

Information on the tax strategy executed in 2021

BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością

[Prepared: 19.12.2022 r.]

1. Introduction

This document presents the tax strategy executed in 2021 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). The content of the information should be interpreted in the light of the provisions constituting the basis for its preparation.

BNY Mellon as a taxpayer of corporate income tax with revenues exceeding in the financial (tax) year ended on December 31, 2021 the amount of EUR 50 million is required to prepare and publish information on the executed tax strategy for the financial (tax) year ended on December 31, 2021.

Information constituting trade, industrial, professional or manufacturing process secrets, as well as information to which access is restricted due to applicable laws or contractual obligations in this regard, may have been excluded from publication.

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
- **Date of entry into the register of entrepreneurs of the National Court Register:** 2007-08-20
- **Number of employees (average employment) in 2021:** 1 846

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

The Company has appropriate tax processes and procedures that ensure proper management of the performance of obligations under the provisions of the tax law. Tax procedures and processes reduce tax risks and help to standardize tasks.

The procedures in force were developed and implemented considering the organizational structure of the Company and the specifics of the industry in which it operates.

The Company, being aware of its responsibility for the environment in which it operates, takes into account social interests in its activities and avoids all forms of aggressive tax planning. Transactions carried out by the Company are based on market principles and are in no way motivated by the desire to obtain a tax advantage. By setting appropriate goals and means, the Company strived to properly manage, control and settle taxes, which enabled the correct and timely fulfillment of tax obligations and the fulfillment of tax reporting requirements.

Striving for the proper implementation of tax obligations by the Company, should also take into account the Group's regulations of which the Company is a part. They oblige all Group companies to conduct business, including meeting tax obligations, in an ethical and sustainable manner. 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](#), which defines the Group's business principles, indicating that these activities must be conducted in a manner consistent with the law and the highest ethical standards;
- [Corporate Governance Guidelines](#), which set forth the governance policies and procedures of The Bank of New York Mellon Corporation;
- [Enterprise ESG Strategy](#), which is a comprehensive document that regulates the bank's approach to sustainable development and incorporates social, environmental and corporate governance aspects in its daily operations.

Also, the Group's [Enterprise ESG Report 2021](#) included the tax transparency issues, because BNY Mellon Group believes that taxes have an economic and social impact globally. Group committed to acting with integrity in all tax matters and maintaining a transparent tax practice. BNY Mellon Group's tax mission is to fully comply with all applicable laws and regulations in the jurisdictions where it operates and have an open dialogue with tax authorities during all authorized inquiries and audits. Group seeks to facilitate transactions that achieve a tax result that is consistent with the underlying economic consequences and are consistent with the letter of the law.

The key document concerning and organizing tax issues in the Company is the [BNY Mellon Global Tax Strategy](#) which defines, among others, tax compliance principles, the issues of tax risk management, principles of cooperation with tax authorities or the rules of proceeding in tax matters.

As a part of the Group, the Company complies with the above policies, as a result of which it puts a high attention to corporate responsibility and believes that proper management of tax liabilities is one of the Company's key responsibilities.

Key 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 and unification 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, thanks to which services in the field of compliance with tax obligations were performed in line with the highest standards of the Group and in a comprehensive and transparent manner.

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 tax obligations were value added tax (VAT), corporate income tax (CIT), withholding tax (WHT). In addition, the Company fulfilled its obligations in the field of personal income tax (PIT), under which the Company, among others, withheld tax on salaries paid to employees and paid social security contributions to the Social Insurance Institution in the employer's part and in the part deducted from employees' salaries.

The company also paid contributions to the State Fund for Rehabilitation of Disabled Persons (PFRON).

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 Contribution¹ of the Company in 2021 in Poland amounted to approximately PLN 102 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 authorities of the National Tax Administration within the meaning of Article 27c (2) para. 1 letter b of the CIT Act.

Among others, Company does not participate in the Cooperation Program organized by the Ministry of Finance for the purpose of horizontal monitoring.

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.

In 2021, The Company did not identify any tax schemes, and as a result, the Company was not required to submit new information on tax schemes to the Head of the National Tax Administration, as referred to in Article 86a § 1(10) of the Tax Ordinance.

7. Information on transactions with related entities

In 2021, 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, United Kingdom, Singapore, Japan, Cayman Islands, Hong Kong, Taiwan, Cayman Islands, Luxembourg, Ireland, Netherlands, Canada, Switzerland, China, Republic of Korea and Germany;;
- sale of accounting services to related entity based in the United States, United Kingdom, Singapore, Cayman Islands, Luxembourg, Ireland, the Netherlands and Germany;
- sale of risk management services to related entity based in the United States;
- currency sales to a related party based in Belgium;
- purchase of IT services from related entity based in the United States, United Kingdom and Israel;
- loans received by the Company from related entity based in Ireland.

¹ 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.

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 2021 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 2021, the Company did not undertake restructuring activities that could affect the amount of tax liabilities of the Company or its related entities within the meaning of Article 11a(1)(4) of the CIT Act.

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

The Company did not make tax reconciliations in territories or countries applying harmful tax competition indicated in the executive acts issued under art. 11j par. 2 of the CIT Act, pursuant to art. 23v par. 2 of the PIT Act and in the announcement of the Minister competent for public finance issued under art. 86a § 10 of the Tax Ordinance.

In particular, in the above-mentioned territories / countries, the Company in 2021:

- 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 2021, the Company did not apply for any:

- general interpretation of tax laws within the meaning of Article 14b of the Tax Ordinance;
- individual interpretations of tax laws within the meaning of Article 14a § 1 of the Tax Ordinance;
- binding rate information within the meaning of Article 42a of the VAT Act;
- binding excise information within the meaning of Article 7d(1) of the Excise Tax Law.

List of terms and abbreviations

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

Term/Abbreviation	Definition/Description
2021	Tax year started on January 1, 2021 and ended on December 31, 2021
BNY Mellon Group, 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