



# Fortress Investment Group – UK Tax Strategy

*This UK tax strategy is being voluntarily published by Fortress Investment Group LLC and its group of entities (not including investments of funds which the group manages), and is being voluntarily published irrespective of the applicability of Schedule 19 of the UK Finance Act 2016 to activities of Fortress Investment Group LLC. References to “Fortress” are applicable to all entities consolidated within Fortress Investment Group LLC for group reporting purposes, and “UK Group” refers to the UK incorporated entities of Fortress.*

This page sets out Fortress’s approach and strategy for handling its tax affairs and managing the tax risks of its UK Group for the year ending 31 December 2017. This page is intended to comply with section 161 and paragraphs 19 and 20 of Schedule 19 of the Finance Act. It applies to all UK entities which are consolidated into Fortress Investment Group LLC and all UK taxes which include Income Tax, Corporation tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax.

This strategy applies from the date of publication and will be reviewed and updated as appropriate.

## Introduction

Fortress is a leading, highly diversified global investment manager with approximately \$44 billion of assets under management as of December 31, 2017. Founded in 1998, Fortress manages assets on behalf of over 1,750 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital strategies. At Fortress, we attach great importance and commitment to our core values, which include integrity, excellence and respect. The UK Group’s tax strategy is reflected in its policies, procedures, and controls which always seek to be compliant with all applicable UK tax legislation, adopting best practices wherever possible. Our processes seek to ensure that we pay the correct amount of UK tax, on time.

## Risk Management and Governance Arrangements

The senior management of Fortress provides leadership and oversight in respect to all business strategies, including tax. Day-to-day management and implementation of our tax strategy is delegated by the senior management of Fortress to our internal tax team. Personnel from the UK Group are engaged in the assessment, mitigation and management of risks, including tax risks, which process is vital to our business strategy.

Our internal finance and tax teams have established processes compliant with FCA and HMRC requirements. From time to time, we have also engaged external advisers for supervisory review of the UK Group’s business risk strategies, as well as to review our internal processes and procedures. Tax risks are mitigated through the interaction of our internal and external processes and procedures, to endeavour to ensure the accuracy of our tax data and tax compliance.



## **Tax Planning**

---

Planning to take account of our tax obligations and their impact on our business profits is part of Fortress's overall decision-making process and is undertaken in the same spirit of integrity, excellence and respect that defines our business. Furthermore, in accordance with OECD guidelines as adjusted from time to time, all inter-company transactions are conducted on arm's length principles.

## **Tax Risk Appetite**

---

Fortress has a low tolerance for tax and regulatory compliance risk. Our low risk appetite is set by the senior management of Fortress and is influenced by our reputation as a leading global investment manager, in which context tax or regulatory failings could have a material adverse effect on our reputation and our business. We aim to reduce risk and uncertainty by creating internal governance controls, together with seeking appropriate external advice and engaging directly with regulatory bodies worldwide, including HMRC as appropriate.

## **Working With HMRC**

---

We are committed to being compliant with all statutory obligations, filing requirements and/or tax disclosures to tax authorities, including HMRC. Our relationship with HMRC is guided by our core values and high standards of business conduct. We work collaboratively wherever possible with HMRC to resolve disputes and to proactively obtain certainty (where possible) in relation to complex areas of tax, the tax treatment of proposed business transactions and the correct interpretation of tax law.