

This document sets out the National Bank of Kuwait (International) PLC ('NBKI' or 'the Bank') strategy for conducting its tax affairs and managing its tax risk.

Approach to risk management and governance arrangements in relation to UK taxation

NBKI is fully committed to complying with all UK tax law and pays the required UK taxes including corporation tax, indirect taxes and employment taxes. NBKI aims to pay all taxes due and file all relevant tax compliance returns and documents accurately and in a timely manner.

NBKI's policy is to comply with all relevant rules, regulations and disclosure requirements as prescribed by HMRC. Tax is an integral part of the Finance function and the overall responsibilities for tax matters are clearly defined. The UK tax compliance process is managed by the Chief Financial Officer and oversight of tax matters is provided by the Board Audit Committee. When required, professional advice would be sought over items where the tax treatment is uncertain and in relation to any changes to the legislation which impacts NBKI.

Outlook towards UK tax planning

NBKI is committed to acting with integrity and transparency in all tax matters. Whilst NBKI will always seek to carry out any transactions on favourable commercial terms, the Bank is risk averse and does not actively undertake any artificial UK tax planning arrangements for which the only purpose is to reduce its liabilities with HMRC.

NBKI will seek to utilise UK tax reliefs and incentives where available to obtain tax efficiencies within the Bank. However these will be utilised in a manner which is consistent with the government objective for the relief.

Level of risk in relation to UK taxation

NBKI understands the importance of UK tax compliance and there is a clear understanding within the finance department to ensure tax risk is managed appropriately.

NBKI does not actively seek out high risk projects and considers its approach to tax risks to be conservative. There is no intention to increase its appetite for risk in the immediate future. UK tax matters are discussed with and overseen by professional advisers, which ensures that the risk in respect of non-compliance for UK taxation is low.

Approach towards dealings with HMRC

Given the nature of the Bank's activities and its size, the relationship with HMRC is compliance focused. NBKI ensures that, where necessary, it provides sufficient and appropriate documentation or disclosure as additionally requested by HMRC to support all ongoing operations.

Professional services firms act as tax advisors for NBKI's tax arrangements, which ensures compliance matters are dealt with in a timely and correct manner and in line with all UK tax legislation. Where relevant, the tax advisors communicate with HMRC on behalf of the Bank which aids in the management of risk and ensure any evolving UK tax issues are flagged to the bank as and when they arise.

Should any issues arise, NBKI would seek to resolve these through transparent and open discussions and would work with the HMRC to resolve any issues in a timely manner.

This tax strategy is published in accordance with paragraph 16(2), Schedule 19 Finance Act 2016. The document relates to the year ended 31 December 2022.