



**Tax Strategy**  
**For the year ended 31 March 2021**



## **TAX STRATEGY**

PNBIL's tax strategy is to manage its tax affairs to comply with all tax obligations and pay the right amount of tax at the right time, in accordance with UK tax laws.

The Bank is a signatory to HMRC's Code of Practice on Taxation for Banks, and the tax strategy is framed in the spirit thereof. This document, approved by the Bank's Board Audit and Compliance Committee (BACC) sets out the approach to managing the Bank's tax affairs. This document will be reviewed annually and approved by the BACC.

The Bank regards the publication of this tax strategy as complying with the duty under Schedule 19 of the Finance Act 2016. This document relates to the year ended 31 March 2021.

## **RISK MANAGEMENT AND GOVERNANCE**

- The Board of Directors, acting through the BACC, is ultimately responsible for setting and monitoring the tax strategy of the Bank.
- The lead responsibility is taken by the Chief Financial Officer, who is accountable to the BACC for the implementation of the tax strategy and the management of tax and related risks.
- The Bank maintains effective internal controls over its tax affairs and has clear lines of accountability between the BACC, CFO and the Finance function.
- The Finance function is responsible for the day-to-day management of all tax related issues.
- The Bank does not undertake nor facilitate transactions which are designed to achieve tax results that are contrary to the intention of tax legislation. The Bank is committed to combating financial crime including money laundering arising from tax evasion.
- The Bank is committed to conducting its tax affairs within a robust control environment and being consistent with monitoring, identifying and managing risks.

## **USE OF ADVISORS**

PNBIL's tax policy is to engage external tax advice where required to ensure that tax affairs are administered in accordance with UK tax laws.

## **THE LEVEL OF TAX RISK THE BANK IS PREPARED TO ACCEPT**

Given the complex nature of tax laws, it is inevitable that tax risks arise. Overall, the Bank has a low-risk appetite and correspondingly follows a low-risk approach to tax strategy and governance.

The Bank will not take positions on tax matters or accept tax risks that may create reputational risk or are otherwise inconsistent with wider risk appetite or tax strategies. Furthermore, the Bank will not engage in activities solely for the purposes of reducing UK tax and will not provide tax planning advice to its customers.

## **THE APPROACH OF THE BANK IN DEALING WITH HMRC**

PNBIL's approach to dealing with HMRC is to maintain an open, professional, and transparent relationship based on collaboration and integrity. The Bank commits to make full and accurate disclosures in tax returns and in correspondence with HMRC. The Bank shall cooperate with HMRC at all times and deal with issues in a timely and collaborative manner.