AMP Tax Report 2020

1. Message from the Chief Financial Officer

AMP's purpose is helping people create their tomorrow and this guides our actions and decisions. For our customers this means giving them the confidence to take control of their finances and achieve their goals.

We continue to be proud of the contribution we make to the public finances of the countries in which we operate. We take our tax obligations seriously and our approach to paying tax is built on integrity and transparency.

We are committed to the highest standards of governance and transparency and operate under the Board of Taxation's voluntary tax transparency code (TTC). This report follows TTC principles and details the taxes we paid in 2020 and our effective tax rates from 2016–2020.

We also share our approach to tax, a strategy that seeks to ensure we contribute appropriately to the communities in which we operate.

James Georgeson
Chief Financial Officer

2. Introduction

This report provides information on AMP, the tax payments the group makes, its tax strategy and governance.

The vast majority of AMP's tax liability is payable in Australia. Income tax is levied on profits attributable to AMP shareholders and, for some investment structures, the investment returns generated for its customers. AMP is also subject to payroll, property, goods and service tax (GST), stamp duty and other taxes. AMP also collects and pays Pay As You Go (PAYG) taxes on behalf of employees, withholding tax on behalf of shareholders and investors, and contributions tax on customers' superannuation investments. The payment of Australian income tax by AMP generally results in the generation of imputation credits which are passed to shareholders on payment of dividends; where a shareholder is an Australian taxpayer, they obtain the credit for the tax already paid by AMP.

The information in this report complements the financial information published in the AMP 2020 Annual Report, which is prepared to apply the recognition, measurement and disclosure requirements of Australian accounting standards in compliance with international financial reporting standards.

This report also serves to assist with understanding the disclosures that have been made by the Australian Taxation Office (ATO) in its Tax Transparency Report published in December 2021 in relation to our tax year ended 31 December 2019 and the disclosures expected to be made by the ATO later this year in its Tax Transparency Report for our tax year ended 31 December 2020.

3. AMP group

AMP has evolved over the course of its 173-year history to meet the changing needs of customers. Founded in 1849, AMP is a leading wealth management company offering clients financial advice and superannuation, retirement income, banking and investment products across our portfolio of businesses. The company also provides corporation superannuation products and services for workplace super and self-managed superannuation funds (SMSFs).

The holding company of the group, AMP Limited, is listed on the Australian Securities Exchange (ASX).

AMP's business operations are carried out by a number of controlled entities. Each of AMP's business units is wholly owned by AMP Limited. The majority of AMP's profits are earned from financial services operations in Australia.

Other profits are earned from financial services operations in New Zealand, as well as a number of investment management operations across Asia, Europe and North America.

AMP also has a long-term strategic partnership with China Life, with a 19.99% shareholding in China Life Pension Company and a 14.97% stake in China Life AMP Asset Management Company.

AMP comprises the following business units:

– **Australian wealth management** provides financial advice services (through a network of aligned and external financial advisers), platform administration (including SMSFs), superannuation, retirement income and managed investment products.
– **AMP Bank** is an Australian retail bank which offers residential mortgages, deposits and transaction banking with more than 161,000 customers. AMP Bank distributes through brokers, AMP advisers, and direct to retail customers via phone and internet banking.
– **New Zealand wealth management** encompasses the wealth management, financial advice and distribution business in New Zealand. It provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance.
– **Global investment management** across major asset classes including infrastructure, equities, fixed interest, real estate, diversified funds, multi-manager and multi-asset funds.

The group also holds a number of strategic partnerships including:

– 19.99% equity interest in China Life Pension Company.
– 14.97% equity interest in China Life AMP Asset Management Company Limited.
– 24.90% equity interest in US real estate investment manager, PCCP LLC.

On 30 June 2020, AMP Limited completed the sale of its life insurance business, AMP Life (the Australian and New Zealand wealth protection and mature businesses) to Resolution Life Australia Pty Ltd. For the tax year ended 31 December 2020, AMP Limited held a 19.62% equity interest in Resolution Life NOHC Pty Ltd, an Australian-domiciled, Resolution Life-controlled holding company that is the owner of AMP Life.

In addition to the above business units, AMP has a group office function, which provides centralised services and performs treasury activities.

