

Tax Policy

Siam Commercial Bank Public Company Limited

Siam Commercial Bank (SCB)'s tax policy is formulated on the basis of transparency, good governance, protection of the Bank's credibility and reputation by emphasizing the importance of tax risk management, compliance, prevention of tax evasion and utilizing legal tax benefits to enhance the Bank's operational efficiency. As social responsibility is part of SCB's core values, the Bank also realizes the importance of being a good taxpayer since proper tax payment can contribute to society's sustainability.

Tax Governance

The Bank is committed to strong governance over our tax affairs with internal policy and procedures in place as part of tax governance framework to ensure that our operations, products and services offered to customers comply with best practices and are compliance with applicable tax laws in all countries where the Bank operates. This tax policy applies to all SCB's management and employees. Regular review is conducted by internal auditors, tax reporting and certified public accountants before confirming to the SCB Management Committee that this tax policy remains appropriate.

Tax Management and Compliance

SCB is committed to complying with tax laws in all countries where we operate by providing revenue authorities with information that is complete, accurate and reliable in all material aspects and is provided on time as set out in legislation or as agreed with revenue authorities. The Bank adheres to the principle of transparency in reporting our tax payments as a responsibility to our stakeholders.

SCB has separate tax law team and tax reporting team working collaboratively. The tax law team provides legal advice to other functions of SCB including affiliated companies in order to ensure that SCB and its affiliated companies comply with tax laws and mitigate the tax risk exposure. The tax law team regularly monitors and updates taxation issues and laws, including tax benefits. If any changes of laws may impact the business, the flash report will be issued since the drafted taxation law is being reviewed and approved by the cabinet's resolution, in order for the relevant business operations to be prepared and handled the risks (if any). SCB will utilize legitimate business tax structures and benefits available in each country - but the Bank will never search for loopholes or devise schemes that stretch the rules beyond their obvious intended purpose.

Apart from tax law team, SCB has a separate tax reporting team under the finance group which will manage tax calculation, submit tax filing, and pay the tax in a timely manner. The tax law team and tax reporting team co-operate, maintains check and balance and exchange information to ensure correct tax filing and payment. SCB also has a former Deputy Director of Revenue Department working with SCB as senior tax consultant who can provide advice based on his experience as a tax authority.

The Bank may also engages external professional tax consultants to obtain second opinion and efficient supervision on sophisticated taxation matters and reasonable tax opportunities that are aligned with our commercial objectives without leading to any abusive results.

Tax Payment and Structure

SCB aims to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity and do not transfer value created to low tax jurisdictions. The Bank does not enter into contrived or abnormal tax structures that are intended for tax avoidance, have no commercial substance and do not meet the spirit of local or international law. Secrecy jurisdictions or so-called “tax havens” are not used for tax avoidance, but being served as necessary only as a channel for funding and liquidity access.

Tax Transfer Pricing

SCB will adopt the arm’s length standard for transfer pricing and do not use transfer pricing as an inappropriate tax planning tool. Transfer pricing outcomes must be consistent with the functional activities undertaken, risks assumed and assets utilized in each tax jurisdiction.

Relationships with Revenue Authorities

SCB seeks and maintains enhanced relationships with revenue authorities where we proactively work with relevant tax authorities by being fully transparent in disclosing, discussing and resolving material tax issues before returns are filled to make sure that we maintain our tax governance and compliance with the tax laws of all countries where we operate.