

## Natixis UK Tax Strategy for 2020

December 2019

### Introduction

As required by the UK Finance Act 2016, this document sets out Natixis' policy and approach to conducting its UK tax affairs and dealing with tax risk. It will be published on the group's internet site and reviewed annually by the Natixis Group tax department.

Scope: The UK tax group consists of: (*Ref. Schedule 19 Finance Act 2016*)  
Natixis London Branch (Banking)  
Asset Management activities  
M&A Advisory activities

### Attitude of the group to tax planning (so far as affecting UK taxation) and level of risk in relation to UK taxation that the group is prepared to accept

Natixis' policy, governed by its management infrastructure, is to comply fully with both the letter and the spirit of all applicable UK direct and indirect tax requirements and obligations. We will only take tax positions which we consider would be acceptable to tax authorities under full disclosure. Robust controls and governance are in place to ensure adherence to the Code of practice for taxation on Banks. This is fully endorsed by the Natixis head office based in France, together with the UK Senior Country Management and UK Executive committee.

### Approach of UK group to risk management and governance arrangements in relation to UK taxation

We shall:

- Apply professional diligence and care in the management of all risks associated with UK tax matters, and ensure appropriate governance and assurance procedures.
- Implement processes to ensure compliance with UK statutory and other tax requirements, including producing timely, accurate, reliable tax returns and paying all taxes due.
- In collaboration with our Head Office we implement Transfer Pricing processes to measure accurately profits based on their economic and value contribution (KERT: functions, decision making, assets, risks) and ensure consistency across the group.
- Follow the terms of double taxation treaties and relevant OECD guidelines for international tax matters.



Natixis employs various risk management processes and systems to provide assurance that the UK requirements are being met. This will include compliance and risk monitoring systems and internal audit reviews of tax compliance.

Head office and local governance structures provide management with a high degree of assurance with regards to accuracy of financial data used for tax reporting purposes. Regular monitoring, review and controls are carried out by members of the tax function. This, together with a comprehensive suite of procedures, is designed to ensure the integrity of all reported tax numbers and timely compliance with all relevant tax obligations.

Natixis tax teams will work closely with the Natixis business lines and support functions to provide advice and guidance necessary to ensure on-going compliance, notably with regards to new products but also where tax rules change in a particular area. External advice from specialised tax advisors will be obtained where there is an element of doubt. Where there continues to be uncertainty as to the application or interpretation of tax law, we will seek clarification directly from HMRC.

External advisors are commissioned to review our periodic tax returns for compliance with UK tax requirements.

Responsibility and accountability for Natixis' tax affairs are clearly defined in accordance with a Tax Responsibility Matrix. We develop and improve efficiency of our Tax organisation by:

- Employing professionally qualified personnel;
- Providing training on tax developments;
- Dedicating, adequate resources to taxation matters;
- Making use of external advisors; and
- Maintaining tax awareness across the business functions.

#### Approach toward dealings with HMRC

Natixis is committed to acting with integrity and transparency in all tax matters. We have adopted the Code of practice for taxation on Banks with a view to continuing a transparent relationship with HMRC, keeping them informed of our activities through regular dialogue and disclosing any issues as and when they arise to ensure tax compliance is maintained.