

## Tax Policy

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## 1. Introduction

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

Sydbank pays the amount of tax required of it in accordance with current legislation.

Sydbank is committed to transparency and responsibility in tax matters. The tax policy is made public so that customers, suppliers, authorities and other stakeholders can see what they can expect from Sydbank.

## 2. Tax policy

The Danish model of society is based on a welfare society where individuals and businesses contribute via tax payments. Sydbank takes its responsibility in this respect very seriously, both as regards its own tax payment as well as that of its customers. Providing advice on or assisting in tax evasion is not part of the Bank's services.

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.

An extensive KYC procedure is followed when new customer relationships are established. It involves obtaining documentation of customer relationships and ownership disclosing every aspect of a customer's affairs that is relevant to the customer relationship with Sydbank. These are necessary steps so as to mitigate the risk of the Bank being used for money laundering and tax evasion.

Sydbank participates in a project called Tax Governance with SKAT, the Danish tax authorities, and one aspect of this is an ongoing dialogue between the Bank's tax department and SKAT. Sydbank seeks to strengthen and expand this dialogue to ensure that the Bank adheres to existing tax legislation.

## 3. 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.

## 4. 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.

## **5. Customer advisory services**

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 SKAT.

## **6. The Bank's knowledge**

As a general rule Sydbank knows the purpose of a customer's loans etc with the Bank.

## **7. Adoption, compliance and updating**

This tax policy has been adopted by Sydbank's Board of Directors and forms the basis for managing tax matters at the Bank.

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