



# UK Application of NAB Group's Tax Policy

## **National Australia Bank Limited (NAB) and subsidiaries (NAB Group) has a formal Group Tax Policy setting out its approach to managing tax risk and compliance with its tax obligations.**

Since 1 October 2016 NAB Group's UK operations have been subject to the provisions of Finance Act 2016 Schedule 19 which requires certain disclosures to be made about various aspects of NAB Group's UK tax governance.

NAB Group's UK operations are subject to the Group Tax Policy. The key principles of the Group Tax Policy and how these principles are applied in the UK are set out below.

### **NAB Group Tax Policy**

As a corporate leader, the NAB Group commits to strong corporate values and behaviours, including in its approach to taxation.

The Group Tax Policy is fully endorsed by the NAB Board, which has ultimate responsibility and accountability for tax risk governance.

The Group Tax Policy applies to all functions of the NAB Group globally, NAB Group employees, contractors and agents.

The Group Tax Policy sets out how NAB and its controlled entities identify and manage tax risk and ensure compliance with all relevant tax obligations.

NAB's approach to tax risk management is founded on seven key principles:

- **Full compliance with tax laws** – NAB will comply with the tax laws in all countries in which NAB does business. This includes paying the right amount of tax at the right time.
- **Maintenance of a robust tax control framework** – NAB must maintain a robust tax control framework which will be subject to regular testing and assurance.
- **Acceptable tax planning** – NAB will only engage in acceptable tax planning in regard to transactions, products and business structures. In this regard acceptable tax planning must have a commercial and economic relevance to NAB's underlying business activities and have genuine substance.
- **Use of arm's length tax transfer pricing principles** – NAB will adopt the arm's length principle for setting prices for transactions between NAB's related entities and branches. NAB will pay an appropriate amount of tax in the relevant country where economic value is created.
- **Constructive working relationships with tax authorities** – NAB will maintain constructive working relationships with tax authorities based on mutual respect, trust and transparency.
- **Tax transparency consistent with stakeholder expectations** – NAB will annually publish a tax transparency report. This report will meet stakeholder expectations around the transparency of NAB's tax affairs including the provision of information about NAB's approach to tax risk and the disclosure of taxes paid by NAB.
- **Complete and correct customer related tax reporting** – NAB will submit complete and correct reports of customer information and data to tax authorities as required by the laws of any country in which NAB operates.

## Application of the Group Tax Policy in the UK

The application of the Group Tax Policy in the UK is set out below and is made in respect of the year ended 30th September 2024.

- **Approach of the group to risk management and governance arrangements in relation to UK taxation.**

The above key tax governance principles underpin the NAB Group's approach to UK tax risk management and governance.

The day-to-day responsibility for the management of tax risk and the tax governance framework rests with the Head of Tax who is accountable to the Chief Tax Officer. The UK tax department is staffed with experienced and appropriately qualified individuals who handle the majority of tax compliance obligations.

- **The attitude of the NAB Group as towards tax planning (so far as it affects UK taxation).**

Any tax planning undertaken is or will be consistent with the above acceptable tax planning policy principle.

NAB Group is a signatory to the UK Code of Practice on Taxation for Banks whereby the NAB Group agrees to comply with the spirit of the law and the intentions of Parliament.

- **The level of risk in relation to UK taxation that the NAB Group is prepared to accept.**

The NAB Group will manage its UK tax affairs consistent with the tax principles stated in the Group Tax Policy.

The NAB Group will work towards maintaining its 'Low Risk' status as assessed by His Majesty's Revenue and Customs (HMRC).

- **The approach towards its dealing with HMRC.**

The NAB Group will approach its dealings with HMRC consistent with the above policy principle of seeking constructive working relationships with tax authorities.

The NAB Group operates an open, transparent and constructive relationship with HMRC and seeks to raise queries in real time. Frequent communication with HMRC ensures that issues get resolved quickly and uncertainty is removed.

Full disclosure by the NAB Group is made in submitted computations and particularly for transactions or issues where the tax treatment maybe uncertain.