does not offer products that are not in line with its tax principles. All products are in line with the object, purpose, spirit and intention of the law.