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# Newsletter

# February

2019



The Association of Real Estate Funds (AREF) is the body that represents the interests of its member funds, those firms that advise and support them and the end investors. For further information, please visit our [website](#).

## Trends in Real Estate Fund Structures

AREF launched a detailed study of real estate fund structures in a Report called 'Trends in Real Estate Fund Structures' at an event on 7<sup>th</sup> February. This event was fully subscribed with a waiting list.

[Click here to view the promo video](#). The Report and full event video are available to AREF members only (fee for non-members). [Click here for further info](#).

## Dealing with Brexit

To ensure that the UK's departure from the EU does not disrupt real estate investment in the UK and Europe, AREF and 15 other trade bodies, through their alliance with [The European Real Estate Forum](#), reiterated their call on the UK government to maintain market access and avoid additional barriers.

Prolonged uncertainty and the potential for sudden changes because of Brexit could be disruptive to the Real Estate Funds Industry, which relies on long-term investment. AREF are committed to working with other trade bodies across Europe to maintain market access for Members and Investors throughout negotiations and urge the UK/ EU Government to protect market integrity. Read the full report [here](#).

AREF has also formed a new Brexit Working Group to deal with any issues for the industry as we go into the last weeks of Brexit negotiations. The group has been engaged with the Government and other trade body organisations.

## Booking & Sponsorship Open AREF Annual Dinner & Awards

Details of this years Annual Dinner & Awards Ceremony have now been published.

The event will be held on Wednesday 18th September 2019 at The Dorchester Hotel, Park Lane. Booking details can be [viewed here](#). Tables will be sold on a first come first served basis and it is advised to book early to avoid disappointment.

If you are interested in sponsoring the Dinner, [view full details here](#) or contact Clare at [cwhyte@aref.org.uk](mailto:cwhyte@aref.org.uk).

## Events

5 March 2019

*AREF Committee Day - by invitation only*  
 Kindly hosted by Charles Russell Speechlys

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26 March 2019

*Capital Gains Tax - Training session*  
 Kindly hosted by CMS UK

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1 May 2019

*'Wellness in the Workplace' - topical event*  
 Kindly hosted by Schroders

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18 September 2019

*AREF Annual Dinner & Awards*  
 The Dorchester Hotel, Park Lane

*All our events are open to our Full, Affiliate and Associate members, as well as Professional Investors and Fund Non-Executives*

*Email us at: [info@aref.org.uk](mailto:info@aref.org.uk) to book.*

[For more info on our events click here](#)  
[Interested in Sponsoring an event? Click here](#)



## AREF Chairman's Overview 2019

Deborah Lloyd gives an overview of what members can expect in 2019 in the newly published Overview of 2019.

[Click here](#) to view.

## Committee Day

The AREF Committee Day being held next week will give AREF committee members the opportunity to come together to share ideas, committee activity and discuss the strategy for AREF for 2019 and beyond.

The 2018 Committee Day was a success and we have implemented many of the ideas that came from you, so thank you!

We will share the outputs with members in next months Newsletter.

Thanks to Charles Russell Speechleys for hosting.

## FutureGen Fund Lifecycle series - 28 February

There was a great turn out for the first event in this new series aimed at the FutureGen Network and sponsored by Carey Olsen.

The first event gave a 'back to basics' Introduction to Funds. The event materials, and a video of the event will be available to AREF members shortly.

The second event, scheduled for June, will focus on Fund Structures and Tax.

## FCA CP 18/27

The AREF Public Affairs and Retail Funds Committees are having ongoing discussions with the FCA on the outcome of their consultation on Illiquid Assets and open-ended funds (FCA CP18/27).

