

# Policy for Tax Management

|                              |   |
|------------------------------|---|
| <b>Adopted by</b>            | The Board of Directors of Swedbank AB (publ.) |
| <b>Date of adoption</b>      | 19 June 2019 (replaces 17 July 2018)          |
| <b>Applies for</b>           | the Bank and all Subsidiaries                 |
| <b>Group Framework Owner</b> | the CFO                                       |
| <b>Distribution</b>          | Group Regulation section on the intranet      |
| <b>Language version</b>      | English                                       |
| <b>Information class</b>     | Public  |
| <b>Basis</b>                 | N/A   |

## 1 Purpose etc.

- 1.1 The purpose of this Policy is to set out the main principles on tax management.
- 1.2 General definitions shall have the meaning set out in the List of Group common definitions.

## 2 Swedbank's overall approach to tax

- 2.1 The ultimate responsibility for Swedbank's tax compliance and policy rests with the Board of Directors. The CEO shall ensure the implementation of the Tax Policy. Proper resources and competence shall be allocated to the management of tax issues related to the Group as well as Swedbank's side of tax issues related to customers, suppliers and business partners ("Business Partners").
- 2.2 Swedbank believes that a fair and transparent tax system constitutes a vital element of a well-functioning society. Tax revenues are critical for governments to fulfil their objectives. In the Group's dealings the long-term interests of its stakeholders; the society, shareholders, customers and employees, shall be considered and balanced.
- 2.3 Swedbank shall comply with applicable local or international tax laws and regulations as well as relevant standards. Swedbank shall not only obey the letter of the law but strive to act in accordance with the purpose of the legislation. The Group shall pay the correct amount of tax, in due time, with due consideration and in a transparent manner. Swedbank shall encourage Business Partners to adhere to the principles set out in this policy.
- 2.4 Swedbank shall handle transfer pricing matters in accordance with the OECD's Transfer Pricing Guidelines (e.g. the application of the arm's length principle) and applicable domestic tax legislation.
- 2.5 Swedbank shall be transparent about key financial information such as revenues, assets, FTE's and reported tax in the jurisdictions where Swedbank operates.

## 3 Tax planning

- 3.1 Swedbank shall apply a conservative attitude with respect to tax reducing measures.

- 3.2 Swedbank shall not engage in artificial arrangements or other forms of aggressive tax planning with the sole or main purpose of reducing tax liabilities. An arrangement shall be assessed on its own merits and not be accepted just because it is market practice or believed to be legal. Tax planning as a concept may include a wide range of measures of which some are directly provided for in legislation, for instance loss carry forward, whereas aggressive tax planning is likely to be against the intention of the legislator even though seemingly within the letter of the law.
- 3.3 In certain cases there might be alternative interpretations of tax or case law. In those situations, Swedbank shall use internal and/or external expertise to secure an appropriate tax interpretation, taking Swedbank's general attitude to tax into account. When relevant Swedbank shall engage in dialogue with the tax authorities.
- 3.4 Swedbank shall not apply for special treatment tax rulings related to low tax jurisdictions.

## **4 Relationship with tax authorities and legislators**

- 4.1 Swedbank shall maintain a strong and long-lasting relationship with the tax authorities in the countries where Swedbank operates, built on transparency and trust.
- 4.2 Swedbank shall give input and devote time to contribute to the creation of fair and efficient tax laws and tax administration where Swedbank operates, either directly or indirectly through financial industry associations.

## **5 Business Partners**

- 5.1 Swedbank shall not provide tax advice to its Business Partners nor facilitate arrangements which are considered aggressive tax planning.
- 5.2 Swedbank shall use its risk-based processes and routines to review and evaluate the Business Partners' general tax compliance situation as well as the transaction at hand. Swedbank expects its Business Partners to be transparent towards the Bank and tax authorities with significant tax measures. The Business Partners are ultimately responsible for their own tax management.
- 5.3 Swedbank shall take action if any activity relating to tax evasion, i.e. criminal tax activity, is identified.

## **6 Tax management and governance**

- 6.1 Swedbank shall have processes and routines to identify measures and decisions that risk being non-compliant. When identifying such measures and decisions the following shall be considered as key risk indicators:
- The arrangement involve jurisdictions where the Business Partner is not established or resident
  - The transaction involve tax havens
  - The arrangement contains elements which are not transparent
- 6.2 Where there from a Group perspective is a substantial financial or reputational risk related to tax, the issue shall be presented to the CEO and the Board of Directors.