

Citi 2023 UK Tax Strategy

The following represents the tax strategy of the Citi UK group of entities for the year ended 31 December 2023, in accordance with Paragraph 16(2) Schedule 19 of the Finance Act 2016.

Overview of Citi in the UK

Citi is a preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in its home market of the United States. Citi does business in nearly 160 countries and jurisdictions, providing corporations, governments, investors, institutions and individuals with a broad range of financial products and services.

Citi employs more than 16,000 people in the UK, with offices in London, Belfast and Edinburgh. Citi operates in the UK through several legal entities, including Citibank N.A. London Branch, Citigroup Global Markets Limited, Citibank UK Limited and Citibank Europe plc UK Branch.

Managing Tax Risk

Citi commits to acting responsibly in relation to its tax affairs, fulfilling its compliance and disclosure obligations and operating in accordance with all relevant laws and regulations. This includes disclosures related to tax payments made in each country where Citi operates, known as country-by-country reporting. Citi is also guided by relevant international standards, for example the Organisation for Economic Co-operation and Development (“OECD”) Guidelines.

Citi manages its tax obligations in line with its global governance framework and procedures. Tax is represented on new business approval committees and works closely with client-facing businesses to ensure that tax risk in respect of transactions and activities carried out by Citi is appropriately managed, in accordance with Citi policies. Tax is one of the many factors considered when making business and commercial decisions regarding new products and services.

Additionally, Citi has a number of documented Global Tax Standards and Global Procedures applicable to client-facing transactions and/or Citi’s own tax and legal arrangements. These policies require a comprehensive understanding of our clients’ commercial objectives, including those in relation to tax. Policies are regularly reviewed and revised in light of material legislative or structural changes within the wider corporate group.

Citi’s review and escalation processes support its objective of maintaining high standards of compliance with applicable tax laws. The underlying tax processes are monitored as part of Citi’s Control Assessment Methodology and are subject to review by Internal Audit. The UK Citi Country Officer, local management and relevant subsidiary boards are kept informed of, and provide input and challenge to the UK tax strategy, as well as the UK group’s tax position.

Citi is fully committed to complying with the HM Revenue and Customs (“HMRC”) Code of Practice on Taxation for Banks (the “Code”), which expects banks to follow the spirit as well as the letter of tax law. This Code sets out that banks should:

- Adopt adequate governance to control the types of transactions they support;
- Not undertake tax planning that aims to achieve a tax result that is contrary to the intentions of Parliament;
- Comply fully with all their tax obligations; and
- Maintain a transparent relationship with HMRC.

Citi has a zero-tolerance policy towards tax evasion, with systems and controls designed to prevent tax evasion and the facilitation of tax evasion. These include training for staff, due diligence controls for higher risk customers and third parties, as well as the assessment of tax evasion and

tax evasion facilitation risk managed through our financial crime risk management framework and related governance (e.g. the Corporate Criminal Offence legislation).

Citi does not provide tax advice to any of its clients.

UK Tax Status

Citi is liable to pay not only Corporation Tax but other taxes such as Employment Taxes, VAT, Customs Duty, Stamp Duty and the Bank Levy. In addition, Citi in its role as an intermediary is required to withhold taxes from clients and remit these to the tax authorities.

Citi is also committed to complying with global Automatic Exchange of Information (“AEOI”) and Mandatory Disclosure Regimes, including the Foreign Account Tax Compliance Act (“FATCA”), the Common Reporting Standard (OECD “CRS” Regime) and US tax withholding and reporting regimes.

Citi’s worldwide policies on transfer pricing are in line with the OECD Transfer Pricing Guidelines for Multinational Enterprises and are based on the ‘arm’s length’ principle, i.e. the assumption that parties are dealing under an independent arrangement. Citi’s policies are also consistent with regulatory requirements applicable to financial institutions. Compliance is supported through a global transfer pricing governance framework that applies throughout the businesses and functions.

Citi is committed to collecting, paying and remitting tax on a timely basis and fulfilling its social responsibility to pay the right amount of tax in the right place at the right time.

Tax Organisation and Accountability

Tax is part of the Finance department within Citi globally. Day-to-day responsibility for UK tax affairs is managed within the UK by a team of in-house professionals with a combination of qualifications and experience in various taxes, accounting and law. The team is led by the Head of Tax with escalation to the UK Senior Accounting Officer (“SAO”), Chief Financial Officer (“CFO”) and to the Global Head of Tax. Citi’s UK CFO holds the role of SAO. There is regular communication with and escalation to the SAO, the wider UK Finance team and the UK Citi Country Officer.

Certain tax operations, including Pay As You Earn (“PAYE”) and business operational tax processes, are managed outside of this team, with support provided by the Tax team. In order to ensure regular and appropriate discussion and escalation, Tax holds a regular meeting with the SAO and this includes attendance by representatives from the various taxes.

Advisory and specialist support is at times sought from external advisors where there is a particular complexity, uncertainty or lack of specific in-house knowledge and experience.

Working with HMRC

Citi is committed to having an open, co-operative and transparent relationship with HMRC. Citi engages actively to ensure communication is two-way and discussions are held on a real-time basis, whenever possible. Regular and scheduled communication with HMRC ensures tax risks are discussed and monitored.

Citi interprets tax law using relevant guidance. Citi may occasionally have a different view to HMRC. These differences of opinion are discussed with the intention of resolving them in a transparent, timely and professional manner.