



**United Bank for Africa (UK) Limited**

# **Tax Strategy**

**Financial year ending 31 December 2021**



## ***Scope***

United Bank for Africa (UK) Limited ("UBA UK" or "the Bank"), a limited liability company registered in England and Wales, is a wholly owned subsidiary of United Bank for Africa Plc ("UBA Plc"). UBA Plc was incorporated in Nigeria in 1961 and is currently quoted on the Nigerian Stock Exchange.

This Tax Strategy document summarizes the Bank's approach to tax in the United Kingdom. This is in accordance with paragraph 22 and 23 of Schedule 19 to the Finance Act 2016 of the United Kingdom.

The Bank is committed to compliance with all statutory obligations and full disclosure to tax authorities. UBA UK's tax affairs are managed in a way which takes into account the Bank's wider corporate reputation in line with its overall high standards of governance.

## ***Governance in relation to UK taxation***

- This Tax Strategy and the supporting governance framework is owned and approved by the Board of Directors.
- The Board of Directors reviews the Tax Strategy periodically for changes in tax legislation or processes.
- The Board of Directors delegates the responsibility for tax matters to the Chief Financial Officer (CFO) who manages the day-to-day tax activities.
- The monitoring and reporting of material tax risks are escalated to the

Board of Directors periodically for consideration.

- The tax department operates the tax governance framework which supports the Tax Strategy and accordingly supports the CFO and the Board of Directors by partnering with relevant business units
- The Board of Directors ensures that the Bank's Tax Strategy is one of the factors considered in all investments and significant business decisions taken;
- The CFO reports to the Board of Directors on the Bank's tax affairs and risks during the year.

## **Tax risk management**

- UBA UK operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Bank's financial reporting system;
- The Bank seeks to reduce the level of tax risk arising from its operations as far as is practicable, by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities to identify key risks and put mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them, and corresponding changes to processes or controls are made when required;

- Appropriate training is carried out for staff outside the finance department who manage or process transactions which have tax implications;
- Advice is sought from external tax consultants where appropriate.

### **Attitude towards tax planning and level of risk**

- UBA UK manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.
- The Bank does not deliberately engage in or promote any tax planning that aims to achieve a result that is contrary to the intentions of relevant laws and regulations. The Bank seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of tax legislation.
- The Bank seeks to comply fully with all tax obligations, including compliance with the UK Code of Practice on the Taxation of Banks and the rules in respect of the Disclosure of Tax Avoidance Schemes.
- Accordingly, the Bank encourages the proactive and timely communication of business transactions as a key to allowing appropriate tax treatment and management of the tax risks.
- Liaison at the planning stage of a transaction ensures that tax risks and opportunities inherent in transactions are identified and effectively managed.

### **Tax authority relationship**

The Bank seeks a transparent and constructive relationship with the tax authority through periodic meetings and communication in respect of developments in the Bank's business; past, current and future tax risks, and interpretation of the law in relation to all relevant taxes.

UBA UK ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to proactively discuss any tax issues arising at an early stage. When submitting tax returns to HMRC, the Bank discloses all relevant facts and communicates any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

### **List of entities covered by this Tax Strategy**

United Bank for Africa (UK) Limited.