

TAX TRANSPARENCY COMMITMENT STATEMENT

RHB – A RESPONSIBLE CORPORATE TAXPAYER

RHB Banking Group (“RHB” or “Group”) is committed to conduct its tax affairs in accordance with, and in line with the spirit of the applicable tax laws and regulations and to pay our fair share of taxes across all countries in which we operate. This includes paying direct and indirect taxes that we incur on our business operations, as well as remitting taxes that we collect on behalf of relevant tax administrators across the countries that we operate in, such as withholding taxes.

Approach to Tax Governance and Tax Risk Management

The risk management and governance in relation to taxation is managed by our Group Tax team (“Group Tax”). The Group Chief Financial Officer oversees the Group Tax’s function and is responsible for the Group’s ongoing tax compliance and robust management of the Group’s tax risks and exposures.

Tax legislations are complex and vary across countries. Tax risks may arise as a result of differences in the interpretation of such legislations. Therefore, relevant tax risk assessments are undertaken by Group Tax from time to time and we also ensure there are strong local capabilities in managing and mitigating tax risks across all countries in which we operate. If and when there is a need for more insights or better clarity on specific complex tax matters, we will not hesitate to seek professional advice from external tax experts to augment our own capabilities.

Approach towards Tax Planning

RHB only undertakes transactions that are grounded in genuine commercial activities.

RHB ensures potential tax implications are always considered whether in the implementation of our strategic business plans, day-to-day business activities, capital investment programme or changes to our corporate structure and business model. We will consult with third party advisors if required and where applicable, will engage with the relevant tax administrator to reaffirm our interpretation and understanding of the relevant tax legislations and regulations. This is to ensure that we remain compliant with the relevant domestic tax laws and regulations where we operate.

Approach towards Transfer Pricing

RHB is committed to meet the arm’s-length principle in transfer pricing and is aligned to the domestic tax laws where we operate as well as the requirements of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrators.

Approach towards Our Engagement with the Tax Administrators

RHB aims:-

- To maintain an open and transparent relationship with the relevant tax administrators across all countries in which we operate.
- To participate and contribute on the design and development of new tax legislations, tax policies or tax rulings applicable to the industry by direct engagement with tax administrators, via public consultation processes or through our role as a member of relevant industry groups.
- To make fair, accurate and timely disclosure on any correspondence and returns where required.
- To provide response to any queries and information requests on a timely manner.
- To resolve issue(s), if any, with the tax administrators amicably and professionally.