

MITSUBISHI UFJ TRUST AND BANKING CORPORATION – LONDON BRANCH

TAX STRATEGY

INTRODUCTION

Mitsubishi UFJ Trust and Banking Corporation (MUTB), headquartered in Tokyo, Japan is a wholly owned subsidiary of the Mitsubishi UFJ Financial Group (MUFG). MUTB London Branch operates a stable, low risk business model and operates strong governance and operations consistent with its policy to comply with all applicable tax legislation to the fullest extent possible.

MUTB's London Branch is subject to UK tax law. The publication of this tax strategy complies with its duty under paragraph 19 (2) of Schedule 19 of the Finance Act 2016 and will be updated regularly to reflect any changes to its scope. MUTB operates under the Code of Practice on Taxation for Banks, as a part of a wider adoption of the Code by the MUFG large business group in the UK.

This strategy relates to the financial year ending March 2024.

HOW DOES MUTB MANAGE ITS UK TAX RISKS?

Ultimate responsibility for UK tax compliance and the MUTB's tax policy lies with the Branch General Manager.

Responsibility for day to day corporate tax compliance, including inter-company arrangements (e.g. transfer pricing agreements) rests with the Chief Manager of Accounts and Tax. The Chief Manager of Personnel is responsible for compliance with Pay As You Earn (PAYE) and any other employment related tax matters.

MUTB employs qualified and experienced staff and supports continued professional development to maintain their knowledge of UK tax legislation. Where there is uncertainty or complexity in relation to tax risks, the business engages with third party tax advisors to support its tax compliance and to ensure its tax filing obligations are completed appropriately. MUTB's senior management must be satisfied that the overall position is consistent with MUTB's risk appetite.

MUTB is represented at the "MUFG UK Tax Group forum" where tax compliance issues related to the MUFG large business group are discussed. Other members of the MUFG UK Tax Group include MUFG Bank Ltd, MUFG Securities EMEA plc (MUSE), Mitsubishi UFJ Trust International Ltd (MUTI), Mitsubishi UFJ Asset Management (UK) Ltd (MUAM UK) and First Sentier Investors (FSI). The members can change based on the UK entity's group structure. The MUFG UK Tax Group meets to agree the operation of all tax relief and statutory allowances available to the business's circumstances on a UK Tax group basis. The MUFG UK Tax Group disseminates tax law requirements, ensures individual businesses understand and comply the requirements.

MUTB participates in a VAT Group; comprising MUTB, MUTI (a wholly owned subsidiary of MUTB) and MUAM UK (a UK incorporated entity for which MUTB is the majority shareholder).

MUTB maintains detailed documented tax policies and procedures for Corporation Tax, VAT, Bank Levy and Transfer Pricing which are reviewed regularly and agreed by the General Manager, Chief Risk Officer, Deputy General Managers and the Chief Manager of Accounts and Tax. PAYE is operated automatically through MUTB's outsourced payroll operations and tax equalised filing support by its professional tax advisors, EY. Subsequent obligations for taxation of benefits and short term business visitors are filed independently by the Personnel Department. MUTB does not operate any share plans or other discretionary or disguised remuneration.

Any new product or business undertaking is subject to a change management, credit and operational risk review process which includes a review of legal, regulatory and other financial risks, including taxation implications to take account of any complex transaction or jurisdictional issues. The Accounts and Tax function must be consulted and approve tax compliance within any new business initiatives.

MUTB complies with its duties and obligations in relation to "Off Payroll Working" in line with statutory changes implemented in April 2021.

Tax risk controls are subject to periodic review by the Branch's internal audit function.

MUTB'S ATTITUDE TO TAX PLANNING

MUTB has a low risk appetite in relation to UK taxation, consistent with its appetite for reputational and regulatory risks. MUTB is committed to paying the appropriate amount of tax on its business activities and does not engage in any form of tax planning to avoid taxation, whether in the UK or overseas. MUTB will consider the availability of tax relief, where appropriate, to avoid income or earnings being taxed more than once in line with tax legislation.

It is not MUTB's policy to be party to, or to knowingly facilitate, transactions intended to achieve results which do not accord with the aim or spirit of tax rules, whether in the UK or overseas. MUTB's business operations do not include activities where tax is one or the main driver behind the transaction or where they may be considered to be a promoter of a tax planning scheme.

MUTB'S ACCEPTED LEVEL OF RISK FOR UK TAXATION

MUTB aims to comply fully with UK tax rules and accepts a low tolerance in respect of tax compliance failure. MUTB is not incorporated in the UK and is not therefore subject to filing obligations for UK annual report and accounts. However it is responsible for providing financial data to the UK regulatory bodies and its head office which includes evidence of its tax compliance activities.

HOW MUTB WORKS WITH THE HMRC

MUTB maintains an open and transparent relationship with HMRC. The regular contact with the Customer Relationship Manager (CRM) in HMRC ensures that MUTB is interpreting new tax law and reporting requirements correctly and advising HMRC on any changes to its business model.

Employees' Income Tax and National Insurance liabilities are shared with HMRC on a real time basis via its outsourced payroll function and through annual self-assessment filing for its tax equalised expatriate staff.

MUTB co-operates fully with any HMRC audit or compliance review process. Any queries from HMRC are dealt with collaborative and timely manner.