

Rt. Hon. George Osborne MP  
Chancellor of the Exchequer  
Her Majesty's Treasury  
1 Horseguards Road  
London SW1A 2HQ

11 April 2014

*Dear Chancellor*

### **SDLT seeding relief consultation**

The Association of Real Estate Funds<sup>1</sup> and the Investment Management Association<sup>2</sup> are encouraged by the Budget 2014 announcement that the Government would consult on introducing a relief on SDLT for transfers of property to seed UK funds.

An SDLT seeding relief will be a significant boost for UK funds. Our members wish to take advantage of the significant improvements for UK funds brought about since Budget 2013 and the launch of the Government's Investment Management Strategy report.

We know of a number of member firms that are urgently considering options for bringing property onshore and into UK funds, and for whom a relief would make this possible. Moreover such restructuring of property portfolios requires significant lead times and in order for the measure to have its full intended effect, early clarification of the Government's intentions (ahead of legislative proposals in the usual Autumn Statement timetable) would be necessary.

A carefully drafted relief can be introduced at no cost to the Exchequer which would enable UK property to be brought back into UK funds. We would support provisions to ensure that such a relief cannot be used for abusive tax practices or in a manner not intended.

The relief would be a major boost to the UK Property Authorised Investment Fund regime, as well as making property a viable investment choice for the newly launch Authorised Contractual Scheme. IMA and AREF are committed to working with the

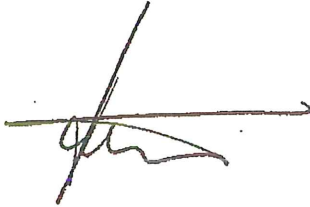
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<sup>1</sup> The Association of Real Estate Funds represents the UK unlisted real estate funds industry and has about 70 member funds with a collective net asset value of over £40 billion under management on behalf of their investors. These member funds represent about 75% of the UK commercial real estate held in CIS and includes £9 billion of net asset value in UK-authorised retail funds (NURS), £17 billion in various forms of UK UCIS and £14 billion invested in offshore (mostly Jersey) domiciled funds.

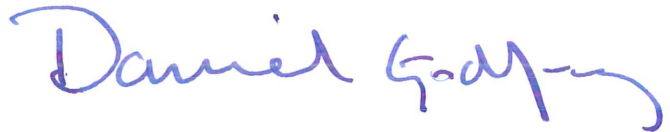
<sup>2</sup> The Investment Management Association represents the asset management industry operating in the UK. Our Members include independent investment managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of over £4.5 trillion of assets, which are invested on behalf of clients globally. These include authorised investment funds, institutional funds (e.g. pensions and life funds), private client accounts and a wide range of pooled investment vehicles.

Government to increase the attractiveness of UK funds and eliminate impediments to launching UK funds. We will be working closely with your officials on this measure.

Yours sincerely



**John Cartwright**  
**Chief Executive**  
**The Association of Real Estate Funds**



**Daniel Godfrey**  
**Chief Executive**  
**Investment Management Association**