

The Association of Real Estate Funds Monthly Newsletter - December 2017



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Sponsorship Opportunities

In 2018 we will have a number of opportunities for members to sponsor our events. To register your interest in this please contact Eve (EHolloway@aref.org.uk).

Capital gains tax for non-residents - Brief & Member-only Event

In the Budget on 22 November 2017 the Chancellor announced changes to the taxation of capital gains on real estate disposals by non-residents.

The AREF Tax Committee have put together an Initial Brief on this subject ([click to view](#)) and will be engaging with HMRC and HM Treasury and making written representations in a consultation due in February. We are inviting AREF members to a roundtable discussion event in January to discuss this subject before the consultation is due - [click here for further info](#) and to book your place.

Disruptors in the Industry Event

The property sector is evolving with the emergence of disruptors such as 'proptech' changing the way we do business. AREF's latest event brings together three leading innovators discussing how they are disrupting the industry. [For further information and to reserve your place, click here.](#)

Survey of Financial Advisors - November 2017

View the highlights and download the full survey [by clicking here.](#)

Events

16 January 2018 - 9am
Capital Gains Tax Roundtable
Hosted by: Eversheds Sutherland

6 March 2018 - 8.30am
Disruptors in the Industry
London - Edinburgh - Jersey
Hosted by: Natwest Trustee & Depository Services, Standard Life Aberdeen & Carey Olsen

21 March 2018 15.30hrs
AREF Committee Day - [by invitation only](#)
Hosted by: Hogan Lovells

21 June 2018 - *Save the Date*
AREF Member-only Summer Drinks Reception
Hosted by: UBS

26 September 2018 - *Save the Date*
AREF Annual Dinner

[For further info & to book click here](#)

Open Ended Fund Pricing Event Summary - 12 December

A Summary of this seminar can be found [by clicking here](#). We are still seeking feedback on this subject and ask members to email us here at info@aref.org.uk.

Derivatives Working Group

This group has concluded its brief in advising the Corporate Governance Committee on revisions to the section of the Code of Practice covering the use of derivatives which will be incorporated into the next edition of the Code. We would like to thank Anthony Shayle, as Chairman, and the other members of the group for their important contribution.

December deadline for Self Cert!

We would like to remind full AREF members that they are expected to submit a self-certification form and template by December 31st to confirm compliance with the Code of Practice for 2017.

These can be found on the AREF Website in the Code of Practice section ([link](#)) and should be sent to info@aref.org.uk.

Please note that a template must be completed this year. We appreciate that it can take some time to complete the template for the first time. However, in any subsequent years you will only need to complete sections where there have been updates to the Code (shown in red on the template) and any changes to compliance by the fund.

Therefore, if you submitted a fully completed template last year you only need to complete the sections where there have been updates or changes to compliance this year. The template assists you in completing the self-certification form and is used as the basis for our ad-hoc reviews of compliance.

Onsite Reviews of Compliance with the Code

CMS CMNO have kindly agreed to carrying out reviews of member funds' compliance with the Code. We will contact the relevant members with more information regarding this in the new year.

Intertrust LandAid Quiz

Intertrust is hosting their annual Charity Quiz Night in support of LandAid, in London, on Thursday 25 January 2018 from 18:00.

Gather together your colleagues to create a team of 5 and enjoy an evening of fun, food and testing your general knowledge! The suggested donation is £500 a table and all donations go directly to LandAid. For more information contact [Alessia Zammataro](mailto:Alessia.Zammataro).

MiFID II and Non UCITS Retail Schemes

MiFID II will apply from 3 January 2018. One of the areas that is particularly relevant to AREF member funds that are Non UCITS Retail Schemes (NURS) is whether such funds should be regarded as "complex" or "non-complex".

In a Q&A in June, the EU regulator, ESMA, implied that NURS should always be regarded as complex, whereas the FCA in the UK has taken the position that treatment of a NURS will depend upon its specific characteristics, stating

"Our view of the MiFID II provisions on complex and non complex financial instruments is that, as in MiFID, Non UCITS Retail Schemes (NURS) and investment trusts are neither automatically non complex nor automatically complex. They need to be assessed against the criteria in the MiFID II delegated regulation. When firms apply these criteria, they should adopt a cautious approach if there is any doubt as to whether a financial instrument is non complex."

The tests to be applied in determining whether an investment in a fund is non-complex instrument are set out in Article 57 of the delegated regulation. The most subjective of the tests is the final one,

"adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgment as to whether to enter into a transaction in that instrument."

We understand that most managers of AREF member funds are taking the view that they are non-complex. In view of the FCA comments on adopting a cautious approach where there is doubt, we would encourage managers to review the publicly available information for their retail clients.

John Forbes, John Forbes Consulting

Public Affairs Committee

We have vacancies on this Committee for individuals from fund management houses whose role specifically covers government relationships. For further information please contact info@aref.org.uk.

Seasons greetings and best wishes for the New Year!

From the AREF Team

Please note that the AREF offices will be closed from Friday 22 Dec 2017 until Wednesday 3 Jan 2018.