AMP's Australian corporate entities are consolidated for income tax purposes, such that this group is treated as a single taxpayer for income tax purposes. Collimate Capital Limited (formerly, AMP Capital Holdings Limited) and its wholly-owned Australian corporate subsidiaries joined the AMP Limited tax consolidated group on 1 September 2020. Prior to 1 September 2020, AMP's Australian corporate entities were organised into two tax consolidated groups. A small number of partly-owned Australian corporate entities are not members of the tax consolidated group and are taxed separately on a standalone basis.

Where AMP operates in foreign jurisdictions, it will generally establish separate legal entities in those jurisdictions and be subject to the local tax regime. In some cases, AMP establishes investment vehicles and/or investment assets across multiple jurisdictions. This is discussed further in section 4.

To support its global operations, AMP in Australia provides support services (including administrative and IT support) to its overseas related parties. In addition, advisory arrangements are entered into between AMP subsidiaries in Australia and its international subsidiaries to support the provision of investment advisory and management services to a global client base. All of AMP's international related party dealings reflect arm's length conditions in accordance with Australia's transfer pricing requirements and the Organisation for Economic Co-operation and Development (OECD) guidelines.

4. Tax strategy and governance

AMP's tax strategy is focused on integrity in compliance and reporting and enhancing shareholder value.

The strategy is implemented through AMP's tax risk framework. This framework is approved by the AMP Limited Board and is supported by governance processes that ensure continued effectiveness. The AMP Tax Risk Management Policy is maintained by AMP Head of Group Tax and approved by the Board. The framework and supporting governance processes include an escalation requirement for key risks that are outside of the parameters approved by the AMP Limited Board.

AMP Limited regularly engages with the Australian Taxation Office (ATO) via its Justified Trust program, which aims to build and maintain community confidence that the right amount of taxes are being paid by taxpayers.

In conducting AMP's activities (both in Australia and offshore):

- AMP does not shift to and/or accumulate profits in low or zero-tax jurisdictions.
- AMP does not use the secrecy rules of jurisdictions to hide assets or income.
- AMP pays tax where the underlying economic activity occurs.

The AMP Limited Board does not sanction or support any activities which seek to aggressively structure AMP's tax affairs.

As part of managing a global investment portfolio on behalf of domestic and international clients, including Australian superannuation funds, AMP uses a variety of structures and entities to enter offshore markets.

The selection of a particular location requires balancing various commercial, legal, investor and cost (including tax) factors. In this context, AMP manages investments through entities in jurisdictions that have alignment with OECD guidelines on tax transparency (ie information exchange with other tax authorities) and in certain instances low effective tax rates. AMP's public financial reports clearly disclose any differences in overseas tax rates to highlight the impact of the different tax rates that are applied in relation to shareholder profit from offshore activities.

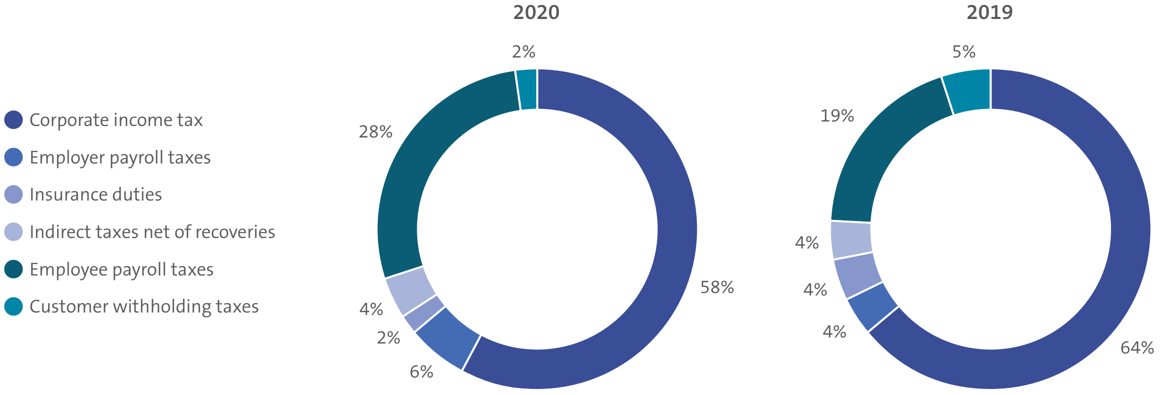
AMP has prepared and lodged its Country-by-Country (CbC) Report with the ATO each year as required. In compliance with both Australian filing requirements and the OECD BEPS Action Plan, the CbC Report contains details about AMP's international related party dealings, revenue, profits and taxes paid by jurisdiction. Under intergovernmental exchange of information agreements, this report is available to overseas tax authorities.

