

5.5.6. Fiscal transparency

Fiscal strategy

In 2015, the BBVA Board of Directors approved the "[Corporate principles in BBVA's tax and fiscal strategy](#)".

The strategy forms part of BBVA's corporate governance system and establishes the policies, principles and values that guide the way the Group behaves with respect to taxes. This strategy has a global scope and affects everyone who is part of the Bank. Compliance with the strategy is very important, given the scale and impact that the tax contributions of large multinationals such as BBVA have on the jurisdictions where they operate.

Effective compliance with the fiscal strategy is duly monitored and supervised by BBVA's governing bodies.

Accordingly, BBVA's **fiscal strategy** consists of the following basis points:

- BBVA's decisions concerning fiscal-related matters are determined by the payment of taxes, given that they contribute heavily to the economies of all the jurisdictions in which it operates. Tax payments are aligned with effective business practices and the generation of value in the different geographic areas in which BBVA operates.
- Active adaptation to the new digital environment, also in terms of taxation, through the incorporation of virtual presence into the generation of value, and its consequent valuation.
- The establishment of reciprocal cooperative relations with tax authorities that are based on the principles of transparency, mutual trust, good faith and fairness.

- Promotion of a clear, transparent and responsible reporting strategy to stakeholders on its main fiscal-related matters.

Total tax contribution

BBVA is committed to providing full **transparency** in tax payments, which is why every year since 2011 we have voluntarily disclosed all major tax payments in the countries where we have a significant presence.

The BBVA Group's **total tax contribution** (TTC), which uses a method created by PwC, includes its own and third-party payments of corporate taxes, VAT, local taxes and fees, income tax withholdings, Social Security payments, and payments made during the year arising from tax litigation in relation to the aforementioned taxes. In other words, it includes both the taxes related to the BBVA Group companies (taxes which represent a cost to them and affect their results) and taxes collected on behalf of third parties. The [TTC Report](#) gives all the stakeholders an opportunity to understand our tax payment process and represents a forward-looking approach and commitment to corporate social responsibility by which BBVA assumes a leading position in fiscal transparency.

Global Tax Contribution (BBVA Group. Millon euros)

	2016	2015	2014
Own taxes	3,762	2,816	3,185
Third-party taxes	5,678	5,341	4,994
Total tax contribution	9,440	8,157	8,179