Introduction

UBS’s Code of Conduct and Ethics sets out the principles and practices that define our ethical standards and the way we do business globally. UBS’s risk management and control principles, which underpin our governance model and processes, are designed to support optimal risk/return decisions and protect UBS from unacceptable damage to its financial strength, performance and reputation. Our UK tax strategy, detailed below, derives from the application of these global principles to UK taxation.

1. UBS’s overall approach to taxation

Our Code of Conduct and Ethics confirms the overarching principle that UBS is committed to complying fully with its obligations under all tax laws. We follow all the laws, rules, regulations and treaties around tax that apply to UBS – not just to the letter, but in their true spirit. These principles are fully consistent with the UK government’s Code of Practice on Taxation for Banks, which UBS has adopted. They are also reflected in our internal Tax Code of Practice.

2. Risk Management and Governance Arrangements in relation to UK taxation

Whilst we are committed to paying all UK taxes due, we recognise that uncertainty can arise in relation to our tax liabilities given both the scale, complexity and degree of change associated with our business and the complexity of applicable tax laws. We seek to manage and control these tax risks through robust processes established under the Group’s general risk management and control principles.

Under the Organization Regulations of UBS Group AG, the Group Chief Financial Officer is ultimately responsible for the management and control of the Group’s tax affairs. However, day-to-day risk management and control is exercised throughout the organization. Under this framework, Group Tax is responsible for managing and controlling UBS’s corporate income tax position in the UK and globally with business divisions and aligned functions taking the lead role for managing and controlling non-corporate income tax matters (e.g. VAT, operational and other transactional taxes, employment taxes etc.).

We have robust compliance processes to ensure the integrity of our UK tax returns, and the timeliness and accuracy of our tax payments that we may need to make to ensure compliance risks are minimized. On an annual basis, the Senior Accounting Officers of UBS’s UK subsidiaries certify to HM Revenue & Customs (“HMRC”) that those companies have in place appropriate tax accounting arrangements for identifying and calculating their UK tax liabilities.

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. Where we are uncertain about significant UK tax matters we seek clarification from HMRC.

The Group’s business approval procedures are designed to ensure that tax risks are identified and assessed by appropriately qualified people and those procedures also provide for a clear and established internal approval process including mandatory approvals from senior management in certain cases.
3. **Attitude towards tax planning in relation to UK taxation**

In line with the UK Code of Practice on Taxation for Banks, UBS only undertakes UK tax planning that supports genuine commercial activity. We do not structure transactions to achieve tax outcomes inconsistent with the underlying economic consequences except where we believe that the outcome is consistent with the intention behind the law concerned.

4. **Level of risk that is acceptable in relation to UK taxation**

The Group’s operational risk framework establishes general requirements for identifying, managing and controlling all operational risks, including tax risks. It is founded on a clear and logical classification of inherent operational risks. Throughout the organizational hierarchy, a level of risk tolerance is agreed for each of the operational risk categories, together with a minimum set of internal controls and associated performance thresholds considered necessary to keep risk exposure within acceptable levels.

5. **Approach towards dealings with HMRC**

In line with the UBS Code of Conduct and Ethics, supporting internal policies and the UK government’s Code of Practice on Taxation for Banks, we maintain a transparent and constructive relationship with HMRC.

This UK tax strategy covers all UK taxes relevant to UBS. It applies across the consolidated group of UBS Group AG and is published on behalf of all UK sub-groups, UK companies and UK permanent establishments within the group in compliance with the requirements of paragraphs 19(2) and 22(2) of Schedule 19 to Finance Act 2016 respectively, for the financial year ended 31 December 2020.