## Committee Vacancies

We are looking for candidates for open positions on R&I, Corporate Governance and E&T Committees.:

- [Research and Information Committee](#) - Looking for a member with a background in research
- [Corporate Governance Committee](#) - Looking for an investor
- [Education & Training Committee](#) - especially interested in members in Scotland

If you are interested in any of the above vacancies please contact [info@aref.org.uk](mailto:info@aref.org.uk)

## Response to FCA CP18/40 & DP18/10

Click to view [AREF's response](#) to the FCA CP 18/40 on Proposed amendment of COBS 21.3 permitted links rules, and [AREF's response](#) to DP18/10 Patient Capital and Authorised Funds.

## Committee Corner

A high level summary of what's being discussed in each Committee:

### CORPORATE GOVERNANCE (next meeting 1<sup>st</sup> May 2019):

- Deborah and John joined our meeting to share their thoughts on establishing a set of AREF principles to be incorporated within the code. Initial details will be communicated at the forthcoming Committee day
- Discussed how we ensure members are consulted on the proposed AREF principles and eventual timetable for implementation
- Lessons learnt from AREF self-certification process. Reviewing how the submission can be made more streamlined and straightforward for member funds to complete
- Governance award - agreed AREF marketing team (namely Ed) should take the lead

### EDUCATION AND TRAINING (next meeting 13<sup>th</sup> Mar 2019):

- The Committee is organising a joint event, with FutureGen, on the subject of Wellness in the work environment, is being planned for May 2019.

### FUTUREGEN (next meeting 13<sup>th</sup> Mar 2019):

- Committee members have just launched a new training series called the 'Fund Life Cycle'. The first event was this morning (28<sup>th</sup> February 2019) focusing on 'Fund Formation'. They are also working towards the joint event with E&T on Wellness in the Workplace in May.

### INVESTOR (next meeting 31<sup>st</sup> Mar 2019):

- The Committee is currently reviewing topics such as: fire safety; GRESB results; revisions to the AREF Questionnaire and secondary market trading.

### PUBLIC AFFAIRS (next meeting 7<sup>th</sup> May 2019):

- The Committee has been leading on AREF's response to FCA CP18/40 regarding proposed amendments to permitted links rules and DP18/10 on Patient capital and authorised funds. In relation to the FCA's CP18/27 on illiquid assets and open-ended funds, the Committee continues to engage with the regulator and the Bank of England on behalf of AREF members.

### RESEARCH & INFORMATION (next meeting 1<sup>st</sup> Mar 2019):

- The impact of benchmark regulations on the index with particular reference to the rules that govern admittance to the index and how these may need to be tightened.
- Clarity regarding the basis for fund submissions to MSCI to be referenced by the Code of Practice in the future.
- The timeliness of data submission to the MSCI, the impact on compiling the index for late submissions and AREFs position regarding persistently late submitters.

### RETAIL FUNDS COMMITTEE (next meeting 12<sup>th</sup> Mar 2019)

- AREF's response to the FCA consultation paper CP18/27 on illiquid assets and open-ended funds.
- The impact of ongoing Brexit negotiations on daily traded PAIFs as per discussions held before and after the referendum.
- Consideration of a NAV index for the retail funds.
- Engagement with the platforms to ensure that all investors are able to benefit from the correct tax treatment of PAIF distributions.
- Enhancing industry engagement with wealth managers and advisors.
- Improving consumer education.

### TAX (next meeting 25<sup>th</sup> Apr 2019):

- The Committee has been discussing the draft guidance issued by HMRC on taxing gains made by non-residents on UK immovable property, particularly the guidance for collective investment schemes and continue discussions with HMRC to obtain further clarity.
- VAT registered businesses with a taxable turnover above the VAT threshold are required to use the Making Tax Digital service to keep records digitally and use software to submit their VAT returns from 1 April 2019. This date has been pushed back to 1 October 2019 for specified businesses with "more complex requirements" as specified by HMRC.
- The Finance Bill 2019 contains provisions to reduce the SDLT filing and payment window from 30 days to 14 days for land transactions with an effective date on or after 1 March 2019.

If members would like further information on any of the committees and the work they are engaged with, please contact [info@aref.org.uk](mailto:info@aref.org.uk).