5. Tax paid analysis

The below table provides an analysis of the types of taxes paid by AMP group in respect of 2019 and 2020 to the Australian and New Zealand governments (state and federal). The majority of AMP's operations are in these two countries.

AMP also pays taxes (corporate and withholding tax) to other foreign governments where it conducts economic activity, as well as other taxes (eg property taxes, stamp duty), which have not been included in the table below. The table excludes taxes paid by controlled Australian entities that do not form part of the AMP Limited or Collimate Capital Limited tax consolidated group.

Taxes paid



2020 – Taxes paid

	Corporate income tax[1] $m	Employer/ payroll taxes[2] $m	Insurance duties[3] $m	Indirect taxes net of recoveries[4] $m	Total taxes borne[5] $m	Employee payroll taxes[6] $m	Customer withholding taxes[7] $m
Australian federal taxes	419.2	1.7	–	29.3	450.2	233.3	22.0
Australian state / territory taxes	–	48.1	22.2	–	70.3	–	–
New Zealand taxes[8]	91.5	0.5	–	4.3	96.3	10.5	–
Total	510.7	50.3	22.2	33.6	616.8	243.8	22.0

2019 – Taxes paid

	Corporate income tax[1] $m	Employer/ payroll taxes[2] $m	Insurance duties[3] $m	Indirect taxes net of recoveries[4] $m	Total taxes borne[5] $m	Employee payroll taxes[6] $m	Customer withholding taxes[7] $m
Australian federal taxes	761.1	2.3	–	49.6	813.0	232.2	64.8
Australian state / territory taxes	–	47.5	48.2	–	95.7	–	–
New Zealand taxes[8]	79.5	0.5	–	5.3	85.3	13.2	–
Total	840.6	50.3	48.2	54.9	994.0	245.4	64.8

1 Tax liability of the AMP Limited and Collimate Capital Limited tax consolidated groups (see further details on pages 7 and 9 regarding the $419m Australian corporate income tax for the 31 December 2019 year) and the New Zealand branches of AMP Life and The National Mutual Life Association of Australasia. This includes tax of $930m (2018: $612m) that is attributable to Australian policyholders.

2 Comprises payroll and employer taxes that are payable as a result of a company's capacity as an employer (including Australian and New Zealand Fringe Benefits Tax (FBT)). Figures shown represent payroll tax for the year to 30 June 2020 and 30 June 2019 respectively, Australian FBT for the year to 31 March 2020 and 31 March 2019 respectively, and New Zealand FBT for 2020 and 2019 respectively.

3 Insurance duties that were remitted by AMP to state and territory governments in 2020 and 2019 respectively.

4 Comprises GST and other taxes that arise, which cannot be recovered from governments. Figures shown are GST payments for the AMP Life, AMP Services and AMP Capital Investors Australian GST groups, and the New Zealand branch of AMP Life. The GST under management in these groups totalled $658m in 2020 (2019: $741m) (comprising both GST that was remitted to the ATO / New Zealand Inland Revenue Department (IRD) and GST paid to suppliers).

5 Taxes that AMP is obliged to pay to a government on its own behalf (including income tax attributable to policyholders).

6 Employee taxes that are withheld from employee remuneration and paid to governments in the year to 30 June 2020 and 30 June 2019 respectively.

7 Taxes that are withheld from customer returns and remitted to governments in 2020 and 2019 respectively.

8 Amounts denominated in New Zealand dollars have been converted to Australian dollars at the 2020 average exchange rate of A$1 = NZ$1.0619 (2019: A$1 = NZ$1.0791).

