

THE BNP PARIBAS GROUP'S CODE OF TAX CONDUCT



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PREAMBLE – OUR CODE OF TAX CONDUCT

Full compliance with tax obligations is at the core of the BNP Paribas Group's commitments in terms of economic, social, civic, and environmental responsibility.

Hence tax compliance of operations aimed to meet its needs, or those of its clients, is a major objective of the Group's governance.

The Group has a long-standing internal tax compliance policy which defines the principles and procedures applicable to all transactions in which it has an interest.

This policy takes the form of a Code of Tax Conduct that commits the staff of all branches and subsidiaries of the BNP Paribas Group. This code sets out a set of minimum standards that must apply even when local tax regulations are more flexible.

The tax principles defined in this Code of Tax Conduct are set out in the Universal Registration Document and Annual Financial Report approved by the Board of Directors and published annually.

The Group ensures that its tax principles remain aligned with both the requirements of the public authorities and social expectations.



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1. THE GROUP'S TAX PRINCIPLES

- ⇒ Decisions taken by the BNP Paribas Group are guided by the need **to meet the requirements of real economy**, not by tax considerations.
- ⇒ **Location choices result from the Group's will to best serve its clients.** Entities used by BNP Paribas have real economic substance.
- ⇒ In every jurisdiction in which it operates, **the Group is committed to complying not only with the letter but also with the spirit of the tax laws and regulations in force.** The Group ensures compliance with the tax rules provided for in treaties, laws and regulations as well as with the payment of any related taxations.
- ⇒ **The transfer pricing policy applicable** to intra-group cross-border transactions **excludes any tax optimisation.**
- ⇒ Throughout the world, the Group is seeking to establish and maintain a relationship based on co-operation with tax administrations.
- ⇒ The Group takes the utmost care of its clients' tax compliance.
- ⇒ The Group ensures the appropriate application of withholding of taxes rules as well as the subsequent payments to the budgets of the concerned states or territories.
- ⇒ The Group also ensures the quality and exhaustiveness of information provided, automatically, or upon request, or spontaneously, **to public authorities.**



2. IMPLEMENTATION OF TAX PRINCIPLES

Respect of these principles in the different activities of the Group is, with the support of TAX, the subject of three-level internal controls: by Business, by RISK, Finance & Strategy or Compliance Functions and by Internal Audit team.

3. CLIENTS' TAX COMPLIANCE

The Group refrains from taking part, for its clients' benefit, in any operations likely to result in an undue tax advantage.

In that regard, the Group refrains from participating in transactions that are artificial or put into place for the main purpose of obtaining a tax advantage that defeats legislator's intentions.

In private banking, the Group:

- ⇒ requires its non-resident clients to fill out a self-certification form stating they comply with their tax obligations, which corroborates the other data gathered by the Bank's teams; should they fail to do so, the relationship is brought to an end;
- ⇒ does not, as a rule, engage with companies registered in states or territories deemed non-cooperative.

4. CONDUCT TOWARDS PUBLIC AUTHORITIES

The Group pays close attention to compliance with transparency requirements with regard to tax authorities, notably:

- ⇒ The obligations related to transactions subject to a specific reporting to these authorities (disclosure rules resulting from either domestic laws or European directives);
- ⇒ Providing the tax authorities with all the information they need to check its good tax practices: forms, documentation relating to the transfer pricing policy, detailed country by country reporting;
- ⇒ The communication of information relating to the tax situation of its clients provided for by the relevant legislations.

BNP Paribas refrains from setting up entities in states or territories deemed non-cooperative by France, the European Union or the OECD.

Where required by local law, the Group's Code of Tax Conduct takes the form of local codes of conduct.



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5. TRANSFER PRICING FRAMEWORK RULES

The Group is made up of many entities in different jurisdictions, with a variety of roles and resources adapted accordingly. BNP Paribas is committed not only to respecting all regulations, but also to making a fair contribution to each jurisdiction in which the Group creates value.

To this end, relations between Group entities are governed by a transfer pricing policy that ensures a fair distribution of financial results between the different jurisdictions concerned. The Group's transfer pricing policy takes into account the international tax standards defined by the OECD, and in particular applies the arm's length principle by which transactions between the entities of a same group are concluded at market conditions.

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