

# Bank of America's UK Tax Strategy

This UK Tax Strategy applies to all UK tax resident entities and branches in the Bank of America Group (collectively referred to below as "BofA").

BofA believes in making decisions that are clear, fair and grounded in the principles of shared success, responsible citizenship and community building. We deliver on our common purpose of making financial lives better through a strategy of responsible growth and a focus on environmental, social and governance leadership.

BofA is committed to the highest standards of ethical and professional conduct. The Bank of America Code of Conduct provides guidelines of business practice and professional conduct that all Bank of America employees are expected to adopt and uphold.

Our UK Tax Strategy, which is to pay the appropriate amount of UK tax and to comply with both the letter and spirit of the law, is consistent with our strategy of responsible growth, our Code of Conduct and our duty to our shareholders.

The publication of this UK Tax Strategy is considered to fulfil BofA's obligations under paragraphs 19 and 22 of Schedule 19 of the Finance Act 2016.

## 1. Governance and Risk Management

- BofA manages its UK tax risk in accordance with BofA's overall risk framework. Processes and controls exist to identify, escalate and debate UK tax risk.
- The boards of directors/branch officers of the various members of BofA have ultimate responsibility for BofA's UK Tax Strategy.
- The UK Chief Financial Officer ("CFO") has primary responsibility for BofA's UK Tax Strategy.
- The Head of the EMEA Tax Department has overall responsibility for monitoring and controlling BofA's UK tax affairs.
- Front Line Units, the EMEA Tax Department and other Support Functions, are all responsible for performing relevant processes and controls, as well as reviewing and approving all transactions and products in accordance with BofA's corporate governance routines.
- Appropriately qualified members of the EMEA Tax Department are responsible for day to day oversight of BofA's UK tax compliance. Detailed processes and controls have been implemented as part of the governance framework in order to ensure compliance with our UK tax obligations. EMEA Tax Department employees have responsibility for monitoring the effectiveness of relevant processes and controls, as well as making appropriate adjustments for any business activity or legislative changes. This helps to ensure that all aspects of UK tax risk, including compliance, financial reporting, transactional and reputational risks are carefully managed.
- Employees take appropriate actions within the context of corporate objectives and delegated authorities and are accountable for their actions.

- Where any material tax risk is identified, it is escalated to the Head of EMEA Tax, the CFO and relevant risk committee, including where appropriate the EMEA Reputational Risk Committee.
- BofA's Internal Audit function periodically reviews the effectiveness of the UK tax processes and controls.

## **2. Approach to tax planning and level of risk**

- Consistent with the core principles in BofA's Code of Conduct, our UK Tax Strategy is always to seek to correctly apply UK tax laws and regulations and to comply with both the letter and the spirit of the law. We take care to ensure that transactions that we enter in to for our own or on behalf of our clients, support genuine commercial activity. In this regard we only implement transactions which we reasonably believe give a UK tax result that is consistent with the intentions of Parliament.
- BofA is a signatory to HMRC's Code of Practice on Taxation for Banks and the approach to tax planning is consistent with its obligations under that Code. Where the application of UK tax law is considered to be uncertain, we consult with professional tax advisors or follow up directly with HMRC. We have a low level of tolerance for UK tax risk. Whilst there is inherent risk in a complex and large organisation such as BofA we consider that the governance procedures in place and the strategy for responsible growth which oversees everything we do helps to ensure that low levels of risk are maintained. Transactions are judged on their merits in accordance with the principles described above. BofA's intention is to fully comply with HMRC's Code of Practice and achieve certainty with respect to its tax affairs.

## **3. Working with HM Revenue & Customs ("HMRC")**

We maintain an open, professional and transparent relationship and proactively engage with HMRC, on a real time basis, in all areas of UK tax. In particular we:

- Have regular meetings and dialogue throughout the year to ensure that HMRC is kept informed of significant transactions and changes in relation to the structure of the BofA group of companies;
- Seek to ensure that HMRC are made aware of any material items affecting BofA's UK tax position as soon as possible;
- Request HMRC's opinion on potential transactions, new legislation and areas of tax uncertainty where appropriate;
- Commit to submit our UK tax filings and pay our UK tax liabilities in a timely and accurate manner;
- Meet with HMRC on an annual basis to explain the background to any adjustments in the tax filings and to highlight any areas of uncertainty; and
- Aim to resolve any areas of subsequent enquiry from HMRC at the earliest opportunity.