

## **UK TAX STRATEGY**

### **Introduction**

This strategy applies to the BOI group of companies in accordance with paragraphs 19 and 22 of Schedule 19 of UK Finance Act 2016 (“the Schedule”). The strategy also applies to the UK branch of the Governor and Company of the Bank of Ireland.

A list of the relevant bodies to which it applies is set out below. In this strategy, references to “the Group” are to all these bodies.

### **Relevant bodies**

Bank of Ireland (UK) plc  
NIIB Group Limited  
Bank of Ireland Personal Finance Limited  
Midasgrange Limited  
Bank of Ireland Trustee Company Limited  
Bank of Ireland UK Holdings plc  
Bristol & West plc  
Bristol & West Personal Pensions Limited  
Bank of Ireland Britain Holdings Limited  
Bank of Ireland Direct Marketing Limited  
L&B (No 16)  
College Green Limited  
BOI GP No.1 Limited  
Bank of Ireland Business Finance Limited  
Bank of Ireland Home Mortgages Limited  
Hawk Residential Limited  
Governor & Company of the Bank of Ireland – UK Branch  
Bank of Ireland Capital Exchange Limited  
Bank of Ireland Fund Managers Limited  
Marshall Leasing Limited  
Gates Contract Hire Limited

This strategy applies from the date of publication until it is superseded.

References to “UK taxation” are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, VAT, PAYE, NIC, Insurance Premium Tax and Stamp Duty Land Tax. References to “tax”, “taxes” or “taxation” are to UK taxation so far as relating to or affecting the bodies to which the required tax strategy relates.

The strategy has been published in accordance with paragraph 19(4) and paragraph 22(5) of the Schedule by being included on the Bank of Ireland UK website.

The Group consider that the publication of this tax strategy satisfies its requirements to publish a tax strategy under paragraph 19(2) and paragraph 22(2) of the Schedule.

#### **a) Governance in relation to wider Bank of Ireland Group taxation (including UK taxation)**

Ultimate responsibility for the Bank of Ireland Group (BOIG) tax strategy and compliance (across ROI, UK and the other jurisdictions it operates in) rests with the BOIG board of directors (“the Board”), the Court of the Governor & Company of the Bank of Ireland (“the Court”), and where relevant the boards of the subsidiary entities. In this regard, risk management is delegated to the Court Risk Committee (“CRC”) and further delegated to the Group Risk Policy Committee (“GRPC”).

The Group Tax Committee operates within the parameters of the GRPC approved internal Group Tax Policy and ensures that tax risks are properly controlled and managed and that the overall tax strategy is informed by and aligned with the Group’s risk appetite. The BOIG Chief Financial Officer (“CFO”) is the member of the Board and the Court with executive responsibility for tax matters.

- In the UK, tax matters come within the remit of the Chief Financial Officer of BOI UK plc (“UK CFO”), who is also the UK Senior Accounting Officer (“SAO”).
- Day to day management of BOI’s tax affairs is outsourced to Group Tax under the leadership of the Director of Group Tax (who is a member of the Group Tax Committee alongside the UK CEO and Group CFO).
- The Group Tax team is staffed with appropriately qualified individuals and a UK Head of Tax, (based in London) is responsible for UK taxation matters.
- The UK Head of Tax has a dotted reporting line to the UK CFO to ensure appropriate linkage on all UK tax matters.

Through these delegated responsibilities, the relevant committees ensure that the Group’s UK tax strategy is one of the factors considered in all investments and significant business decisions taken in the UK.

#### **b) Attitude towards tax planning and level of risk**

The Group manage risks to ensure it complies fully with all of its tax obligations. The Group takes a prudent approach in managing its tax affairs and has a low tax risk appetite.

The Group is a signatory to the UK Code of Practice on Taxation of Banks and in relation to UK taxation, does not undertake tax planning that does not support genuine commercial activity or aims to achieve a tax result that is contrary to the intentions of UK Parliament. HMRC have confirmed that the Group are compliant with the Code.

The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of complying fully with all of its tax obligations. At all times, the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.

The Group will seek to claim all available allowances and reliefs against its tax charge and to structure its affairs in a manner which optimises the long term return on its capital, while at all times behaving in a manner appropriate to its standing in the community. The Group will not engage in any transactions where the success of the tax position adopted is reliant on non-disclosure of any element of the transaction to a Revenue Authority.

In relation to any specific issue or transaction, the BOIG Board, and where relevant the board of the subsidiary entity, is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts in question, complexity and reputational risk.

#### **c) Relationship with HMRC**

The Group seeks to have a transparent and constructive relationship with HMRC by engaging with integrity, respect and fairness and in a spirit of co-operative compliance.

The Group engages with HMRC through regular meetings and communication in respect of developments in BOI’s business and interpretation of the law in relation to all relevant taxes. The UK Head of Tax is responsible for maintaining the relationship with HMRC.

The Group ensures that HMRC is kept aware of significant transactions and changes in the business and will seek to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, The Group will disclose all relevant facts and identify any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

#### **d) Risk management**

The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

A three lines of defence approach has been adopted for assigning responsibilities for the management of tax risk:

☐ **Line 1** – primary responsibility and accountability for compliance with strategy lies with the individual UK business areas;

☐ **Line 2** – Group Tax is the functional area with specific responsibility for providing advice and oversight in respect of the management of tax risk in the Group. Group Tax may refer items to the UK CFO and as appropriate to the Group Tax Committee; and

☐ **Line 3** – Group Internal Audit provides independent, reasonable assurance to key stakeholders of the effectiveness of the Group's risk management and internal control framework.

In considering individual transactions, the Group Tax Committee will have regard to the views of Group Tax, the UK CFO, the Group's external tax advisors, the relevant business unit proposing the transaction and the practices of the Group's peer group and reputable competitors.

Group Tax is the single point of contact for all correspondence with all Revenue Authorities. Business units are not authorised to correspond directly with Revenue Authorities without seeking prior consent from Group Tax.

Business units are educated on the management of tax risk in the Group by referring to the existence of the internal Group Tax Policy and through appropriate training.

**Mr Jonathan Breaks**  
**UK Head of Tax**  
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