



# 2018 CIBC UK Tax Risk Management Strategy

## 1. UK Tax risk management and governance

CIBC will comply with its UK tax obligations and pay taxes legally due.

CIBC's UK taxation department will safeguard CIBC's reputation through pro-active identification, measurement and management of potential UK tax risk. Risk is defined as the combination of the probability of an event and its consequences. Potential events have consequences that constitute opportunities for benefit (upside) or threats to success (downside). CIBC's strategy considers risk from both perspectives and so covers both positive and negative aspects of tax risk.

Due attention will be given to the impact of tax risk on the relationship with Her Majesty's Revenue and Customs (HMRC). Any material UK tax risks identified by CIBC's UK taxation department will be reported to CIBC's Global Head of Taxation, and managed through collaborative engagement with the relevant stakeholders, including consulting advisors to obtain objective opinions as necessary.

## 2. UK group attitude to tax planning

Per CIBC group policy, any tax planning affecting a UK tax obligation should be effective if contested. Opinions sought from internal or external advisors could be used to establish that this criterion has been met, before such planning receives further consideration through the internal risk appraisal process, as necessary.

## 3. UK tax risk tolerance

- Avoiding tax risk: CIBC will avoid taking UK tax risk, by not participating in transactions on own account or structuring transactions for clients, where the transaction is seen as contrary to the intentions of UK Parliament (as understood by CIBC).
- CIBC may plan its tax affairs to take advantage of available reliefs or well established and accepted structures or arrangements whose result may be to lower tax charges. As a commercial organisation, CIBC is entitled to organise its affairs so as to manage its tax liabilities consistent with tax legislation and practice.
- CIBC does not provide tax advice to clients in respect of UK taxes. CIBC will undertake tax planning or enter into transactions that support genuine commercial activity with full regard to potential reputational risk.
- CIBC does not intend to support transactions that lack business purpose or economic substance.
- CIBC will support clients wishing to enter into arrangements of true commercial substance which may also benefit their tax position, provided they are taking advantage of available reliefs, or well established and accepted structures and arrangements.

## 4. Constructive engagement with HMRC

CIBC's UK taxation department will "maintain an open, professional and transparent relationship" with HMRC, as envisaged by the UK Code of Practice on Taxation for Banks, and as consistent with its primary tax risk management mandate.

CIBC regards this publication as complying with the duty per Finance Act 2016, Schedule 19 to publish a UK tax strategy for the year ended 31 October 2018.

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