

Mizuho International plc Tax Strategy

Introduction

This policy document sets out the UK Tax Strategy for Mizuho International plc ('the company'), a wholly owned subsidiary of Mizuho Securities Co, Ltd. which is part of the Mizuho Financial Group Inc. established in Japan. This document also addresses the following:

- The company's approach to risk management and governance arrangements in relation to UK taxation;
- The company's approach to conducting its tax affairs, including its attitude to tax planning;
- The company's approach towards dealing with HMRC; and
- The level of risk in relation to UK tax that the company is prepared to accept.

Tax Strategy

The company's Tax Strategy is to ensure that the appropriate amount of tax is paid wherever the company operates, at the right time.

Governance in relation to UK taxation

The ultimate responsibility for compliance with the Tax Strategy rests with the Board. The Board approves the Tax Strategy document. However, under the company's delegated authorities:

- The company's Executive Committee is tasked with ensuring adherence to, and the effective operation, of the Tax Strategy.
- The Chief Financial Officer ('CFO'), a member of the Board, has functional responsibility for tax affairs. The CFO is also the Senior Accounting Officer of the company with responsibility for taking reasonable steps to ensure the business establishes and maintains appropriate accounting systems for company UK taxation matters.
- The UK Tax team reports directly to the CFO and is responsible for ensuring that the company complies with all of its tax requirements, with the exception of payroll taxes for which Human Resources are responsible.

- The Tax Strategy and its operational application are reviewed annually by the company's Tax, Legal, Risk and Compliance teams and any proposals for revision or amendment are submitted to the Executive Committee for approval before proposing to the Board for approval.
- The Operational Risk department maintains a register of the key risks that affect the company; and, together with each business area, that department has developed key controls that mitigate those risks, including controls around tax processes. The design and operational effectiveness of those controls is reviewed and assessed regularly; and senior department heads attest to the accuracy of such assessment three times a year. Any ineffective controls require identified action plans to outline their eventual proposed resolution; and performance against those action plans is monitored at Operational Risk Committee, Risk Management Committee and Board Risk Committee.
- The Audit and Compliance Committee monitors the company's systems for financial reporting and the control environment in which they operate. A key role for that Committee is to monitor the progress of remedial action undertaken when weaknesses or other issues affecting the control environment, including taxation, are identified by either internal or external audit.
- The New Product Committee is a sub-committee created by the Executive Committee to assist the President & Chief Executive Officer ('CEO') of the company and Executive Committee in respect of matters relating to new product or business approvals. Specifically the Committee mandate is to:
 - Perform a critical review of all new products and businesses to ensure that risks are identified, assessed, mitigated and procedures are established where necessary to control those risks.
 - Recommend the approval of the new products and businesses to the Executive Committee.
 - Ensure that the governance rules surrounding new products and businesses are followed.
 - Perform a review of the product and/or business, once commenced, to ensure the post-implementation operational model is consistent with the approved form.
 - The CFO is a member of the Committee and ensures that the Tax Strategy and tax treatment is taken into account in its business decision-making.

Risk Management

The Board maintains a prudent approach to risk, including a cautious-to-moderate risk appetite, ensuring that the company operates safely and in a manner that supports sustainable business development and growth. This culture underpins its approach to risk management with clear and identifiable principles and established tolerance for risk levels.

The company operates sufficient controls and procedures to ensure tax risk is managed appropriately.

Attitude to tax planning and level of risk

The company manages its tax risks and complies with statutory requirements in a manner that ensures payment of the appropriate amount of tax that is due. When undertaking commercial transactions, the company utilises available tax incentives, reliefs and exemptions in line with, and in the spirit of prevailing tax legislation.

The company does not engage in tax planning other than that which supports genuine commercial activity.

Through its new product approval process the company ensures that tax policy is taken into account in its business decision-making.

The company complies with the Corporate Criminal Offence legislation that passed into Law on 30 September 2017.

The company has a Reputation Risk Management policy that is approved by the Board annually. That policy ensures that the tax department escalates any evidence of unethical or immoral activities where the purpose is to reduce the tax liabilities of either the company or clients. Proposed activities which pose heightened risk to the firm's reputation are referred to the Underwriting and Reputational Risk Committee, being a sub-committee of the Executive Committee. The company has also adopted the Code of Practice on Taxation for Banks, published by HMRC.

Relationship with HMRC

The company has signed The Code of Practice on Taxation for Banks and, in so doing, seeks to have an open, collaborative and transparent relationship with HMRC which is based

on mutual trust and which is achieved through regular meetings and through proactive communication on significant business developments.

The company is committed to observing all applicable laws, rules, regulations, reporting and disclosure requirements.

Approval and Effective Date

The company publishes its tax strategy in accordance with Schedule 19 of Finance Act 2016 (Part 2 paragraph 22).

This strategy document was approved by the Board on 8 February 2019 and takes effect from accounting periods ending after 31st March 2018.