

Raiffeisen Bank International AG, London Branch (“RBUK”) - Tax Strategy

Background

RBUK (“the Bank” or “we”) is a London Branch of Raiffeisen Bank International AG (“RBI”), registered in Austria’s capital Vienna.

This Tax Strategy covers RBI’s operations in the UK and is published in accordance with Schedule 19 of Finance Act 2016.

RBUK strives to be transparent and fully compliant with all statutory obligations in respect of taxation matters in all jurisdictions in which it operates.

Governance Framework

The General Manager (“GM”) of the Bank reports to the RBI Managing Board, and has ultimate responsibility for the bank’s tax affairs. The GM delegates the responsibility for tax matters to the Deputy General Manager (“DGM”), based in London, who in turn delegates the day to day management of tax matters to the Branch Reporting Accountant (“BRA”). Levels of delegation depend on the specific tax type, as set out in our Tax Policy (which sets out the more detailed processes and controls in place in relation to tax). The GM and DGM review and approve the Tax Strategy and Tax Policy on an annual basis. Updates for changes in tax legislation or processes are made as and when required.

Compliance with the Bank’s Tax Policy and Tax Strategy is monitored by the London Management Board, comprising of the GM, DGM and the respective Heads of RBUK’s business lines. Compliance with the Tax Policy is the responsibility of all parts of the Bank’s business, and ultimately that of all our employees.

Persons responsible for tax matters are overseen by the DGM and are equipped with the appropriate knowledge, skills and capabilities to manage the Bank’s tax affairs, and where required, are assisted by external advisors. The BRA will liaise with RBI’s Tax Management, based in Austria, on matters that have an effect on the tax position of RBI. Suitably qualified and reputable external tax advisors are used to provide technical insights and advice on tax matters where required, examples of which would include:

- Awareness of and compliance with new tax laws or changes to existing tax laws and practices;
- where complex transactions are entered into (although the Bank does not typically enter into complex transactions); and
- where the potential tax impact of a transaction is material.

Risk Management

RBUK maintains a business model that ensures compliance with all UK tax laws. We do not engage in aggressive tax planning and pride ourselves on maintaining RBI’s reputation and working within the group’s **Code of Conduct**.

The Bank has processes in place to identify risks, which are listed in a risk register, and a framework exists by which to manage and control such risks. Tax is considered as part of the risk register management process.

When any risk is identified, our process is to gain a deeper understanding of the nature and potential impact of the identified risk and to determine whether to tolerate or mitigate the risk. This will be dependent on the potential impact and likely probability of reoccurrence.

Potential risks relating to the introduction of new products and/or business lines are managed by way of our new products approval process, which is managed by RBI in Austria. The GM, as having ultimate responsibility for UK tax matters, is notified of new products and/or business lines and is involved in the new products approval process.

Where any inadvertent errors in submitted tax filings are identified, the Bank will make full disclosure to the appropriate tax authority.

Acceptable level of risk

The Bank has a conservative appetite for tax risk. The level of acceptable tax risk is assessed on an individual case basis, based on the relevant specific facts and circumstances, and within our governance framework and conservative tax risk appetite.

We rely on the implementation of our Tax Strategy and Tax Policy to minimise our exposure to tax risk. We manage our tax affairs to ensure compliance with both the letter and spirit of the law, where intentions of Parliament are readily discernible, and to ensure the appropriate amount of tax is paid in a timely manner.

Attitude toward tax planning

We do not engage in tax planning other than that which supports genuine commercial activity, and we will seek to manage tax costs within both the letter and spirit of the law. We do not enter into arrangements that would lead to a failure under Part 1 of HM Revenue & Custom's ("HMRC") Code of Practice on Taxation for Banks, which we have adopted.

Material and non-routine transactions, and new business lines and products undertaken by the Bank are discussed with the GM, DGM and BRA, and they consider the tax implications and provide approval, with appropriate support from external advisors as required.

Relationships with Tax Authorities

We seek to have an open, transparent and cooperative relationship with HMRC. This includes:

- engaging in open and constructive dialogue with HMRC;
- seeking clarification in complex areas of tax law or when new tax laws are introduced;
- making full disclosures where required and legally feasible;
- meeting statutory deadlines; and
- remaining available to deal with queries from HMRC as and when required.

We believe that dealing with HMRC in a collaborative way is consistent with our values as laid out in our Code of Conduct and will lead to the quicker resolution.