



NATIONAL BANK OF EGYPT (UK) LIMITED

TAX STRATEGY

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Scope

This strategy (the “Tax Strategy”) applies to The National Bank of Egypt (UK) Ltd (“NBEUK”) which is a wholly-owned subsidiary of National Bank of Egypt, 1187 Corniche El Nil Street, Cairo, Egypt.

NBEUK has no subsidiary companies. Nor does it have any associate companies operating in the UK.

This Tax Strategy is being published in accordance with paragraph 19(4) of Schedule 19 of the 2016 Finance Act (‘the Schedule’) and applies from the date of its publication until it is superseded.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, PAYE, NIC, VAT, Insurance Premium Tax, Annual Tax on Enveloped Dwellings, Stamp Duty Land Tax and Stamp Duty Reserve Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Bank has legal responsibilities.

Purpose

The purpose of this Tax Strategy is to reveal the management of tax within NBEUK. NBEUK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The tax affairs are managed in a way which allows for the identification, understanding and mitigation of tax risks and costs in order to preserve NBEUKs reputation.

Governance in relation to UK taxation

Ultimate responsibility for NBEUK’s tax strategy and compliance rests with the Board. The Board considers tax risk as one of the factors in all investments and significant business decisions taken.

Executive management of NBEUK’s tax strategy and compliance is delegated by the Board to the Chief Executive Officer/Managing Director.

The Financial Control Department and the Human Resources Department manages NBEUK’s tax affairs on a day to day basis. They are staffed with appropriately qualified individuals who are overseen by Senior Managers

Risk Management

NBEUK actively seeks to identify, monitor and manage tax risks through a system of tax risk assessments and controls as part of the overall control framework. The group has a prudent risk appetite and 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. Process owners review activities and processes to identify risks (including tax risks) and mitigating controls, and monitor them for business and/or law changes that impact the processes. Changes to processes and/or controls are made when required.

Appropriate training is carried out for non-finance staff who manage, process or have involvement with matters which have tax implications, for example HR and the front office team.

Advice is sought from external advisers where appropriate. Examples of circumstances necessitating this would include the following:

- Where new tax legislation has been or is expected to be released;
- Where there is doubt over the interpretation or application of the legislation;
- Where the legislation is highly complex in nature; and
- Where the potential tax impact of a transaction is material.

Attitude towards tax planning and level of risk

NBEUK has a prudent risk appetite and low risk tolerance. The ongoing tax risk approach is based on principles of reasonable care and materiality.

NBEUK manages risks to ensure compliance with legal requirements to effect payment of the appropriate amount of tax in a timely manner. NBEUK follows the spirit as well as the letter of the law and are a signatory to the Banking Code of Practice and ensures full compliance with the obligations thereunder.

Any tax planning implemented will be based on commercial drivers and rationale. The reduction of UK tax as the sole objective for either NBEUK or its clients or counterparties is not sufficient for a transaction to be treated as having genuine commercial purposes. NBEUK does not countenance tax evasion, either on its own account or in respect to its employees, customers or counterparties.

When entering into commercial transactions, NBEUK seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. NBEUK does not undertake tax planning unrelated to such commercial transactions.

Relationship with HMRC

NBEUK strives for transparency in internal and external tax reporting and communication and maintains an open and constructive dialogue with HMRC. NBEUK does not enter into tax planning transactions which could adversely impact its reputation with HMRC or the wider public.

NBEUK makes HMRC aware of changes in the business and seeks to discuss any tax issues on a real time basis. When submitting tax computations and returns to HMRC, NBEUK Group discloses all relevant facts and identifies any transactions or issues where it considers 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.