

T.C. Ziraat Bankasi A.S. London Branch - UK Tax Strategy

Background

T.C. Ziraat Bankasi A.S. London Branch (“TCZB UK”) is a UK bank branch of T.C. Ziraat Bankasi A.S., a Turkish state owned bank (“Head Office”).

At Head Office our stated global Vision, Mission and Strategic Statements are co-dependent on our focus of being a “Moral” bank that provides a quality and sustainable business for our customers and for the wider Turkish economy. We strive for excellence in serving our customers and hold customer satisfaction as being the key driver to our business. We have a clear Risk Management Policy in place, the objective of which is the management of risk, protection of depositors, borrowers and stakeholders and to ensure that we have adequate capital and liquidity ratios.

TCZB UK operates within these global values including in relation to all of its UK tax matters. The Turkish tax legislation is very prescriptive and this drives the attitude to UK tax management. Consequently, our approach to tax is aligned with the wider Head Office’s business strategy, Mission Statement, and Sustainability Policy. As a result, we act with integrity across the business, including tax, and are committed to complying with UK tax laws responsibly.

Tax risk management and governance

The Director-Finance and Accounts of TCZB UK owns and implements our approach to tax with oversight from the Branch Managing Director and the Branch Management Committee. The Head Office board will also provide oversight where required, for example in terms of new product offerings.

We look to manage tax risk in a similar way to other risks across the business. Our Finance Team, who are responsible for tax, will partner with the wider business in identifying, managing and monitoring tax risks within the business, supplemented by oversight functions, including The Compliance Team and Internal Audit.

Tax planning and risk

In operating our tax risk management and tax governance framework, TCZB UK has a low appetite towards tax risk. We aim to comply with all our tax obligations, paying the right amount of tax at the right time. External advisors are engaged to support the bank’s UK tax compliance obligations and to keep the UK team up to date with the latest tax developments, providing compliance and advisory support as required.

Relationship with HMRC

TCZB UK has adopted the HMRC “Code of Practice for Banks,” and continually seeks to comply with the spirit, as well as the letter, of tax law. All transactions and arrangements are based on a primary underlying business purpose and commercial rationale. Tax does not drive the decision making process when, for example, considering what new products are to be offered. TCZB UK seeks to maintain an open, transparent and constructive relationship with HM Revenue and Customs (“HMRC”). We will respond to all HMRC queries in a transparent, complete and timely manner.

Where the tax law is unclear or subject to interpretation, external advice is obtained, and we will also seek advice from HMRC where appropriate.

We consider that the above statement complies with TCZB UK’s obligation under Schedule 19 of the Finance Act 2016 for the financial year ending 31 December 2017.

Date: 7th December 2018