



BNY MELLON

Information on the tax strategy executed in
2022

**BNY Mellon (Poland) Spółka z ograniczoną
odpowiedzialnością**

Prepared: 13 December 2023 r.

List of terms and abbreviations

For the purposes of this document, the following terms were given the following meanings:

2022	The tax year, which begins on 1 January 2022 and ends on 31 December 2022
BNY Mellon, Spółka	BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością
Grupa, Grupa BNY Mellon)	An international group that brings together The Bank of New York Mellon Corporation companies all over the world
Tax ordinance	Act of 29 August 1997 - Tax Ordinance (consolidated text Journal of Laws of 2022, item 2651, as amended)
CIT Act	Act of 15 February 1992 on Corporate Income Tax (consolidated text Journal of Laws of 2022, item 2587, as amended)
PIT Act	Act of 26 July 1991 on Personal Income Tax (consolidated text Journal of Laws of 2022, item 2647, as amended)
Excise Duty Act	Act of 6 December 2008 on Excise Duty (consolidated text Journal of Laws of 2022, item 143, as amended)
VAT Act	Act of 11 March 2004 on Value Added Tax (consolidated text Journal of Laws of 2023, item 1570, as amended)

1. Introduction and legal basis

This document presents the tax strategy executed in 2022 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 2022, item 2587, 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, 2022 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, 2022.

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 – basic information

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 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.

Company name:	BNY Mellon (Poland) Spółka z ograniczoną odpowiedzialnością
Registered office:	ul. Swobodna 3, Wrocław 50-088
Identification data:	KRS: 0000285336 NIP: 5252396885 REGON: 14100273900000
Date of entry in the Register of Entrepreneurs of the National Court Register:	20 August 2007
Employment at the end of 2022:	2 307 people

3. Tax processes and procedures



Legal basis: Pursuant to Article 27c(2)(1)(a) of the CIT Act, the taxpayer shall provide information on the processes and procedures for managing and ensuring the proper fulfillment of its obligations under tax law.

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, 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, which are 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 2022](#) 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 inquiries, controls and audits. The Group strives to conduct transactions that achieve a tax result that is consistent with the underlying economic effects that ensure compliance 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 ensured 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:

- document describing and documenting the key processes for Polish tax obligations and tax reporting ("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 fulfilled tax obligations



Legal basis: Pursuant to Article 27c(2)(1)(a) of the CIT Act, the taxpayer shall provide information on the processes and procedures for managing and ensuring the proper performance of its obligations under tax law.

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 the obligations were carried out reliably and in a timely manner, and that the information provided on tax obligations clearly and accurately reflected the facts and was up-to-date, complete and understandable.

The main taxes under which the Company performed its tax obligations were:

- value added tax (VAT),

- corporate income tax (CIT) including withholding tax (WHT) collected as payer.

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 Contribution of the Company¹ in 2022 in Poland amounted to approximately PLN 172 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 National Revenue Administration



Legal basis: Pursuant to Article 27c(2)(1)(b) of the CIT Act, the taxpayer provides information on voluntary forms of cooperation with the National Revenue Administration authorities

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 Cooperative Compliance Programme organized by the Ministry of Finance for the purpose of horizontal monitoring and was not a part of the advance pricing agreement (APA).

6. Tax schemes



Legal basis: Pursuant to Article 27c(2)(2) of the CIT Act, the taxpayer provides information on the taxpayer's fulfillment of tax obligations on the territory of the Republic of Poland, together with information on the number of information on tax schemes referred to in Article 86a(1)(10) of the Tax Ordinance, by tax to which they relate, provided to the Head of the National Revenue Administration.

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.

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.

In 2022 the Company has verified that certain occurrences do not result in a tax scheme reporting obligation and has not identified any occurrences that would be reportable as a tax scheme. Accordingly, the Company did not report any information on tax schemes to the Head of the National Revenue Information pursuant to Article 27c(2)(2) of the CIT Act.

7. Transactions with related entities



Legal basis: Pursuant to Article 27c(2)(3)(a) of the CIT Act, taxpayers provide information on transactions with related entities, within the meaning of Article 11a(1)(4) of the CIT Act, whose value exceeds 5% of total assets within the meaning of the accounting regulations, determined on the basis of the company's last approved financial statements, including entities that are not tax residents of the Republic of Poland.

In 2022, 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%² 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 accounting services to related entities based in Great Britain, Ireland, the United States and Luxembourg;
- Sale of IT services to related entities based in the United States;
- Sale of risk management services to a related entity based in the United States;
- Purchase of IT services from an affiliate based in the United States;
- Purchase of risk management services from a related entity based in the United States;
- Obtaining a loan from a related entity based in Ireland;
- Purchase of currencies from a related entity based in Belgium.

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 2022 and prepared the Local File together with relevant comparative analyzes. The Company's settlements with related entities in 2022 were made in accordance with the arm's length principle.

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.

² 20 097 400 PLN

8. Restructuring activities



Legal basis: Pursuant to Article 27c(2)(3)(b), taxpayers shall provide information on restructuring activities planned or undertaken by the taxpayer which may affect the amount of tax liabilities of the taxpayer or of related entities within the meaning of Article 11a(1)(4) of the CIT Act.

In 2022 The Company did not undertake restructuring activities that could affect the tax liabilities of the Company or its affiliates within the meaning of Article 11a(1)(4) of the CIT Act. At the same time, the Company was planning to transfer part of its workplace and sell its assets to a newly established Polish branch of a Belgian affiliate, a transaction that would take place in the first half of 2023.

9. Tax settlements in territories or countries applying harmful tax competition



Legal basis: Pursuant to Article 27c(2)(5) of the CIT Act, taxpayers provide information on the tax settlements of the taxpayer in territories or countries applying harmful tax competition indicated in executive acts issued on the basis of Article 11j(2) of the CIT Act and on the basis of Article 23v(2) of the PIT Act and in the announcement of the minister competent for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.

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 2022:

- has not been registered for tax purposes;
- did not submit tax returns or forms;
- did not collect and pay taxes including withholding tax.

10. Submitted applications



Legal basis: Pursuant to Article 27c(2)(4) of the CIT Act, taxpayers shall provide information on applications submitted for the issuance of:

- general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance,
- tax law interpretations referred to in Art. 14b of the Tax Ordinance,
- binding tax rate information referred to in Art. 42a of the Value Added Tax Act,
- binding excise duty information referred to in Article 7d(1) of the Excise Duty Act.

In 2022, 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.