

CCBI Global Markets (UK) Limited – Tax Strategy

This document sets out the tax strategy of CCBI Global Markets (UK) Limited (“CCBIUK”). By publishing this document, CCBIUK regards compliance with the requirement of paragraph 22(2) of schedule 19 of the Finance Act 2016 to publish the company tax strategy in the current financial year.

Our approach to tax risk management and governance arrangements

A tax risk is any event which may result in an unnecessary expense related to tax or any event which may be challenged by HMRC if they consider that CCBIUK is not acting in accordance with the UK Tax legislation.

Tax risk also includes the risk that our tax reporting returns or liabilities are inaccurate or incomplete, potentially leading to under or over collection or payment of tax, exposing us to tax authority sanctions as well as potential damage to our reputation.

For the purposes of UK taxation, CCBIUK is subject to the following principal taxes:

- corporation tax
- value added tax
- amounts considered for PAYE regulations national insurance contributions

CCBIUK also facilitates the withholding and payment of income tax and social security contributions from employee remuneration.

CCBIUK management of tax risk

- CCBIUK’s Board and CCBIUK’s Risk Management Committee (“RMC”) are accountable for risk management and ensure that an effective risk management framework is in place, which encompasses tax risk.
- Tax strategy and compliance is part of the finance function and the responsibility of CCBIUK’s Head/Deputy Head of Finance.
- CCBIUK operates an industry standard “three lines of defence” risk management model. The first line of defence for the majority of our tax risk is the Finance function, which owns and assesses tax risk via an annual risk and control self-assessment. The HR function is responsible for all Payroll and other employee related taxes within CCBIUK.
- The Finance function uses, where appropriate, specialist tax advisors to ensure the Company’s compliance with UK and any applicable international tax laws and to ensure that all tax returns, disclosures, reports and payments are accurate and complete to the best of our knowledge and filed on a timely basis.
- Where tax risk resides in other operating functions across the business, similar risk and control self-assessments are conducted and where key risks are identified, controls are implemented and processes put in place to mitigate those risks.

- CCBIUK's CEO acts as the second line of defence, providing oversight and challenge, with any material issues being reported through CCBIUK's committee structure.
- CCBIUK's external auditors act as the third line of defence through the auditing and verification of tax computations along with the assessment of related systems and controls.

CCBIUK's Tax Risk appetite

CCBIUK has a prudent risk appetite and low risk tolerance for tax risk, both in respect of one off transactions and in a business as usual context. Our business model and operating structure is straightforward and not subject to significant judgement in the application of tax laws. The ongoing tax risk approach is based on principles of reasonable care and materiality. Any tax planning implemented will be based on commercial drivers and rationale in accordance with UK and any applicable international tax laws.

CCBIUK's attitude to tax planning

CCBIUK undertakes tax planning only to the extent it supports its commercial objectives. The company adopts a conservative approach in its tax planning, pursuing only those initiatives that it is prepared to fully disclose to the tax authorities and complying fully with the relevant local tax obligations in each jurisdiction in which it does business.

To the extent the expected tax result of any initiatives are inconsistent with the commercial objectives, or appear disproportional to the economic result, these initiatives are not pursued.

CCBIUK follows the spirit as well as the letter of the law. CCBIUK does not countenance tax evasion, either on its own account or in respect to its employees, customers or counterparties.

CCBIUK firmly believes in safeguarding its reputation and its relationships with clients, shareholders, regulators and tax authorities alike.

CCBIUK seeks specialist external tax advice where deemed appropriate. This would include:

- in respect of large, one off transactions to ensure that CCBIUK does not suffer any unforeseen or unreasonable tax outcomes;
- in respect of any new business or product activity also including cross border;
- in areas where we may have insufficient internal tax expertise; and
- as a second opinion in cases where we believe there is uncertainty with respect to the application of tax law, although we may also approach HMRC directly, to seek clarity or obtain clearance.

Our approach to dealings with HMRC

CCBIUK's objective is to build a stable, transparent and professional working relationship with HMRC and other tax authorities as applicable.

The company believes in fostering trust and co-operation in our relationships with tax authorities by maintaining an open relationship in its dealing with HMRC and seeks to work in 'partnership' with HMRC in relation to its tax dealings:

- In the event of any inadvertent error(s) arising, full disclosure, where required by law, will be made to HMRC;
- CCBIUK will disclose any relevant planning it undertakes to HMRC in line with the legal disclosure requirements and criteria set out by HMRC;
- The e-mail protocol has been agreed with HMRC to define communication routes; and
- CCBIUK will meet and cooperate with HMRC as required, to facilitate a mutually beneficial relationship.