

## Tax Policy

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## 1. Responsibility for tax policy

Sydbank's Board of Directors is responsible for the tax policy and determines in the tax policy the framework for Sydbank's conduct in relation to its own tax affairs as well as those of its customers and business partners.

The tax policy is reviewed and updated on a regular basis and at least once a year.

## 2. Sydbank's approach to the tax area, including to tax incentives and tax havens

The Danish model of society is based on a welfare society where individuals and companies contribute via tax payments. Sydbank takes its responsibility in this respect seriously, both as regards its own tax payments as well as those of its customers.

Sydbank's tax policy must be transparent. We must be able to explain and defend our tax-related transactions in terms of our stakeholders. This also applies to the transactions we are involved in via our cooperation with customers.

The tax policy is published on the Bank's website so that customers, suppliers, authorities and other stakeholders can see what they can expect from Sydbank in the tax area. Furthermore it forms an integral part of the Bank's CSR efforts and as a result it has been identified in the Bank's CSR report as an area of great significance to the Bank's stakeholders and its business.

Tax legislation is used by the Danish Parliament to restrain or promote the conduct of citizens and companies, eg in the form of green indirect taxes or additional tax relief for investments in research. Sydbank uses the tax related benefits related to these tax incentives where the Bank's conduct is in line with the wishes of the Danish Parliament but does not use these benefits to generate for instance "artificial" tax deductions contrary to the intentions of the Danish Parliament.

Sydbank has no activities in countries included on the EU's list or the OECD's list of tax havens.

## 3. UN SDGs

Sydbank wishes to support the UN's SDGs – also in the tax area. The collaboration with the Danish Tax Agency via Tax Governance specifically supports SDG 16.6 to develop effective, accountable and transparent institutions.

Moreover Sydbank's ability and will to pay direct and indirect taxes in accordance with legislation directly and indirectly supports most SDGs in general.

## 4. Collaboration on tax

Sydbank collaborates with the Danish Tax Agency via Tax Governance and one aspect of this is an ongoing dialogue between the Bank's tax department and the Danish Tax Agency.

Sydbank seeks to strengthen and expand this dialogue to ensure the Bank's compliance in the tax area.

## **5. The Bank's tax payments**

Sydbank pays the direct and indirect taxes to society as adopted by the Danish Parliament in terms of the Bank's operations and its profit. To this end the Bank seeks the assistance of external parties as required, for instance by way of a review of the Bank's statements of income or by way of opinions on tax issues.

## **6. The Bank's reporting to tax authorities**

Under Danish tax legislation the Bank is required to report a great deal of information to the tax authorities about the financial circumstances of customers as well as employees. Also in this respect the Bank wishes to act responsibly and ensures therefore that this information is submitted in a timely manner and is of a sufficiently good quality.

## **7. The Bank's information and advice to customers**

According to the rules on good business practice for financial undertakings, Sydbank must provide advice to its customers on tax-related issues that are relevant to the products and services offered by the Bank. This general advice, which is for guidance purposes, includes information on the taxation of products in Denmark.

The Bank will not be a party to tax evasion by customers. Nor will the Bank be instrumental in providing advice on measures the sole purpose of which is to avoid tax payments. Another basic condition in relation to the Bank's advisory services is that all relevant information can be produced and assessed, also by the tax authorities.

## **8. Money laundering and tax evasion**

An extensive KYC procedure is followed when new customer relationships are established. It involves obtaining customer and ownership documentation disclosing every aspect of a customer's affairs that is relevant to the customer relationship with Sydbank. This also applies as regards the purpose of the establishment of loans and credit facilities or as regards the use of the Bank's products in general.

Moreover transactions etc are monitored on an ongoing basis.

These are necessary steps in order to minimise the risk of the Bank being used for money laundering and tax evasion.