



AEONVAULTS



# Aeonvaults Consulting Attitude to Tax

Personal Banking For Dedicated Shareholders, Investors and Investing Corporations

## Introduction

*The Cypriot Tax Strategy for AeonvaultsLTD- Aeonvaults, its Aeonvaults subsidiaries and investment partners, as required under*

*Paragraph 16.2 of Schedule 19 FA2016, is set out below. Ultimate responsibility for this Tax Strategy rests with the Board of AeonvaultsLTD -Aeonvaults*

## Approach to tax risk management

*AeonvaultsLTD seeks to apply the spirit and the letter of the law in all territories where we operate. We have adopted the Cypriot Code of Practice for the Taxation of Banks. Tax risk is managed in accordance with Aeonvaults Risk Management Framework or RMF. The RMF follows five steps - define and enable, identify and assess, manage, aggregate and report and govern.*

*Tax has recently updated its policies, taxonomy and risk appetite under the RMF and has defined the following five key risks:*

- \* **Transfer Pricing** - Failure to meet transfer pricing obligations.*
- \* **Customer Tax Reporting** - Failure to meet the requirement of customer tax reporting across border and domestic.*
- \* **Tax Compliance** - Failure to comply with tax compliance obligations with regards to the filing of returns, the provision of information, the withholding, charging or payment of tax or meeting the tax rules that give tax-favored status to products.*
- \* **AeonvaultsLTD Tax Avoidance** - AeonvaultsLTD gaining a tax advantage that is not compliant with the spirit as well as the letter, of the tax law.*
- \* **Customer Tax avoidance** - A customer gaining a tax advantage that is not compliant with the spirit, as well as the letter, of the tax law.*

*Tax Evasion and Tax Reporting risks now have primary ownership outside the Tax Function - Financial Crime and Financial Reporting - respectively but active engagement and support is still provided by the Tax team.*

*The bank manages the five key tax risks by:*

- \* Identifying risks and then setting risk appetite, policy and guidelines for managing those tax risks;*
- \* Ensuring that the right controls are in place to mitigate risk;*
- \* Providing support and guidance to staff to ensure understanding and active management of policies;*
- \* Aggregating and analyzing appropriate data, reporting information to allow decision making and feeding into governance forums to ensure oversight; and*
- \* Employing an experienced, professionally qualified in-house tax team. Our in-house team is supported by advice from external advisers whenever in-house expertise is not available or needs to be supplemented.*

*Global Internal Audit is responsible for providing independent assurance that we are managing tax risk effectively.*

## **Risk appetite in relation to taxation**

*Aeonvaults LTD has no appetite for knowingly breaching tax laws or acting outside of the spirit of those laws. Any tax planning used must be supported by genuine commercial activity and there is no appetite for using aggressive tax structures. Aeonvaults looks to minimize the number of aeonvaults subsidiaries and investment partners operating in any territories considered to be tax havens. Where these Aeonvaults subsidiaries and investment partners do exist, we must have clear business rationale for why they are based in this location and appropriate transparency over their activities. Aeonvaults has no appetite for assisting customers in inappropriately avoiding tax.*

## **Tax planning**

*Aeonvaults will use tax incentives or opportunities for obtaining tax efficiency where these are aligned with the intended policy objectives of the relevant government and are aligned with business or operational objectives. We do not undertake transactions whose sole purpose is to abuse the tax system or otherwise employ tax avoidance strategies, for example by artificially diverting profits to low tax jurisdictions.*

## **Approach to dealing with tax authorities**

*We seek to maintain an open and transparent relationship with Cypriot Tax Authority and other tax authorities by:*

- Keeping them informed of business activities and key developments as they arise and proactively disclosing issues;*

- \* Responding to their questions and enquiries in a timely manner;*
- \* Engaging on consultations relating to emerging legislation either directly or via industry bodies; and*
- \* Meeting with them regularly to maintain our relationship.*

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### *Accessibility*

*There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service.*

*Berkshire Consulting*