6. Effective tax rate

'Effective tax rate' is a term used in public discourse and in this report, to refer to the income tax expense charged as a percentage of total profit, before the income tax expense is charged. Income tax expense is an accounting concept and reflects the amount of income tax accrued for accounting purposes. Typically, in any given year, there will be differences between the income tax charge and the amount paid for the period to the ATO, due to timing differences.

For accounting purposes, income tax includes only taxes that are based on taxable profits and excludes other types of taxes, such as GST, stamp duty, superannuation contributions tax, and PAYG tax paid on behalf of superannuation members and employees.

Most of AMP's shareholder income tax responsibilities arise in Australia where tax is levied at the corporate tax rate of 30% of the table income of the business. Taxable income is a tax legislation concept and differs from total profit before income tax expense for reasons that reflect government policies which apply for each accounting tax year.

For example, Australian tax concessions that reduce the effective rate of tax are established government incentives to promote Australian innovation (eg research and development concession (R&D)) and the Australian financial services industry (eg offshore banking unit (OBU) concession).

The effective tax rate is also impacted by the fact that the corporate tax rate varies between jurisdictions in which AMP operates, for example the tax rate in NZ is 28%.

The total income tax expense disclosed in AMP's financial report consists of both income tax on shareholder profit and tax on policyholders' investment returns. When making a comparison to the Australian corporation tax rate of 30%, it is appropriate to first deduct the amount of tax that is attributable to policyholders, and then compare the amount of tax attributable to shareholders to the amount of profit after policyholder tax, but before shareholder tax.

AMP completed the sale of its life insurance business on 30 June 2020. The life insurance business after-tax profit/(loss) for the six months ended 30 June 2020 was disclosed separately in the AMP 2020 annual accounts, under 'discontinued operations', with the reinstated 2019 comparative figures. Hence, income tax expense shown in the 2020 annual report does not include policyholder tax.

The following table provides details on the actual amounts and circumstances involved in the AMP income tax applicable to the years of 2016–2020 inclusive.

Relationship between income tax expense and accounting profit

	2020		2019		2018		2017		2016	
	$m		$m		$m		$m		$m	
Profit/(loss) before income tax, excluding tax charged to policyholders	**51**	**100%**	**(2,684)**	**100%**	**33**	**100%**	**1,164**	**100%**	**237**	**100%**
Prima facie tax at the rate of 30%	15	30%	(805)	30%	10	30%	349	30%	71	30%
– R&D concession[1]	–		(1)		(6)		(7)		(4)	
– OBU[2]	(1)		(1)		(1)		(1)		(1)	
– Non-taxable income	(14)		(48)		(6)		(16)		(5)	
– Non-deductible expenses	25		35		23		27		219	
– Other items[3]	(25)		(7)		(15)		(24)		(159)	
Differences in overseas tax rate[4]	(16)		(11)		(9)		(14)		(9)	
	(31)	(61)%	(33)	1%	(14)	(42)%	(35)	(3)%	41	17%
Prima facie tax adjusted for income and expenses accounting/tax differences and differences in overseas tax rates	**(16)**	**(31)%**	**(838)**	**31%**	**(4)**	**(12)%**	**314**	**27%**	**112**	**47%**
Shareholder impact of life insurance treatment[5]	n/a	n/a	52	(2)%	2	6%	33	3%	16	7%
'One-off' tax expense adjustments relating to transactions or events which occurred in one or more previous financial years										
– Goodwill impairment	–		590		–		–		–	
– (Over) under provided in previous years[6]	(3)		(9)		(8)		(3)		(14)	
– Utilisation of previously unrecognised tax losses[7]	–		(45)		(8)		(53)		(69)	
	(3)	(6)%	536	(20)%	(16)	(49)%	(56)	(5)%	(83)	(35)%
Total income tax expense/(credit) attributable to shareholders, recognised for accounting purposes	**(19)**	**(37)%**	**(250)**	**9%**	**(18)**	**(55)%**	**291**	**(25)%**	**45**	**19%**

1 Australian tax law provides a government incentive of an 8.5% additional net tax benefit (10% in the 2014–2016 years) for qualifying R&D activities undertaken by corporate, up to a limit of $10m per annum.

