

Tax Governance

The Audit Committee of the Board oversees TD's financial reporting, including reviewing tax results and tax planning matters that are material to the Bank's financial statements. TD's approach to tax governance includes these key elements:

- Complying with all applicable tax laws and the stated legislative intent of these laws.
- Maintaining tax compliance as a fundamental part of our business practice.
- Complying with arm's length principles for TD Bank Group's intragroup transactions between different countries and jurisdictions.
- Managing tax risk to avoid unnecessary disputes.
- Working transparently and cooperatively with the appropriate tax authorities.
- Consulting with leading law and accounting firms to obtain expert, objective advice and opinions on tax matters.
- Proactively working with policy-makers and revenue authorities to assist in the development of tax legislation and assessing its economic implications.

TD is supportive of the two-pillar solution developed by the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting, in particular the Global Anti-Base Erosion (GloBE) Rules. The Pillar Two model rules published by the OECD provide for the implementation of a 15% global minimum tax for large multinational enterprises, which is to be applied on a jurisdiction-by-jurisdiction basis. Pillar Two rules were enacted in Canada on June 20, 2024, and are effective for the Bank for the fiscal year beginning on November 1, 2024. The rules were also enacted in other jurisdictions in which the Bank operates. In managing our global tax incidence, TD considers the tax rates of foreign jurisdictions and the applicable Pillar Two legislation when determining where best to conduct operations and allocate capital.

TD has transparent working relationships with the Canada Revenue Agency and other tax authorities and often obtains advance tax rulings where legal uncertainty exists.

Taxes We Pay

TD pays corporate income taxes on the profits we earn, as well as various taxes incurred in our business operations. TD's business strategy is focused on our core markets of Canada and the U.S. In 2024, 97% of the taxes we paid were in these jurisdictions.

In the U.S., we make investments in affordable housing as discussed in the Housing Access section of the [2024 Sustainability Report](#). These investments result in [Low-Income Housing Tax Credits](#), which lower the taxes we pay in the U.S. We also invest in municipal bonds in the U.S., which pay tax-free interest. These and similar credits are the main reason why our tax liability is lower than the statutory tax rate.

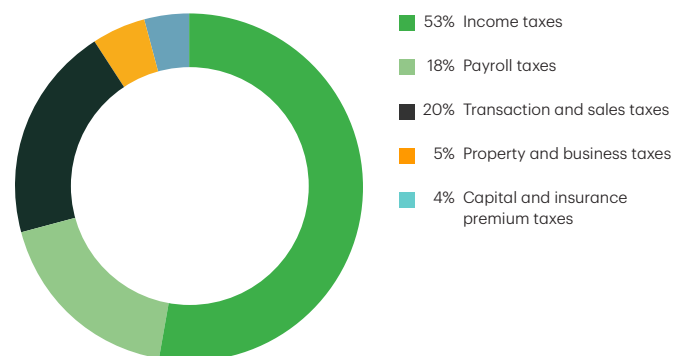
For additional information about the taxes we pay in Canada, please see page 9 of TD's [2024 Public Accountability Statement](#).

Taxes We Collect

TD collects taxes on behalf of governments in the countries and regions where we operate. The taxes we collect include:

- The employee portion of payroll taxes
- Income tax on behalf of employees
- Property tax on behalf of customers who are mortgage holders
- Transaction tax on customer activities to which sales taxes apply
- Withholding taxes on behalf of investors

Types of Taxes Borne by TD in 2024 (in millions)



March 2025