

## Tax Strategy

Our Tax Principles are integral to and have been framed in light of SBI Group's Corporate Governance – Code of Conduct – 2016-17.

These Tax Principles guide how we manage our tax affairs, for ourselves, our staff, suppliers, market counterparts and on behalf of our clients. The Bank takes into account its stakeholders, including governments and communities, when making decisions related to its tax affairs. Importantly, the Bank plays an important role on behalf of governments as collector of taxes in relation to payments made to its customers and staff.

This document sets out SBI UK Ltd.'s Tax Strategy as it relates to UK taxation and satisfies the requirement to publish a tax strategy under UK legislation, specifically Paragraph 22, Schedule 19 Finance Act 2016. The document relates to the year ended 31 March 2025.

The SBI UK Ltd. Tax Strategy, and associated Tax Principles, have been approved by SBI UK Ltd.'s Management Committee.

### ***Tax Principles***

The Bank is a signatory of HMRC's Code of Practice on Taxation for Banks and our Tax Principles are framed in the spirit thereof.

- a. Our taxation approach is aligned with our purpose and values, having regard to building long-term shareholder value and maintaining our reputation as a responsible taxpayer.
- b. The Bank complies with the spirit as well as the letter of tax laws and fully meet our tax obligations.
- c. The Bank ensures that the tax risk appetite remains low and that any inherent tax risks are mitigated expeditiously.
- d. The Bank does not engage in tax planning other than that which supports its genuine commercial activity.

### **Governance and Tax Risk Management**

The following apply in respect of the way SBI UK Ltd. attends to its tax affairs, the risks associated with its tax affairs and the management of the relationship with HMRC.

1. SBI UK Ltd.'s Board of Directors and the Management Committee of the Bank are accountable for the Tax Principles and governance thereof.
2. The Senior Management of SBI UK Ltd. are responsible for establishing and maintaining appropriate processes to ensure adherence with the Tax Principles in business decision-making.
3. The Bank maintains effective internal controls over its tax affairs and has clear lines of accountability. All tax management is subject to a robust and regular review and approval process.

The Bank has a well-resourced Finance Team and clearly assigned tax-related responsibilities for our finance professionals. Such individuals have a strong understanding of the overall business operations to ensure completeness of information in tax filings.

The appropriate use of external tax resources and advisers is a key part of the management of our tax risk. Advisers are engaged to perform technical tax work, to provide opinions and deliver tax filings on our behalf.

In addition, the Bank is committed to combating financial crime including, money laundering and the facilitation of tax evasion.

### **Attitude to tax planning**

The Bank does not undertake, nor facilitate, transactions which are designed to achieve tax results that are contrary to the intention of tax legislation.

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SBI's strategy for managing risk with respect to tax planning is to ensure all transactions have a clear and appropriate / substantial business purpose and to obtain expert, objective advice and opinions on specific tax matters.

The CFO has a responsibility to appraise potential tax-based decisions arising from the underlying focus on tax cost.

Following set of specific criteria need to be assessed in the decision-making process:

- Reputation;
- Commercial purpose;
- Technical analysis;
- Financial impact; and
- Operational capability.

### **Level of acceptable tax risk**

SBI UK Ltd. has a low appetite for tax risk and is proactive in ensuring that it remains within this appetite level, escalating potential breaches at the earliest opportunity.

Managing tax risk at SBI UK Ltd. involves:

- Building and maintaining an awareness of tax risk within the organisation and an understanding of who owns it; and
- Operating a process by which tax risks are identified, measured, managed and reported.

Bank manages operational tax risks by establishing and managing tax governance processes to ensure full compliance with relevant tax filing obligations and disclosures in all jurisdictions.

### **Working with the taxation authorities**

The Bank is transparent in its interaction with taxation authorities and maintain an open and honest relationship based on collaboration and integrity.

Issues with taxation authorities are resolved in a timely manner and where a difference of opinion arises, the Bank works to resolve these quickly and efficiently.