



Mediobanca S.p.A. : UK Tax Strategy

Scope

This strategy (the “UK Tax Strategy”) applies to the UK branch of Mediobanca S.p.A (“Mediobanca London”). This UK Tax Strategy is being published in accordance with Schedule 19 of Finance Act 2016 and will apply from the date of its publication until it is superseded.

Governance in relation to UK taxation

The UK tax governance policy, including this UK Tax Strategy, the supporting governance framework and management of tax risk, day to day management of the UK tax risks and compliance with the UK Tax Strategy, is the responsibility of London’s Chief Operating Officer (“COO”).

The corporation tax compliance process is outsourced to external advisers. Where tax legislation applies to the UK tax group as a whole, Mediobanca Head Office Tax consults with the other UK resident group companies and notifies the Mediobanca London COO of the outcome. The COO works with the external adviser to incorporate this position into the Mediobanca London UK tax return.

Approach to tax risk management

Mediobanca London recognises that it is exposed to numerous tax risks, including, amongst others, those associated with corporation tax, VAT and transfer pricing as well as some tax operational risks (e.g. use of outsource providers). Mediobanca London undertakes management of these risks through active implementation of tax risk management procedures.

Mediobanca London’s tax risk management policy is governed by Mediobanca’s Group Policy on Management of Risk of Non-Compliance with the Regulations as well as a Group Policy on the Internal Controls System, the latter being a requirement of the Bank of Italy. Per Mediobanca’s Policy on New Operations, tax is built into new product sign off procedures to ensure product specific tax risks are considered and mitigated. These processes and procedures, together with the assistance of external advisers, facilitate Mediobanca London’s identification and management of tax risks.

Mediobanca London engages professional external tax advisors to provide technical insights and advice where required, in addition to corporation tax compliance services. For example, this may be where:

- there is uncertainty or complexity regarding the treatment of a transaction for tax purposes;
- when there is new legislation or changes to existing legislation; or
- when the potential impact of transactions are material.

Additionally, when not already involved, Mediobanca Head Office Tax is consulted on matters impacting the wider Bank’s tax position.

Attitude towards tax planning

Mediobanca London does not participate in any tax planning which aims to achieve an outcome contrary to the spirit as well as the letter of any tax legislation. Whilst Mediobanca London makes use of legally available reliefs, incentives and allowances for tax purposes, the focus is on preserving the Bank’s reputation and credibility with public authorities including HMRC.

As set out in the Mediobanca Group’s Code of Ethics¹, Mediobanca London makes and prepares tax declarations based on the principles of transparency, honesty and exhaustiveness.

Mediobanca London recognises its social responsibilities and obligation to make appropriate contributions to UK tax revenues, as demonstrated by compliance with the UK Code of Practice on the Taxation of Banks.

¹ <https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/governance-reports-and-documents.html>



Acceptable level of risk

Mediobanca London has a low risk appetite and takes a prudent approach to managing its tax affairs. The tax risk management procedures in place, together with views requested from external advisors, ensures that the appropriate tax legislation has been consulted to allow Mediobanca London to be confident that the relevant risk has been relieved or mitigated to an acceptably low level.

Approach to dealings with HMRC

In line with group-wide principles, Mediobanca London aims to build a cooperative, open and transparent working relationship when communicating and engaging with HMRC. We seek to make proactive and timely disclosures when responding to HMRC.