



Commerzbank AG London Branch and UK associated companies

UK Tax Strategy and Risk Management

Para 16(2), Schedule 19 of the Finance Act 2016 requires certain businesses to publish a group tax strategy in relation to UK tax. Commerzbank Group regards the publication of this tax strategy as complying with that obligation for the year ended 31 December 2021.

Organisational structure

This tax strategy applies to Commerzbank AG's branch and subsidiaries in the UK.

Governance

Responsibility for Commerzbank Group's tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Chief Financial Officer (CFO) of Commerzbank Group. Day-to-day responsibility for each of these areas sits with the Global Head of Tax of Commerzbank Group. Within this framework, responsibility in respect of UK tax will generally be delegated to the UK CFO and the UK Head of Tax.

Our approach to tax is governed by the Group's board-approved tax strategy and various group policies. Within these policies, we recognise our social responsibility and our obligation to make appropriate contributions to UK tax revenues. We are committed in the responsible management of our tax affairs, including a cooperative, transparent and compliant approach to UK tax law and regulations. Key tax risks and issues are considered by the Group Audit Committee on a regular basis.

Tax Compliance

We are committed to complying with UK tax obligations and we operate within the Commerzbank Group's policies. We are committed to ensuring that we pay the right amount of all UK taxes and that all UK tax returns are completed accurately and on time.

Processes and controls are central to ensuring compliance and we take care in ensuring that we have robust and appropriate systems in place.

We support the exchange of information regimes such as the United States' Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Cooperation and Development's Common Reporting Standard (CRS).

We support the government's policy objective of tackling tax evasion. We have a zero tolerance approach towards tax evasion and the facilitation of tax evasion. We seek to continually improve our control environment such that we have robust procedures in place to prevent an offence being committed under the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion.

Tax planning

We do not undertake planning other than to support genuine commercial activity. We do not engage in transactions which give a UK tax result that is contrary to the intentions of Parliament. We have adopted HMRC's Code of Practice on Taxation for Banks.

Level of tax risk accepted

We have a low appetite towards the acceptance of tax risk. The tax system covering our activities is complex. All non-standard transactions are reviewed by our experienced in-house tax team. Where uncertainties in the tax treatment of our transactions are identified, advice is sought from appropriately qualified external advisors.

Relationship with HMRC

We keep an open dialogue with HMRC and ensure that they are aware of all significant transactions that have a material effect on our UK tax position. From time to time, our views on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where there are differences of opinion between us and HMRC, we seek to resolve them in an open, constructive and transparent manner.