

## Information on the tax strategy executed in 2020

BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością

[Prepared: 16.12.2021 r.]

[Updated: \_\_\_\_ ]

### 1. Introduction

BNY Mellon as a taxpayer of corporate income tax with revenues exceeding in the financial (tax) year ended on December 31, 2020 the amount of EUR 50 million is required to prepare and publish information on the executed tax strategy for the financial (tax) year ended in on December 31, 2020

This document presents the tax strategy executed in 2020 by BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością, which is part of The Bank of New York Mellon Corporation Group.

This information on the executed tax strategy was prepared in accordance with Art. 27c of paragraph 1. 2 of the Act of February 15, 1992 on corporate income tax (consolidated text, Journal of Laws 2021, item 1800, as amended).

### 2. BNY Mellon

The Company has been operating in Wrocław since 2010. In early 2012, the Company became the fifth out of six BNY Mellon Group's Global Delivery Center (GCU) in the world.

Polskie Globalne Centrum Usług (*Polish Global Service Center*) is a constantly developing Company that supports other entities of the BNY Mellon Group mainly in the field of accounting and business support.

#### Basic information about the Company

- **Company name:** BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością
- **Company registered office:** ul. Swobodna 3, Wrocław 50-088
- **Identification data**
  - **KRS (National Court Register) number:** 0000285336
  - **NIP (Taxpayer Identification Number) number:** 5252396885
  - **REGON (Business Statistics Number) number:** 14100273900000
- **Share capital:** 51 000 PLN
- **Date of entry into the register of entrepreneurs of the National Court Register:** 2007-08-20
- **Number of employees (average employment) in 2020:** 1 619

### **3. Processes and procedures for managing the fulfillment of obligations under tax law and ensuring their proper fulfillment**

In order to properly manage and perform obligations resulting from the provisions of tax law, the Company had procedures and appropriate tax processes in place. The key document concerning and organizing tax issues in the Company is the [BNY Mellon Global Tax Strategy](#) which defines, among others, the issues of tax risk management or the rules of proceeding in tax matters. These principles are part of the general framework of ensuring high standards and due diligence in the conduct of the Group's business, the general framework of which is described in Group documents, such as:

- [Employee Code of Conduct](#),
- [Corporate Governance Guidelines](#),
- [Enterprise ESG Strategy](#).

The basic principles of the Company's conduct are based on tax regulations, the current line of interpretation and jurisprudence as well as good practices in this regard. The Company is focused on submitting all tax returns, forms and information on time and meeting tax payment deadlines. By controlling and monitoring tax processes and settlements, the Company ensured compliance of its tax settlements with tax regulations. Additionally, the Company focused on properly kept documentation, which was the basis for decisions relating to tax settlements.

In order to effectively implement the rules of conduct applicable in the Company, the Company prepared tax procedures and auxiliary instructions. They were prepared taking into account the nature of the Company and the specifics of its operations. These procedures include in particular:

- Poland Tax Process Overview;
- Value Added Tax Procedure;
- Corporate Income Tax Procedure and
- Withholding Tax Procedure.

Additionally, the Company has a standardized list of activities related to tax settlements and tax reporting, which should be performed and verified by the Company's employees on a monthly basis.

The Company, by setting appropriate goals and measures, strives to constantly improve the processes of management, control and settlement of taxes, enabling the correct and timely fulfillment of tax obligations.

As part of the harmonization of the rules of conduct in tax matters and ensuring the correctness of tax settlements, the Company is supported by the Group in making key strategic decisions.

The implemented processes and procedures allowed for obtaining control over tax matters, which resulted in ensuring compliance with tax regulations as well as reporting requirements and risk management in this area. In the event of ambiguous issues, in order to minimize the negative effects of the misinterpretation, the Company confirmed and secured its position by obtaining opinions from external tax advisors.

#### **4. Information on the tax obligations fulfilled by the Company in the territory of the Republic of Poland**

The Company fulfilled tax obligations in all areas required by tax law, taking into account the scope of the Company's operations.

The Company made every effort to ensure that its obligations were carried out reliably and with timely manner.

