



Popular Investment Fund Vehicles



Funds and Indirect Real Assets quick reference guide

This guide gives a quick review of some of the most popular fund vehicles for institutional investment in real assets. There are many different forms and this guide is selective. It includes:

3	Introduction	13	Poland
4	Austria	14	Singapore
5	Belgium	15	South Africa
6	France	17	Spain
7	Germany	19	Switzerland
8	Hungary	21	UK and offshore jurisdictions (Channel Islands and Cayman Islands)
9	Italy	24	About CMS Funds Group
10	Luxembourg	26	Contacts
11	The Netherlands		



Introduction

The selection of a vehicle has a number of common themes including the location of the assets, management and the investors. Funds targeted at local investors and markets will frequently involve suitable local vehicles. The position changes where the assets are more spread, and investors are more international. In these cases, such as the UK and Luxembourg are popular fund jurisdictions, but the choice is not exclusive.

Structures are also selected due to structural flexibility, tax and regulatory reasons, such as the Alternative Investment Fund Managers Directive (AIFMD). They also often combine vehicles in more than one country. These aspects are reviewed in outline in this guide. Advice should always be sought on a specific structure.

CMS can give you direct access to cutting-edge knowledge and insights into the latest trends in fund terms, tax, regulation and markets. Whether you need strategic or transactional advice, whether you are fundraising or investing, whether you are operating domestically or internationally, we can deliver effective, bespoke solutions to meet your needs. With clear, commercial and pragmatic advice, we can help you navigate every challenge of the funds environment – old and new alike – to manage your risk and seize your opportunities.

Austria

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Real estate investment fund (ImmoInvF)									
Contractual	<p>Exempt at fund level</p> <p>Tax at investor level</p> <p>Gains from sale/ disposal of fund units taxable at investor level</p> <p>Double taxation treaties may apply on the fund level in case of real estate located outside of Austria</p>	<p>Real estate transfer tax of 3.5% (generally calculated on the basis of the consideration (e.g. purchase price))</p> <p>Stamp duty on the mortgage agreement</p> <p>Registration fees applicable to the mortgage</p>	Yes	Open-ended	<p>Regulated as a licensed AIFM</p> <p>In addition, the management company is licensed as a credit institution</p>	No	<p>Final withholding tax at special rate (no inclusion into the tax return, unless opted otherwise)</p> <p>Assets are held on trust for the unitholders (and can be segregated in the insolvency of the management company)</p>	<p>Statutory investment restrictions</p> <p>Fund rules are subject to regulatory approval</p>	Real estate

Belgium

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
FIS (Fonds d'investissement immobiliers spécialisés)									
Investment undertaking with fixed capital (SICAF)	Derogatory tax regime (as regards the tax base and withholding tax)	No	No	Closed-ended	Subject to the supervision of the Ministry of Finance They must be registered on the list of FIS held by the Ministry of Finance	Only institutional investors	Flexible regulatory regime Favourable tax treatment	Obligation to have a real estate portfolio with a total value of at least EUR 10m at the end of the second financial year following the registration in the FIS register and Real estate located in Belgium must be directly held by the FIS (unlike foreign real estate, which may be held directly or indirectly) See footnote	Real estate investment for institutional investors
<p>Note: The only exception to this rule is that Belgian real estate may be held indirectly via a subsidiary, in which the FIS holds directly or indirectly all the shares, and provided that the FIS rectifies this situation within 24 months (and therefore that the Belgian real estate in question is directly included in the FIS balance sheet)</p>									

France

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
(OPCI) Fonds de placement Immobilier (FPI)									
Contractual (FCP) No legal personality	Pass-through entity subject to distribution requirements Tax at investor level No access to double tax treaties or EU Directives	Acquisition of interest in an OPCI is exempt from RETT where the acquirer holds less than 10% (individual) or 20% (corporate) of the OPCI following the acquisition	No	Open- or closed-ended	Requires regulatory approval and supervision by the AMF and a regulated manager (AIFM licensed to manage real estate funds)	No However, professional OPCIs (OPPCIs) are open to professional clients only	Pass-through tax status at fund level	Regulatory approvals Minimum real estate requirement (60%) Minimum capital and liquid asset requirements Professional OPCIs (OPPCIs) are more flexible in terms of liquid asset requirements	Long-term real estate investments
(OPCI) Société de placement à prépondérance Immobilière (SPICAV)									
Corporate Usually SA or SAS	Opaque Exempt at fund level but subject to distribution requirements Tax at investor level No access to double tax treaties or EU Directives	Acquisition of interest in an OPCI is exempt from RETT where the acquirer holds less than 10% (individual) or 20% (corporate) of the OPCI following the acquisition	No	Open- or closed-ended	Requires regulatory approval and supervision by the AMF and a regulated manager (AIFM licensed to manage real estate funds)	No However, professional OPCIs (OPPCIs) are open to professional clients only	Corporate vehicle Tax exempt status at fund level One of the most popular French real estate funds	Regulatory approvals Minimum real estate requirement (60%) Minimum capital and liquid asset requirements Professional OPCIs (OPPCIs) are more flexible in terms of liquid asset requirements Dividend distribution requirements (rental income 85% and gains 50%)	Long-term real estate investments

