

Canary Wharf Group Investment Holdings plc

Tax strategy

Approach to risk management and governance arrangements in relation to UK taxation

The Group has an established system of risk management to ensure that business risks are identified and controls are in place to reduce and manage the identified risks. Identification of risks in relation to taxation is an integral part of this process. Tax risks are reviewed quarterly and the results are included in the Risk Report presented to the Board.

The Group Head of Tax is responsible for identifying and managing tax risks. The Head of Tax reports directly to the Managing Director, Finance. Tax reports are submitted to the Board quarterly.

Management of tax risk is achieved through:

- Working with business units to ensure that the Head of Tax is aware of strategies and transactions at an early stage so that the tax consequences and risks can be identified and managed;
- Monitoring changes in tax legislation and practice so that the effects can be taken into account;
- Maintaining systems and controls to ensure that tax returns are accurately prepared and submitted in accordance with statutory time limits;
- Ensuring that other finance functions are aware of and take into account relevant tax issues;
- Reviewing financial statements of Group companies to ensure that tax disclosure is in accordance with relevant statute and guidance and that all matters of tax significance are identified and treated appropriately;
- Obtaining advice from external consultants where necessary.

Tax planning

Responsible and commercial tax planning is undertaken where necessary so that transactions do not give rise to tax liabilities in excess of those required by law and double taxation does not arise.

The Group will not enter into any tax planning arrangements that it considers to be abusive.

The Group aims to comply with all relevant legislation and practice in relation to its tax affairs, paying taxes due that are commensurate with realised income, profits and gains and in accordance with law and practice.

The Group will seek appropriate tax advice from external advisors where:

- Transactions are complex; and/or

- The the law applying to a particular transaction is uncertain; and/or
- The amounts at stake are substantial.

Clearances may be sought from HMRC where possible.

Level of risk in relation to UK taxation that the Group is prepared to accept

Operational tax risk sits within the wider risk management framework of the Group and is subject to the same risk appraisal methodologies as other business areas.

The Group will not take any position in its tax returns unless it is considered more likely than not that such position will be accepted by HMRC and/or supported by the courts if taken to appeal. Where necessary, the Group will take advice from external advisors to support its position.

The Group will argue its case with HMRC in any disputes over particular issues or filing positions taken. While it will in all cases seek to reach an agreed position with HMRC, it will consider litigation if agreement cannot be achieved where:

- The law applying to a particular transaction is uncertain; and
- The amounts at stake are substantial.

Approach towards dealings with HMRC

The Group aims to have an open and transparent relationship with HMRC. This includes:

- Making full and complete tax return filings within statutory time limits;
- Providing full and timely disclosure of relevant matters, in particular where any estimates are made or filing positions are taken that could be open to challenge by HMRC;
- Meeting regularly with HMRC to update them on business developments and recent and proposed transactions;
- Discussing certain transactions with HMRC in advance and, where appropriate, requesting advance confirmation from HMRC on the tax treatment of transactions where the legislation is unclear or where it is uncertain as to what HMRC's interpretation of the legislation might be.

Statement of compliance

The Company regards the publication of this Tax Strategy as complying with its duty under paragraph 16(2) Schedule 19 Finance Act 2016 in the year ended 31 December 2019.