

Introduction

MashreqBank PSC (“Mashreq” or the “Bank”) is one of the UAE’s leading financial institutions established in the year 1967 by the Al-Ghurair family. Mashreq is headquartered in the UAE and has a strong presence across the country, as well as in Qatar, Bahrain, Kuwait and Egypt. Mashreq also has correspondent banking business in international financial centers such as London, New York, Honk Kong and Mumbai. Overall, Mashreq has a network of branches in the UAE, international representative offices and overseas offices in countries across various regions, including Europe, the United States, Asia and Africa.

The core focus of Mashreq’s London Branch (the “Branch”) is on providing correspondent banking services mainly for Financial Institutions for trade finance purposes. The Branch works closely with teams in Mashreq Dubai, as well as the international network, to bring to local customers a top class and tailored trade finance and payments banking service and also to deliver access as appropriate to the Bank’s Middle East range of products and services.

This Tax Strategy covers the UK tax affairs of the London Branch of Mashreq Bank, in accordance with the requirements of Section 22(2) of Schedule 19 of the Finance Act 2016.

Risk management & Governance

Mashreq is fully committed to being compliant with all local laws / regulations in the geographies in which it operates and has established a robust framework of policies and processes to ensure this. In connection with this, Senior Management within the Bank supports the Branch in ensuring it complies with all relevant tax law and practices relating to UK taxes. Compliance for the Bank means paying the appropriate amount of tax in the right place at the right time. It involves disclosing all relevant facts and circumstances to UK tax authorities and claiming reliefs and incentives where available.

Overall responsibility for the Branch’s compliance with UK tax requirements and for the management of UK tax risks rests with the UK Branch Country Head, the most senior manager in the Branch. The Branch governance around tax matters follows formal procedures which are in line with other approved governance procedures implemented across the wider Bank and maintains strong governance in respect of the management of its UK tax affairs.

This governance includes the appointment of competent internal finance resource in the UK and putting in place systems and processes to ensure timely and accurate submission of tax returns to HMRC.

All tax compliance arrangements are subject to both internal, and external review by reputable tax advisors, along with further advice from advisors in respect of any law changes, changes of approach or tax authority enquiries.

Local UK Tax laws are managed by the Branch and if there are wide-scale changes or complexities that impact the Group these are raised to Head Office. The Branch has taken steps to ensure all Senior

Managers and employees in the UK are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.

Tax Planning

In arranging or structuring its commercial activities, the Branch will consider, amongst other things, relevant tax laws, with a view to maximising value on a sustainable basis for its stakeholders. As a signatory to the Code of Practice on Taxation for Banks (the “Code”), the Branch is committed to ensuring that any tax planning is aligned with genuine commercial activity and will not undertake any tax planning or structuring that is contrived or artificial or based solely on tax outcomes. In certain cases, where there is significant uncertainty or complexity in relation to a tax position, external advice will be sought from reputable firms of advisors.

The level of tax risk we are prepared to accept

The Bank has a low tolerance towards tax risks and is committed to maintaining and enhancing its tax compliance processes and controls. In situations where applicable tax law is unclear or subject to interpretation, or a tax result or position is not free from doubt, the Branch aims to consider, among other things, the commercial and other non-tax drivers and (when appropriate) guidance from and communications with the relevant tax authority. The Branch plans and intends to adopt tax positions that are supported by applicable tax law and legislative intent.

Approach to dealing with HMRC

The Bank is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular the Bank commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.

This statement is intended to meet the requirements of Section 22(2) of Schedule 19 of the 2016 Finance Act to publish an external tax strategy. The Policy Statement is subject to an annual review process and has been approved for publication.