



## **CME Group Overview**

CME Group Inc. (“we” or “the company”) is an S&P 500 entity with its Class A common stock listed on the NASDAQ Global Select Market (ticker: CME) and headquartered in Chicago, Illinois. As the world's leading and most diverse derivatives marketplace, CME Group enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities.

CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on interest rates, equity indexes, foreign exchange, energy, agricultural products and metals. As part of our commitment to providing innovative risk-management solutions to the marketplace, CME Group also offers a growing slate of cleared swaps.

The company offers futures and options on futures trading through the CME Globex® platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.

## **CME Group’s Approach to Tax**

CME Group’s tax approach is consistent with its goals of providing a stable and secure marketplace for customers and returning maximum value to shareholders. As such:

- We consider the Company’s integrity, brand and reputation in making decisions about our tax affairs.
- We strive to have open and transparent relationships with tax authorities in jurisdictions where we are taxpayers.
- We are diligent about calculating and remitting taxes payable in all jurisdictions in which we operate in accordance with local law and OECD principles. Likewise, we are diligent about collecting and remitting transactional taxes when required by law.
- We support regulatory measures to increase transparency and comply with all disclosure requirements of the U.S. Securities and Exchange Commission (“SEC”), the Commodity Futures Trading Commission (“CFTC”) and any other institution that requires disclosure in jurisdiction where we are taxpayers.

The publication of this document is regarded as meeting all statutory tax strategy disclosure requirements, including those in the United Kingdom. We have provided this document on December 17, 2018 in compliance with our duties under Part 2 of Schedule 19 of the Finance Act of 2016.

## **Management of Tax Risks**

CME Group Inc. is highly regulated and of great importance to the global economy. As such, it is critical for the company to minimize risks by gaining high levels of surety on the impacts of laws and regulations, including those that concern tax. As such:

- We employ a corporate tax department charged with managing the company's day-to-day tax matters including ensuring that compliance and financial reporting obligations are met.
- On matters that could be open to interpretation, we obtain the advice of qualified advisors and may seek formal agreement from tax authorities.
- We maintain a robust set of procedures, disclosure controls and internal controls to ensure that the corporate tax department is aware of any new transactions, significant decisions or business strategies that may be relevant to our tax environment.
- We engage in monthly meetings with our external auditors at group level, including the engagement tax partner, to communicate any significant business or tax matters.
- We report all material matters to the CFO, the CME Group board of directors ("BOD") or assigned BOD subcommittee, and to the boards of directors of our statutory entities.

Our approach to tax risk management and governance is consistent with the Group's broader approach to risk management. This requires compliance with our legal and regulatory obligations in all jurisdictions where we operate.

## **Tolerance of Tax Risks**

The company is committed to paying the appropriate amount of tax under applicable tax laws and regulations. The company has extremely low tolerance to positions or transactions that are open to interpretation and not disclosed in a transparent manner to tax authorities. We continuously review our tax positions to ensure compliance and engage advisors or tax authorities for advice when appropriate.

## **View on Tax Planning**

The company is committed to calculating and remitting the appropriate amount of tax in each jurisdiction given the applicable tax laws and regulations. We do seek to benefit from territorially introduced incentives or legislative reliefs, where these are directly relevant to our business activities and within the spirit of the law. We are also diligent in assessing reputational risk in any matters that might impact taxes.

## **Relationship with HM Revenue and Customs ("HMRC")**

The company is committed to having an open and co-operative relationship with all tax authorities including HMRC. The company engages in reviews when requested and offers site visits to U.K. operations when possible. The company also utilizes programs and opportunities made available by HMRC when application of law or regulations may be open to interpretation.