Germany

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sondervermögen (fund in contractual form)									
Contractual	Opaque (Semi) transparent	3.5–6.5% RETT depending on the location of real estate	No	Open-ended	AIFM supervised by BAFIN	(semi) professional investors	Sale of fund units does not trigger RETT (No) limitation on leverage (No) list of eligible assets Tax and legal transparency (depending on structure) Single line balance sheet accounting	Opaque tax treatment Conclusive list of eligible assets Risk diversification requirements Limitation on leverage	Investments by German tax-exempt institutional investors (e.g. pension schemes)
Investment KG (limited partnership)									
Limited partnership	Transparent	3.5–6.5% RETT depending on the location of real estate	No	Closed-ended	AIFM supervised by BAFIN	(semi) professional investors	Tax and legal transparency No limitation on leverage No risk diversification requirements Highly flexible	No access to tax treaties and EU PSD at fund level Sale of LP interest may trigger RETT	Single asset club deals Highly levered (80%+) portfolios

Hungary

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Private real estate investment fund (in Hungarian "zártkörű ingatlan alap")									
Contractual	Exempt at fund level Tax at investor level Gains from sale/disposal of fund units taxable at investor level	Preferential real estate transfer tax of 2% (general rate 4% up to HUF 1bn and 2% for the balance) (calculated on the market value of the real estate, e.g. usually the purchase price is accepted as market value)	No	Open- or closed-ended depending on type of the fund	Both the fund and the fund manager are regulated and licensed by the National Bank of Hungary	No	Preferential stamp duty, no corporate income tax, no local business tax, list of the investors are not available publicly	Statutory investment restrictions Fund rules are subject to regulatory approval	Real estate

Italy

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Real estate investment fund (REIF)									
Contractual	Exempt at fund level Tax at investor level See footnote	VAT, registration tax, mortgage and cadastral tax and stamp duty	Yes	Closed-ended	Requires regulatory approval Supervised by Bank of Italy	Limited to professional investors if structured as "Reserved" funds	Corporate vehicle Tax exempt status at fund level	Regulatory approvals Minimum real estate investment (2/3 in real estate assets, including inter alia, those arising from financial leasing contract, real estate companies (<i>società immobiliari</i>) and other real estate AIFs	Real estate
Note: Proceeds distributed to certain categories of institutional investors (such as pension funds, and collective investment undertakings established in countries which allow adequate exchange of information, sovereign funds,) are exempted from withholding tax									
Società di investimento a capitale fisso (SICAF)									
Contractual	Exempt at fund level Tax at investor level See footnote	VAT, registration tax, mortgage and cadastral tax and stamp duty	Yes	Closed-ended	Requires regulatory approval Supervised by Bank of Italy	Limited to professional investors if structured as "Reserved" funds	Tax exempt status at fund level	Regulatory approvals Minimum real estate requirement (2/3 in real estate assets, rights, including, inter alia, those arising from financial leasing contract, real estate companies (<i>società immobiliari</i>) and other real estate AIFs	Real estate
Note: Proceeds distributed to certain categories of institutional investors (such as pension funds and collective investment undertakings established in Italy and in countries which allow adequate exchange of information, sovereign funds,) are exempted from withholding tax									

Luxembourg

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Luxembourg SICAV-SIF SCA									
Corporate partnership limited by shares with the form of an investment company with variable capital and subject to SIF law	Not tax transparent but effectively tax-free except annual subscription tax of 0.01% of its NAV	No	Yes	Open- or closed-ended	Subject to CSSF supervision: must be approved by the CSSF and comply with SIF Law and AIFMD if AIF full scope	Only well-informed investors: institutional, professional or EUR 125,000 minimum	Umbrella structure available and well-known structure by investors	Diversification requirements Direct CSSF supervision (less flexible re time to market)	All strategies – commonly used for PE/RE/Infra
Luxembourg SICAV-RAIF SCA									
Corporate partnership limited by shares with the form of an investment company with variable capital and subject to RAIF law	Not tax transparent but effectively tax-free except annual subscription tax of 0.01% of its NAV	No	Yes	Open- or closed-ended	Light touch regulation and compliance with full requirements under AIFMD	Only well-informed investors: institutional, professional or EUR 125,000 minimum Not open to the retail market	Flexible, umbrella structure available and no direct CSSF supervision (time to market)	Diversification requirements	All strategies – commonly used for PE/RE/Infra
Luxembourg SICAV-RAIF SCSp									
Special limited partnership without legal personality with the form of an investment company with variable capital and subject to RAIF law	Tax transparent but subject to annual subscription tax of 0.01% of its NAV	No	Yes (but complicated)	Open- or closed-ended	Light touch regulation and compliance with full requirements under AIFMD	Only well-informed investors: institutional, professional or EUR 125,000 minimum Not open to the retail market	Tax and legal transparency Flexible, umbrella structure available and no direct supervision by CSSF (time to market)	Diversification requirements	All strategies – commonly used for PE/RE/Infra
Luxembourg unregulated SCSp									
Special limited partnership without legal personality	Tax transparent No annual subscription tax but tax of EUR 4,815	No		Open- or closed-ended	Not regulated and compliance with AIFMD if AIF full scope	Only well-informed investors: institutional, professional or EUR 125,000 minimum Not open to the retail market	Tax and legal transparency Very flexible, no direct CSSF supervision (time to market) and no diversification requirements	No umbrella structure	All strategies – commonly used for PE/RE/Infra