2 Profit from certain eligible funds management activities undertaken by AMP for non-residents is taxed at a concessional tax rate of 10% under the offshore banking unit regime.

3 In 2016, includes the tax effect of $513m profit attributable to non-controlling interests in investment entities that are controlled by the AMP life insurance entities' statutory funds, which is not subject to tax in the hands of AMP. The taxation of these profits in the hands of the owners of the non-controlling interests will vary depending upon their jurisdiction and individual circumstances. If these profits were excluded from the above analysis, AMP's effective tax rate would have been 35% higher in 2016. The controlling interest held by AMP is taxed on a similar basis to other investments of the AMP Life insurance entities' statutory funds.

4 A relatively small part of AMP's operations are in jurisdictions with tax rates other than 30% (principally New Zealand where the corporate tax rate is 28% and the UK where the corporate tax rate is 19%).

5 Profit before tax for the 2015–2019 years is impacted by the method for allocating to shareholders 20% of the 'after tax' profits of the participating business book, in both Australia and New Zealand, resulting in the prima facie tax expense not equalling the income tax expense for accounting purposes. The factors affecting the difference vary from period to period and reflect variations in investment returns, including bond rates, variations in levels of premiums and claims, and tax treatment compared to tax treatment in New Zealand.

6 Over/under provided in previous years relates to the subsequent adjustment of tax estimates that were made in prior periods. This occurs as a result of data impacting the estimate, changes to expectations of how tax law should be applied to certain transactions, and retrospective adjustments to tax legislation.

7 Shareholder tax expense is reduced due to the recoupment of tax benefits that AMP or an entity it acquired became entitled to as a result of losses in a previous period, but which had not been recognised for accounting purposes at the time the losses occurred. AMP's tax losses stem primarily from the acquisition of the GIO insurance business in 2000 and the demerger of the UK operations in 2003. At 31 December 2010, AMP had unutilised tax capital losses carried forward, which could result in a future tax benefit of $741m (2019: $656m). These tax benefits can only be booked to the extent that it becomes probable that sufficient applicable taxable capital gains will be made to utilise the losses. In addition, at 31 December 2020, AMP has unutilised tax losses on revenue account, which could result in a future tax benefit of $112m (2019: $112m) arising from the acquisition of businesses with carried forward losses. These are available to offset against taxable income at a constrained rate (approximately 0.6% of AMP's ordinary class taxable income per annum). AMP completed the sale of its life insurance business on 30 June 2020. The life insurance business after-tax profit/(loss) for six months ended 30 June 2020 was disclosed separately in AMP 2020 annual accounts under 'discontinued operations', with the reinstated 2019 comparative figures. Hence, income tax expense showed in the 2020 annual report does not comprise of policyholder tax and the reinstated 2019 comparatives would not agree to the figures in the 2019 annual report.

7. Tax transparency disclosures for the year ended 31 December 2019 and 31 December 2020

The following tables outline income tax return data for AMP Limited and Collimate Capital Limited for the tax years ended 31 December 2019 and 31 December 2020. The data represents information that has been disclosed by the ATO in December 2021 for the 31 December 2019 year and information expected to be disclosed by the ATO later this year for the 31 December 2020 year under tax transparency legislation. These disclosures apply to AMP's Australian income tax position and do not cover any foreign taxes.

This income tax return data contains both tax attributable to shareholder and policyholder related profits and will therefore differ from the effective tax rate analysis in section 6 of this report, which only relates to tax on shareholder profits.

The ATO has published documents on its website that provide background on its corporate tax transparency report, and acknowledges that for companies that include a life insurance business (eg AMP over the relevant time period), the effective tax rate for accounting purposes will be impacted by the aggregation of shareholder and policyholder income and tax. The ATO has also noted differing applicable tax rates, in particular the 15% rate for superannuation, may give an impression of an artificially-low tax paid. These documents also comment on the impact of certain items, including the research and development tax concession (R&D) and imputation credits.