The main taxes under which the Company performed its obligations are corporate income tax (CIT), value added tax (VAT), withholding tax (WHT) and personal income tax (PIT). Information on the settlement of corporate income tax, in particular, the amount of tax revenues, tax deductible costs, tax income and the tax due are published on the [website](#) of the Ministry of Finance.

Total Tax Contribution<sup>1</sup> of the Company in 2020 in Poland amounted to approximately PLN 160 million. This amount includes taxes and fees paid directly to the budget by the Company as well as taxes and fees collected and paid as a result of business operations.

#### **5. Voluntary forms of cooperation with the bodies of the National Revenue Administration**

The Company did not use any voluntary forms of cooperation with the National Tax Administration.

#### **6. Information on the number of information on tax schemes provided to the Head of the National Revenue Administration, broken down by taxes to which they relate**

In order to correctly and timely fulfill the obligation to report tax schemes, the Company had a process to identify potential tax schemes and their analysis, as well as their appropriate reporting.

The Company did not provide the Head of the National Revenue Administration with information on tax schemes for 2020.

#### **7. Information on transactions with related entities**

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<sup>1</sup> The total tax contribution includes all taxes and fees paid to the state budget by the company acting as a taxpayer and payer, inter alia, income taxes, taxes related to goods and services, environmental fees and taxes, and employee taxes.

In 2020, the Company made transactions with related entities, including entities that are not tax residents of the Republic of Poland, the value of which exceeds 5% of the balance sheet total of assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements of the Company. These transactions included in particular:

- sale of IT services to related entities based in the United States, Ireland, Great Britain, Luxembourg, Singapore, Japan, Germany, the Netherlands, Belgium, Switzerland, the Cayman Islands, Hong Kong, Canada, the Republic of Korea and Taiwan;
- sale of accounting services to related entities based in the United States, Ireland, Great Britain, Luxembourg, Singapore, Germany, the Netherlands, Belgium and the Cayman Islands;
- sale of risk management services to related entities based in the United States, Ireland, Great Britain and Belgium;
- purchase of Risk & Compliance services from related entities based in the United States, Ireland and Great Britain;
- purchase of IT services from related entities based in the United States, Ireland, Great Britain, Luxembourg, Singapore, Germany, the Netherlands, Brazil and Israel;
- loans received by the Company from related entities based in Ireland and Luxembourg;
- forward contracts with a related entity based in Great Britain, and
- sale and purchase of currencies with a related entity based in Belgium

Moreover, the Company timely fulfilled its transfer pricing obligations. In accordance with the applicable regulations, the Company verified the transactions subject to the documentation obligation in 2020 and prepared the Local File together with relevant comparative analyzes.

In addition, the Company submitted on time the information on transfer pricing (TPR-C form) and a statement on the preparation of local transfer pricing documentation.

#### **8. Information on restructuring activities planned or undertaken by the Company that may affect the amount of tax liabilities of the Company or related entities**

In 2020, the Company did not plan and did not undertake any restructuring activities that could affect the amount of the tax liability of the Company or its related entities.

#### **9. Information on making tax settlements for the taxpayer in territories or countries applying harmful tax competition**

The Company did not make tax settlements in territories or countries using harmful tax competition indicated in executive acts issued pursuant to Art. 11j paragraph. 2 and pursuant to art. 23v paragraph 2 of the Act of 26 July 1991 on personal income tax and in the announcement of the minister competent for public finance issued pursuant to Art. 86a § 10 of the Tax Code.

In particular, in the above-mentioned territories / countries, the Company in 2020:

- has not been registered for tax purposes;
- did not submit tax returns or forms;
- did not collect and pay taxes.

#### 10. Information on motions submitted by the Company

In 2020, the Company did not submit any motions for the issuance of:

- individual tax ruling;
- general tax ruling;
- binding rate information;
- excise information.

#### List of terms and abbreviations

For the purposes of this document, the following terms shall have the following meanings:

<b>Term/Abbreviation</b>	<b>Definition/Description</b>
2020	Tax year started on January 1, 2020 and ended on December 31, 2020
BNY Mellon Group	An international group that brings together The Bank of New York Mellon Corporation companies all over the world
Company, BNY Mellon	BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością