

Shanghai Pudong Development Bank Co. Ltd – London Branch Tax Strategy - 2023

Background

Shanghai Pudong Development Bank Co. Ltd – London is a Branch of Shanghai Pudong Development Bank Co. Ltd (‘SPD Bank’). SPD Bank is a joint – stock commercial bank with its headquarter in Shanghai, China.

SPD Bank opened its London branch in February 2018 to facilitate cross border business between China and the UK, as well as to actively participate in local business.

This Tax Strategy covers Shanghai Pudong Development Bank’s operations in the UK and is published in accordance with paragraph 22(2) Schedule 19 of the Finance Act 2016.

Governance & Risk Management

In line with maintaining our reputation, there is a strong focus on internal controls and risk management within the business. We are not prepared to tolerate tax risk that may adversely impact our reputation. The London Branch is delegated by its Head Office to deal with the management of its UK tax matters.

The Management Committee has ultimate responsibility for the Branch’s tax affairs, including its tax governance and controls, complying fully with its tax obligations. The Management Committee comprises the General Manager and two Deputy General Managers and the Chief Risk Officer. The Finance Department is overseen by the Deputy General Manager responsible for Finance and led by the Head of Finance. The department is responsible for implementing the tax procedures and policies. In addition, there are three committees that further reinforce our commitment to governance and risk management: Management Committee, Asset and Liabilities Committee and Risk Management Committee. The tax strategy has been approved by the Management Committee on 29th December 2023.

The Branch reports to the Head Office in Shanghai on a regular basis regarding business operations including tax compliance and its administration.

Our governance framework is supported by an internal audit function which also provides independent assurance that the London Branch is managing its UK tax risk effectively.

Approach to Tax Planning and the Level of Tax Risk

We continually manage and monitor our compliance with the relevant tax legislation and reporting requirements with the support of reputable external advisors.

Our approach is to ensure tax matters are appropriately overseen and the correct taxes are paid at the appropriate time based on the prevailing tax laws, rules and regulations.

SPD Bank London Branch is committed to complying with applicable tax laws, rules, regulations and disclosure requirements. We remain compliant with the latest UK Tax regulations. . We seek to use statutorily available reliefs and incentives where possible consistent with related laws and regulations. The London Branch does not have tax avoidance strategies or undertake any transaction that does not support genuine commercial activities.

Engaging with UK tax authorities

SPD Bank seeks to have a proactive and collaborative working relationship with HMRC in an open and transparent manner.

Where we are unsure of the correct interpretation of a transaction for tax purposes, we seek to engage with HMRC directly or through reputable external specialist tax advisors to gain certainty on the approach taken.

We are committed to robust tax administration that includes accurate filings and prompt payment of taxes.