The below data was released by the ATO in December 2021 and was sourced from the AMP Limited and Collimate Capital Limited 31 December 2019 year Australian income tax returns:

	Gross income $m[1]	Taxable income $m[2]	Tax payable $m
AMP Limited	22,218	5,979	377
Collimate Capital Limited	934	151	42
Total	**23,152**	**6,130**	**419**

1 Gross accounting income for AMP and its wholly-owned Australian subsidiaries and their foreign branches as disclosed in the tax returns, prior to offsetting expenses (such as claims, commissions, employee costs or interest). This is not readily comparable to AMP's income statement, which also includes income from foreign subsidiaries and Australian entities that fall outside of the tax consolidated groups.

2 Under Australian tax law, AMP Limited has two classes of taxable income (ordinary class and complying superannuation class). Ordinary class taxable income of $437m is taxed at the corporate tax rate of 30%, and complying superannuation class taxable income of $5,542m is taxed at a statutory tax rate of 15%. The taxable income shown above for AMP Limited is the total of both classes of taxable income.

We expect the below data will be released by the ATO later this year and will include the following information from the AMP Limited and Collimate Capital Limited 31 December 2020 year Australian income tax returns:

	Gross income $m[1]	Taxable income $m[2]	Tax payable $m
AMP Limited	78,219	1,855	235
Collimate Capital Limited	582	12	3
Total	**78,801**	**1,867**	**238**

1 Gross accounting income for AMP and its wholly owned Australian subsidiaries and their foreign branches as disclosed in the tax returns, prior to offsetting expenses (such as claims, commissions, employee costs or interest). This is not readily comparable to AMP's income statement, which also includes income from foreign subsidiaries and Australian entities that fall outside of the tax consolidated groups. Gross accounting income includes a $65,468m gain from movement in policy liabilities as a result of the separation of the superannuation business as a precursor to the sale of AMP Life. The AMP Limited group tax return comprises AMP Life six month's results from 1 January 2020 to 30 June 2020 due to the sale of AMP Life and the results of Collimate Capital Limited group for the four months from 1 September 2020 to 31 December 2020. The Collimate Capital Limited group tax return is for the eight months ended 31 August 2020 after which the group joined the AMP Limited tax consolidated group on 1 September 2020.

2 Under the Australian tax law, AMP Limited has two classes of taxable income (ordinary class and complying superannuation class). Ordinary class taxable income of $167m is taxed at the corporate tax rate of 30%, and complying superannuation class taxable income of $1,688m is taxed at a statutory tax rate of 15%. The taxable income shown above for AMP Limited is the total of both classes of taxable income.

Why tax does not equal 30% of taxable income

Separate tax treatment for life insurance business

AMP's tax profile differs to other Australian corporates due to the significance of the life insurance and superannuation businesses.

Under the tax rules for life insurance businesses, a significant portion of AMP's gross income, as reported in its tax returns, is either not subject to tax (not included in taxable income) or is subject to a concessional rate of tax where it relates to policyholder interests. This includes:

- certain life insurance premiums that are invested in AMP out of after-tax earnings by policyholders which are not subject to further contributions tax
- income relating to AMP's pension business that is exempt from tax, consistent with the taxation of retirement phase earnings in a superannuation fund, and
- income relating to complying superannuation business, which is taxed at 15%, consistent with the taxation of standalone complying superannuation funds.

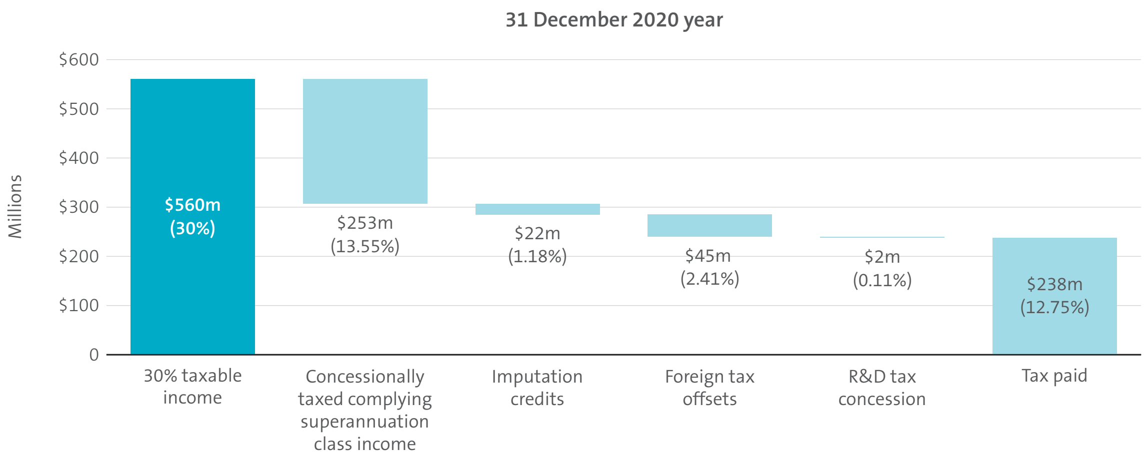
Breakdown between the statutory rate of 30% and AMP's tax rate

