



CBA UK Group Tax Strategy

**for the financial year ended
30 June 2025**

CBA UK Group Tax Strategy

for the financial year ended 30 June 2025

Commonwealth Bank of Australia (CBA or the Group) is committed to complying with all tax laws. We aim to maintain transparent and collaborative relationships with all tax authorities.

The Group publishes tax information and its approach to managing its tax affairs annually. This is done to meet the requirements of the Australian Board of Taxation's voluntary Tax Transparency Code¹.

The Group's operations in the United Kingdom (UK) are subject to the disclosure requirements in Schedule 19 of the Finance Act 2016. This report makes these disclosures for the year ending 30 June 2025 for the entities listed in **Appendix 1**.

1. Overview of the Group's banking business in the UK

The Group operates its banking business in the UK through the CBA London Branch (CBA UK) and CBA subsidiaries. CBA UK and the subsidiaries serve as:

- an origination and client servicing hub mainly for the UK and qualifying European client base.
- a global markets regional centre; and
- a point for the Group's Treasury function to access the Sterling Monetary Framework as implemented by the Bank of England.

A UK management team oversees the business. The team regularly communicates with UK regulators including HM Revenue & Customs (HMRC), the Prudential Regulation Authority (PRA), and the Financial Conduct Authority (FCA). CBA's home regulator is the Australian Prudential Regulation Authority (APRA).

CBA UK's CEO is responsible for overseeing CBA's Institutional Banking and Markets (IB&M) presence in the UK. The CEO is supported by a functional hierarchy that reflects the organisation's global structure. Governance is managed by the London Branch Management Committee and its subcommittees. CBA UK's CFO is responsible for production and integrity of financial information. The CFO holds the role of Senior Accounting Officer and is the Senior Manager responsible for tax under the PRA and FCA's Senior Managers Regime.

2. The Group's approach to tax risk management

2.1 The Group's tax risk appetite

The Group takes a conservative approach to managing its tax affairs. This includes complying with all tax laws in the jurisdictions in which the Group operates, and includes ensuring that all tax lodgements, payments, reporting, disclosures and other obligations are adhered to.

The Group applies the following principles in its assessment of tax outcomes:

- Only enter into transactions that have a clear business rationale, before taking into account any tax consequences.
- Not participate in or promote aggressive tax planning or tax avoidance arrangements (either for the Group's own tax affairs or for its customers).
- Pay the appropriate amount of tax in accordance with the prevailing tax laws; and
- Claim any deductions, credits, offsets or concessions that are legitimately available.

As tax laws can be very complex and open to interpretation, the Group acknowledges at times tax regulators may interpret tax laws differently to the Group.

¹ The Tax Transparency Code is a set of principles and minimum standards developed by the Australian Board of Taxation to guide medium and large businesses on public disclosure of tax information. The Group's response is published here: <https://www.commbank.com.au/content/dam/commbank/assets/about/opportunity-initiatives/commbank-tax-transparency-code.pdf>

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2.2 Relationship with tax authorities

The Group aims to maintain transparent and collaborative relationships with all tax regulators, which includes:

- Providing any information required on a timely basis.
- Engaging proactively on significant tax issues.
- Where disputes arise, working openly and constructively to resolve the issues.

2.3 Arm's length pricing

The Group ensures that international related party and intra-group transactions are in compliance with the Organisation for Economic Co-operation and Development (OECD) guidelines and arm's length principles. The Group does not artificially divert profits to low tax jurisdictions or tax havens.

The Group does not participate in arrangements where transfer pricing outcomes are not consistent with value creation. Transfer pricing outcomes of the Group are consistent with the functional activities undertaken, risks assumed and assets utilised in each jurisdiction.

The Group maintains contemporaneous documentation supporting the pricing of international related party dealings, which are conducted in accordance with the arm's length principle.

2.4 Combatting tax evasion

The Group supports regulator initiatives aimed at supporting the integrity of tax systems, including for example:

- customer information reporting regimes such as the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS); and
- the UK's Economic Crime and Corporate Transparency Act which mandates that CBA has procedures in place to prevent the facilitation of tax evasion.

The Group is committed to 'doing what is right' and complying with all such measures.

2.5 Tax governance framework

The Group manages its tax risk through an operational risk management framework and group-wide tax policy and procedure guidance. In addition, the Group:

- Maintains an experienced and well-resourced tax team that identifies, manages, and mitigates tax risks.
- Implements controls to identify material tax risks.
- Regularly tests the design and effectiveness of material controls.
- Reports significant tax issues to the CFO, CEO and the Board Audit Committee.

3. Application of the Group's approach to tax in the UK

The Group's governance principles underpin its approach to UK tax risk management.

UK tax compliance and reporting is performed by the UK Finance Department with oversight from Group Tax. The Head of Human Resources UK is responsible for employment taxes.

Group Tax approves new products and provides advice on material transactions involving complexity or interpretative uncertainty. Group Tax also supports business units in identifying, assessing, monitoring and managing tax risks.

External tax professionals are engaged to provide advice on complex matters and to provide tax compliance oversight and assistance.

4. Level of risk acceptable in relation to UK taxation

CBA UK's CEO, CFO, the London Branch Management Committee and its Subcommittees all ensure that a conservative approach is adopted for the Group's UK tax affairs.

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5. The Group's attitude to tax planning as applicable to the UK

The UK business only enters into transactions that have clear business rationale (ignoring any tax consequences). The Group is a signatory to the UK Code of Practice on Taxation for Banks. This means that the Group has committed to not seeking tax results that are contrary to the intentions of Parliament. The Group also adheres to the UK Criminal Finances Act.

6. Working with HMRC

The Group maintains a transparent and collaborative relationship with HMRC. The UK business provides information and raises tax issues at annual meetings with HMRC personnel. The UK business also regularly engages with the HMRC on an ad hoc basis to ensure uncertain tax matters are resolved quickly.

The constructive relationship with the HMRC seeks to ensure that any differences in the interpretation of tax laws by the Group and the HMRC are resolved efficiently.

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for the financial year ended 30 June 2025 (continued)

Appendix 1

The companies covered by the CBA UK Tax Strategy are:

- Commonwealth Bank of Australia, London Branch
- CBA Europe Limited
- CBA Services International Limited
- CBA SAF UK Limited



Commonwealth
Bank