

Tax Governance Framework

Objective and Scope

J.P. Morgan is a global leader in financial services, offering solutions to individuals, corporations, governments and institutions in more than 100 countries. Established in 1964, the Singapore office is today a full-service, fully-integrated provider of corporate and investment banking, commercial banking, asset management and private banking. Local corporations and institutions, multinationals, government and private clients rely on us for a full suite of market leading products and services across industry sectors and asset classes.

This Singapore Tax Governance Policy applies to all Singapore entities ultimately controlled by J.P. Morgan Chase & Co ("the Group").

Singapore Tax Governance Structure in relation to Taxation

Ultimate governance responsibility and accountability for all tax matters rests with the Board of Directors of each entity within the Group. The Directors have delegated authority to the Singapore Management Committee (SMC)¹ which has primary responsibility for the corporate governance and strategy of Singapore and is the primary oversight and escalation point for all businesses and support functions. The Group's Head of Tax, as a member of the Singapore Operating Committee (SOC), a sub-committee of the SMC, is responsible to report and escalate to the Board through the established governance path, on the tax affairs of the Group and significant tax risks arising throughout the year. The Head of Tax is supported by a dedicated Singapore tax function.

We maintain a sound system of risk management and internal controls to comply and advise on all tax related matters, including preparing and filing local tax returns in a timely and accurate manner. To the extent that there is significant tax uncertainty or complexity, we seek external professional advice or, where applicable, consult with the relevant tax authority. The Group carries out appropriate training for its staff involved in taxation matters, especially following business or legislative changes. We have robust human resources procedures to ensure that staff are qualified and competent, including tax staff to support tax compliance and advisory, and encourage individual membership of relevant professional bodies.

The Group's approach to tax risk management

All employees are required to abide by the J.P. Morgan Code of Conduct. The Code sets out important principles relating to acting with the highest level of integrity, ethical behaviour and consideration of the overall Group's reputation, in addition to complying with the spirit, as well as the letter, of the law.

¹ The SMC comprises of senior members from all relevant functions and businesses in Singapore and is the central governance committee for Singapore

Tax Governance Framework (continued)

The Group's approach to tax risk management (continued)

All Lines of Business and Corporate Functions of the Group are required to perform Control and Operational Risk Evaluation ("CORE") under the Group's Operational Risk Self-Assessment Process. The CORE program requires Tax related functions to identify key operational risks inherent in their activities, evaluate the effectiveness of relevant controls in place to mitigate identified risks, and to define actions to reduce residual risk.

We prepare and periodically review standard operating procedures in relation to our Singapore taxation processes, in order to ensure the reliability and completeness of our Singapore tax returns and minimise the risk of non-compliance.

The Group's approach towards tax planning

J.P. Morgan always seeks to pay tax in Singapore consistent with applicable tax laws and has zero-tolerance towards tax evasion and facilitation of tax evasion by its employees, agents and third parties acting on its behalf. The Group prohibits facilitating a relationship, account or transaction that is intended to breach or evade applicable law. We only undertake transactions with genuine commercial activities; we will not undertake transactions whose sole purpose is to create a tax benefit which is beyond the relevant tax rule's intention. Where alternative approaches exist to accomplish the same commercial result, the Group may choose the most tax efficient route in compliance with all laws and regulations; however, we will not engage in any arrangements that aim to achieve a tax result contrary to the expressed intentions of relevant tax laws and regulations.

Our intercompany transactions are reviewed by transfer pricing specialists and follow either the terms of a multilateral Advanced Pricing Agreement with tax authorities around the world or are designed to be at arm's length prices in accordance with Organisation for Economic Co-operation and Development guidelines.

The level of risk in relation to Singapore taxation that the Group is prepared to accept

J.P. Morgan's internal policies and procedures are designed to mitigate material tax risks. Internal systems and controls ensure that, in the event of significant new business initiatives and other key transactions, the Group's tax department's oversight and approval is always required. In such cases, we carry out and document detailed tax risk assessments, and where appropriate obtain external tax advice and assurance. Internal policies and procedures, including related controls are also reviewed and updated to reflect changes in the relevant tax laws and regulations.

Tax Governance Framework (continued)

The Group's approach towards its dealings with tax authorities

We have a professional, transparent and constructive relationship with the tax authorities maintained through regular meetings and communication.

We take a proactive approach whenever there are significant transactions or changes in our Group's structure or activities by raising related tax issues on a timely basis and seeking an open discussion with tax authorities. When there are significant tax issues or tax controversies, we engage the tax authorities and aim to resolve these with the tax authorities before the tax filing, where possible. In addition, voluntary disclosures are made on a timely basis to the tax office on errors identified in the tax returns.

The Group meets its tax reporting obligations, including timely submission of tax computations and tax returns. Relevant correspondences with the tax authorities contain full disclosure of facts relevant to determine the tax treatment of specific transactions.

In addition, we participate in the Enhanced Taxpayer Relationship Programme introduced by the Inland Revenue Authority of Singapore to facilitate timely resolution of our Singapore corporate income tax matters. For Goods and Services Tax, we are also a participant of the Assisted Compliance Assurance Programme.

We engage with the government on proposed changes to tax legislation through the appropriate consultation channels, either directly or via representative bodies, such as the Association of Banks of Singapore, the Asia Securities Industry & Financial Markets Association and the Investment Management Association of Singapore, where applicable.