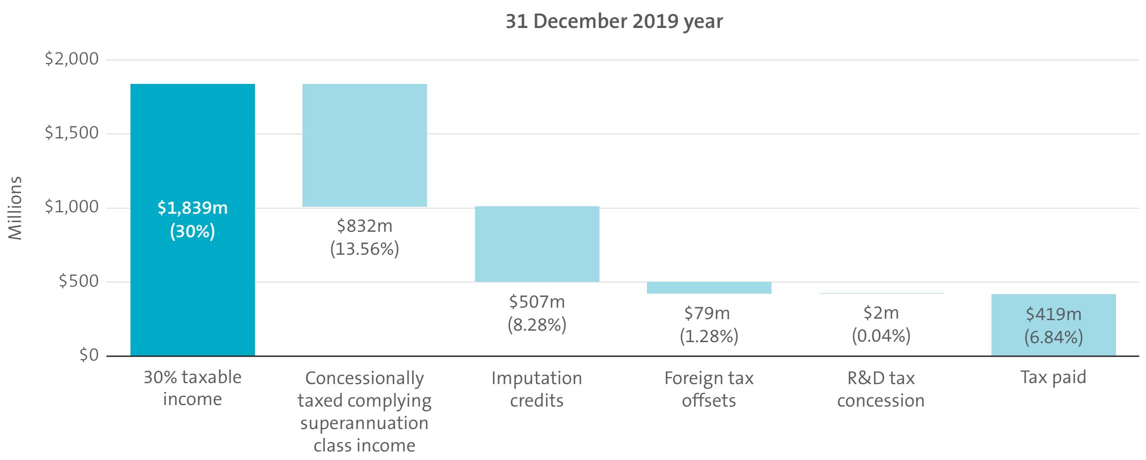
The $321m difference ($1,420m for 31 December 2019 year) between AMP's actual tax payable of $239m and a notional tax payable of $560m on taxable income of $1,867m, at a rate of 30% for the 31 December 2020 year, is a result of the following:

- Complying superannuation class income is taxed at a concessional rate of 15%, consistent with the rate of taxation on complying superannuation funds. This contributed a $253m reduction of tax from a 30% tax rate for the 31 December 2020 year ($832m for the 31 December 2019 year).
- AMP receives imputation credits from franked dividends, which reduce its tax payable. These imputation credits arise on dividends that are received by AMP and have been paid from taxed profits. This prevents double taxation of these profits. This contributed a $21m reduction to tax from a 30% tax rate for the 31 December 2020 year ($507m for the 31 December 2019 year).
- Foreign tax offsets, which reflect payments of foreign tax by AMP, are allowed as a credit against Australian tax to prevent a double taxation. This contributed a $45m reduction to tax from a 30% tax rate for the 31 December 2020 year ($79m for the 31 December 2019 year).
- AMP receives R&D tax offsets from conducting R&D activities in Australia. Under the relevant Australian tax law, R&D expenditure was not deductible and gave rise to a 38.5% tax offset, which is equivalent to an 8.5% tax concession. This contributed a $2m reduction to tax from a 30% tax rate for the 31 December 2020 year ($2m for the 31 December 2019 year).

