

Information on the tax strategy implemented in 2020 by PRA Group Polska Holding sp. z o.o.

Introduction

This document fulfils the obligation of PRA Group Polska Holding sp. z o.o. with its registered office in Warsaw (hereinafter: "**Company**") concerning the publication of information on the implemented tax strategy specified in Article 27c(1) of the Corporate Income Tax Act of 15 February 1992 (i.e. Journal of Laws of 2021, item 1800, hereinafter: "**CIT Act**").

Implementation of the Company's tax strategy in 2020

In the tax year from 1 January 2020 to 31 December 2020 (hereinafter: "**tax year**"), the Company:

- 1) applied tax processes and procedures concerning:
 - corporate income tax,
 - personal income tax,
 - withholding tax (including due diligence procedure),
 - value added tax,
 - transfer pricing,
 - counteracting non-compliance with the mandatory disclosure rules,
 - tax levied on civil law transactions,
 - compliance with the relevant FATCA and CRS obligations;
- 2) did not participate in voluntary forms of cooperation with the National Tax Board, and did not enter into any agreements on cooperation in the field of taxes pursuant to Article 20s § 1 of the General Tax Law of 29 August 1997 (i.e. Journal of Laws of 2021, item 1540, hereinafter: "**General Tax Law**" or the Advance Pricing Agreement (APA));
- 3) duly fulfilled all its tax liabilities within the territory of the Republic of Poland in terms of corporate income tax, personal income tax, value added tax and tax levied on civil law transactions in a timely manner and to the best of its knowledge;
- 4) analysed the transactions or activities carried out from the point of view of compliance with the so-called Mandatory Disclosure Rules (i.e. MDR), using the Company's existing procedure aimed at preventing such non-compliance. In 2020, the Company provided the Head of the National Tax Board with information about a single scheme in the field of corporate income tax;
- 5) concluded 6 transactions with related parties within the meaning of Article 11a(1)(4) of the CIT Act, of the collective value exceeding 5% of the total assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements of the Company. The transactions were related to the management of debt portfolios and loan repayment services and other services related to the purchase, acquisition and redemption of investment certificates;
- 6) did not plan or undertake any restructuring activities that might affect the amount of its tax liabilities or tax liabilities of its related entities within the meaning of Article 11a(1)(4) of the CIT Act;
- 7) in the tax year to which this information on the implementation of the tax strategy relates, the Company did not submit applications for the issuance of:
 - a) general tax interpretation referred to in Article 14a § 1 of the Tax Law,
 - b) binding VAT rate information referred to in Article 42a of the Goods and Services Act of 11 March 2004 (i.e. Journal of Laws of 2021, item 685),

- c) binding excise tax information referred to in Article 7d(1) of the Excise Tax Act of 6 December 2008 (i.e. Journal of Laws of 2020, items 722 and 1747);
 - d) interpretation of tax law provisions referred to in Article 14b of the Tax Law;
- 8) did not settle its taxes in any territories or countries applying harmful tax competition practices, which have been listed in the secondary legislation adopted on the basis of:
- a) Article 11j item 2 of the CIT Act, i.e. the Regulation of the Minister of Finance of 28 March 2019 on the determination of countries and territories applying harmful tax competition practices in the field of corporate income tax (Journal of Laws of 2019, item 600),
 - b) Art. 23v item 2 of the Personal Income Tax Act of 26 July 1991 (Journal of Laws of 2020, item 1426), i.e. the Regulation of the Minister of Finance of 28 March 2019 on determining countries and territories applying harmful tax competition practices in the field of personal income tax (Journal of Laws of 2019, item 599), and
 - c) in the announcement issued by the Minister in charge of the public finances issued on the basis of Article 86a § 10 of the Tax Law, i.e. in the announcement of the Minister of Finance, Funds and Regional Policy of 12 October 2020 on the publication of the list of countries and territories indicated in the EU list of non-cooperative jurisdictions for tax purposes adopted by the Council of the European Union, which have not been included in the list of countries and territories applying harmful tax competition issued on the basis of the provisions on personal income tax and the provisions on corporate income tax, and the date of adoption of this list by the Council of the European Union (M.P. of 2020, item 925).
- 9) As part of its activity in the area of corporate social responsibility, the Company made a donation to combat the COVID-19 pandemic.