



# BNY Mellon Global Tax Strategy

FINANCIAL YEAR ENDED 31 DECEMBER 2023



BNY Mellon believes that taxes have an economic and social impact globally. As part of BNY Mellon's overall environmental, social and governance (ESG) strategy, we are committed to acting with integrity in all tax matters and maintaining a transparent tax practice.

## **Our Tax Strategy**

BNY Mellon's tax mission is to fully comply with all applicable laws and regulations in the jurisdictions where we operate and have an open dialogue with tax authorities during all authorized inquiries and audits.

## **Our Tax Compliance Principles**

Compliance with tax legislation forms the cornerstone of our goal to be transparent and to pay our fair share of taxes globally. We file all tax returns and make tax payments, in accordance with statutory requirements, providing complete, accurate and timely disclosures to all relevant Tax Authorities.

BNY Mellon seeks to ensure that transactions achieve a tax result which is consistent with the underlying economic consequences and are consistent with the spirit and letter of the law. We aim to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity. Any transfer pricing is calculated using the "arm's length" principle.

BNY Mellon does not engage in aggressive and artificial tax planning transactions and does not use entities in tax haven jurisdictions for these purposes.

Where there is significant uncertainty or complexity arising from unclear tax laws or differences in interpretation, we may seek advice from suitably qualified external advisors prior to submitting a tax return or completing a transaction.

We do not tolerate tax evasion and we do not tolerate the facilitation of tax evasion by any employee or person acting on our behalf. It is the policy of BNY Mellon to be in compliance with all applicable financial crime legislation and associated requirements including those relating to tax evasion.

## **Tax Risk Management, Governance, Board Oversight and Three Lines of Defense**

Risk management is an integral part of BNY Mellon's corporate governance. Our board of directors reviews and oversees our tax policy, governance and controls framework including oversight of its operation by management. Tax risk management processes are embedded in our strategy and business decision-making. Our Corporate Tax department works closely with BNY Mellon's businesses on new or major initiatives (*i.e.* new product development or expansion to new jurisdictions) to ensure we take appropriate steps to collect all necessary information to fully comply with applicable tax regulations.

BNY Mellon's Corporate Tax team is part of our Finance function, which reports to the Group Chief Financial Officer. Our Global Head of Tax is ultimately responsible for the day-to-day management of tax risk at BNY Mellon. Tax risks are assessed at a regional level and escalated to the Global Head of Tax as appropriate. The Global Head of Tax presents to our Board's Audit Committee at least annually on our tax strategy, our effective tax rate, material tax provisions and key upcoming tax issues and significant issues are more broadly socialized with the Group Chief Financial Officer on a regular basis.

Our Corporate Tax Team is comprised of appropriately qualified and trained tax professionals with the right level of expertise and understanding. Our Corporate Tax Team has access to ongoing training to develop and stay up to date with the changes to the business, tax laws and other tax requirements.

In line with BNY Mellon’s wider risk management framework, we adopt a “three lines of defense” approach for tax, overseen by our board of directors. This means having formal and robust processes and controls, real time monitoring and testing, and a periodic internal audit and risk review of how our framework delivers against objectives.

## **Tax Code of Conduct**

BNY Mellon is committed to the highest standards of ethics and conduct and this extends to tax matters. BNY Mellon’s culture of “We Do What is Right, Always”, as codified in our Code of Conduct, sets the standard of behavior all employees adhere to, which encourages our people and affiliates to speak up and raise concerns about compliance with the code including concerns on tax. Issues can be raised with managers or other senior leaders and supporting teams, such as human resources, integrity and compliance, or through an independent confidential hotline and online reporting system. All reports of potential violations of our Code of Conduct are quickly and thoroughly investigated.

## **Relationship with Tax Authorities**

BNY Mellon has developed robust relationships with tax authorities globally. In the UK, BNY Mellon has processes designed to fully comply with the UK Government’s Code of Practice on Taxation for Banks. These relationships facilitate discussions to address ambiguous tax regulations to avoid non-compliance. As appropriate in each country in which we operate, BNY Mellon proactively engages with tax authorities on a real-time basis regarding the application of the tax law, to identify and resolve any disagreements on a timely basis. Additionally, we actively provide input when tax authorities are drafting regulations to ensure they are effective and operationally feasible. BNY Mellon contributes to initiatives that may help to simplify tax regimes where we operate, encourage greater investment and lead to sustainable growth. We give constructive input directly with governments where this is common practice and through professional associations or similar bodies where appropriate in order to contribute to the development of future tax legislation and practice.

## **Supporting Global Initiatives is part of ESG Strategy**

We support the various global tax initiatives such as OECD international tax reform work, DAC6 and the UK Criminal Finance Act as part of our ESG strategy. We do not believe that tax should be leveraged as a competitive advantage, disadvantage, or barrier to entry. Therefore, we urge policy makers to draft unified and coordinated regulations. Where possible, regulators should consider simplifying the regulations to facilitate increased tax compliance.

References in this statement to “BNY Mellon,” “we” and “our” are references to The Bank of New York Mellon Corporation and its subsidiaries.

## **Appendix I – United Kingdom**

Day-to-day management of BNY Mellon's UK tax affairs is provided by the UK Tax Team, reporting to the Global Head of Tax. This matrix reporting ensures UK policies and procedures in relation to tax are fully aligned to the group wide policies and corporate risk framework.

BNY Mellon considers the publication of this strategy statement complies with the statutory obligations under Schedule 19, Finance Act 2016 for all of BNY Mellon's UK incorporated companies.

This Strategy applies to all UK BNY Mellon Group entities including branches.