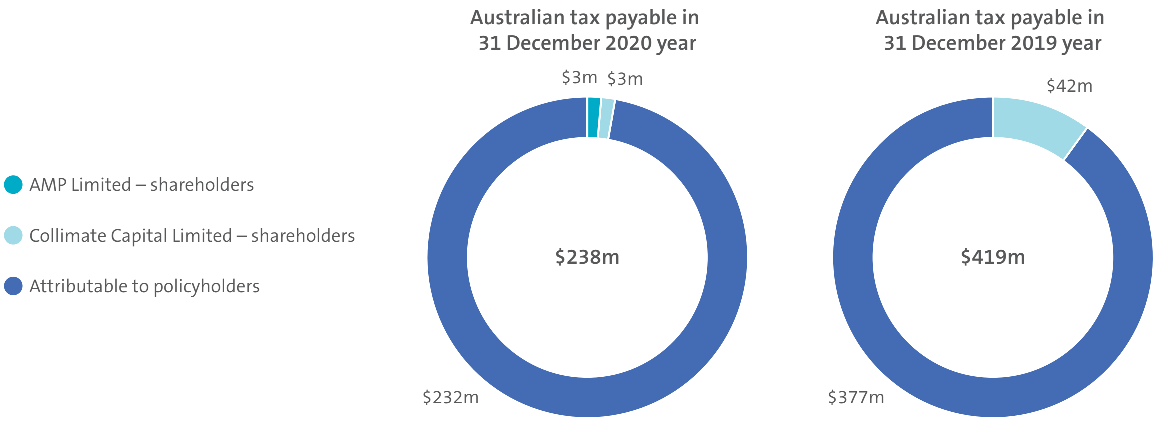
Analysis of gap to 30% of taxable income

The impact of these items on AMP's tax payable in the 31 December 2020 and 31 December 2019 years is illustrated in the charts below:





Shareholder vs policyholder tax



The table below and the following footnotes summarise AMP's taxable income and the Australian tax payable by each part of AMP's business for the 31 December 2019 (2020 Year) and 31 December 2020 (2021 Year):

2021 – Australian income tax payable

	AMP Limited – shareholders $m	Collimate Capital Limited – shareholders $m	Total attributable to shareholders $m	Attributable to policyholders $m	Total $m
Taxable income	120	12	**132**	1,735	**1,867**
Tax	36[1]	4[1]	**40**	267[2]	**307**
Tax offsets[3]	(38)	–	**(38)**	(30)	**(68)**
Tax payable	**3**	**3**	**6**	**232**	**238**

2020 – Australian income tax payable

	AMP Limited – shareholders $m	Collimate Capital Limited – shareholders $m	Total attributable to shareholders $m	Attributable to policyholders $m	Total $m
Taxable income	(224)	151	**(73)**	6,203	**6,130**
Tax	(67)[1]	45[1]	**(22)**	1,030[2]	**1,008**
Tax offsets[3]	(61)	(3)	**(64)**	(525)	**(589)**
Tax payable	**(553)**	**42**	**(511)**	**930**	**419**

1 Shareholder income is subject to tax at a 30% tax rate.
2 Policyholder income is subject to tax at either 30%, 15% or exempt from tax (as discussed above).
3 Tax offsets include research and development tax (R&D) offsets, imputation credits that are received by AMP on dividends and foreign tax offsets.

Difference between tax payable and income tax expense

The tax payable that is disclosed in the tax return of AMP Limited and Collimate Capital Limited differs to the shareholder income tax credit of $19m, which is disclosed in AMP's 2020 accounts and tax report (income tax credit of $250m in AMP's 2019 accounts), for reasons including:

- the total tax payable includes tax referable to policyholder income, which is not included in shareholder tax expense
- timing differences in recognition of income and expenses for tax and accounting purposes (eg gains on investments are not included in taxable income until the investments are realised, capitalised losses for insurance business which are not immediately deductible for tax purposes)
- AMP's shareholder income tax expense includes foreign taxes, as well as Australian tax referable to entities that are not included in the AMP Limited and Collimate Capital Limited consolidated tax groups (eg income of AMP's foreign branches already taxed in overseas are not subject to further Australian tax).

Further, the tax payable that is attributable to policyholders and which is disclosed above, represents the cash tax paid in respect of the 31 December 2019 and 31 December 2020 years.

This report is regarded as complying with the duty under paragraph 16(2), Part 2 of Schedule 19 of the UK Finance Act 2016 for 2019 and 2020 on behalf of all relevant entities within the AMP group.

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