

CANTOR FITZGERALD ("THE GROUP") UK TAX STRATEGY



December 2018

This strategy applies to UK related entities, which consolidate within Cantor Fitzgerald's consolidated group results ("the Group").

This UK tax strategy has been published by the Group to comply with the duties under FA 2016, Schedule 19, paragraph 16(2).

The UK tax strategy applies from the date of publication until it is superseded. References to "UK tax" are to the taxes and duties set out in FA 2016, Schedule 19, paragraph 15(1), which include income tax, corporation tax, PAYE, NIC, VAT, insurance premium tax and stamp duties.

APPROACH TO GOVERNANCE AND RISK MANAGEMENT

Responsibility for this UK tax strategy document remains with the relevant UK Boards and is subject to UK Board approval.

The Chief Financial Officer ('CFO') is the Senior Accounting Officer and Board member delegated responsibility for tax matters. The CFO and Board relies on the attestation from the Tax Director for Europe and Asia and the underlying finance functions, which support the Group's financial reporting, to ensure appropriate management of UK tax matters.

Day to day, UK tax risk is overseen by the relevant Group entities' Senior Accounting Officers and the Tax Director for Europe and Asia. This oversight is performed in accordance with the Group's internal tax code of conduct and risk management policies and supported by the internal tax and finance functions which are staffed with appropriately qualified individuals.

The Group's UK tax strategy, which covers both the internal governance of UK tax matters and the attitude to UK tax risk, aims to ensure:

- UK tax liabilities and UK tax risks are managed to provide a sustainable outcome within the parameters of the Group's strategic and commercial objectives,
- The Group complies with its UK tax filing obligations,
- The assessment of UK tax risk will be within the context of the wider business,
- Within the context of the points above, protecting shareholder value, and
- The prevention of unnecessary disputes with tax authorities.

TAX PLANNING

The Group's privacy and commercial drivers are paramount; UK tax planning will be undertaken in this context. Group transactions should be executed for business purposes or based on a commercial rationale in addition to any UK tax benefit the Group might enjoy.

An objective of the Group's UK tax strategy is to protect shareholder value within the context of complying with its legal and tax compliance obligations. Due consideration will be given to the Group's reputation when considering the UK tax implications of commercial transactions. Together with the legal and fiduciary duties of Directors and employees of the Group, consideration of these responsibilities will inform the UK tax planning decision-making process.

TAX RISK

The Group tax function will work in partnership with the wider business to provide clear, timely, relevant advice across all aspects of UK tax. Where alternative routes exist to achieve the same commercial result, the most tax efficient approach in compliance with all relevant laws will be sought.

Where tax law is unclear or subject to interpretation, consideration will be given to seek advice or confirmation as appropriate to ensure the Group's position should be settled in its favour.

DEALINGS WITH HM REVENUE AND CUSTOMS ("HMRC")

It is the Group's policy to be transparent and proactive in all interactions with HMRC. The Group is committed to prompt disclosure in all tax matters with HMRC through a good working relationship with the Group's HMRC Customer Relationship Manager and wider HMRC team.

Through regular contact and meetings with HMRC, the Group aims to discuss the tax impact and tax risks associated with the Group's business activities. Where areas of differing legal interpretation with HMRC arise, the Group will engage in proactive discussions to resolve matters swiftly.