The Netherlands

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Fonds voor gemene rekening (FGR)									
Contractual	<p>Opaque</p> <p>In case participations units are freely tradable (so-called: "open FGR")</p> <p>Tax at fund level</p> <p>Generally access to double tax treaties and EU Directives</p> <p>Transparent in case: (i) admission or substitution is done via FGR (i.e. redemption and issuance of shares); or (ii) admission or substitution requires prior consent of all participants (so called: "closed FGR")</p> <p>Tax at investor level</p> <p>No access to double tax treaties or EU Directives</p>	<p>6 % RETT (2021: 8%) (2% residential premises; 2021: 8% if investment into residential premises)</p> <p>Generally not subject to RETT if interest is less than 1/3 of the fund size</p>	Yes	Open- or closed-ended	Regulated by the Dutch Authority for Financial Markets (<i>Autoriteit Financiële Markten</i>) if in scope of AIFMD or an exemption applies	No	<p>Flexible</p> <p>Potential tax transparency.</p> <p>No minimum capital requirement</p>	Lack of access to tax treaties and lack of free transfer rights with regard to closed FGR	Real estate
Commanditaire vennootschap (CV)									
<p>Contractual Limited partnership without legal personality</p> <p>Legal title to assets held by general partner</p>	<p>Opaque</p> <p>In case no prior consent of all partners is required with respect to the admission or substitution of a limited partner (so called: "open CV")</p> <p>Tax at fund level</p> <p>Generally access to double tax treaties or EU Directives</p> <p>Transparent</p> <p>In case prior consent of all partners is required with respect to the admission or substitution of a limited partner (so called: "closed CV")</p> <p>Tax at investor level</p> <p>No access to double tax treaties or EU Directives</p>	<p>6 % RETT (2021: 8%) (2% residential premises; 2021: 8% if investment into residential premises)</p> <p>Generally not subject to RETT if interest is less than 1/3 of the fund size</p>	Probably not	Open- or closed-ended	Regulated by the Dutch Authority for Financial Markets (<i>Autoriteit Financiële Markten</i>) if in scope of AIFMD or an exemption applies	No	<p>Flexible</p> <p>Potential tax transparency.</p> <p>No minimum capital requirement</p>	Lack of access to tax treaties and lack of free transfer rights with regard to closed CV	

The Netherlands

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Fiscale beleggings-instelling (FBI)									
Corporate: Public limited company (NV)	Opaque and taxable at 0%	6 % RETT (2021: 8%) (2% residential premises;	Yes	Open- or closed-ended	May be regulated listed or licensed FBI Managed by an AIFM	For regulated FBI: 45% ownership limit for any taxable corporate investor and 25% ownership restriction for an individual or Dutch corporate investors using non-Dutch entities	Zero tax rate Transfer rights for shares	Passive investment only	Passive investment
Private limited company (BV)	Generally has access to double tax treaties, but not EU Parent-Subsidiary Directive	2021: 8% if investment into residential premises)			A private FBI is available			Investment, debt and ownership restrictions	
Contractual as a non-transparent FGR	Tax will apply to permitted subsidiary carrying out project development activities	Generally not subject to RETT if interest is less than 1/3 of the fund size						Trading in real estate or development not allowed other than through shares in a subsidiary	
Comparable foreign entity (EU member state or tax treaty country with non-discrimination clause)						For private FBI: 75% ownership by private individuals, certain exempt entities or regulated FBIs requirement No private individual may own an interest of 5% or more		Distribution requirement	

Poland

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Specialised open-ended investment fund applying investment restrictions of closed-ended investment funds									
Contractual	Partial exemption depending on the type of income (generally, investments into tax transparent entities are subject to CIT) Tax at investor level	1% on non-tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	No	Open- or closed-ended	Regulated by the Polish Financial Supervision Authority (<i>Komisja Nadzoru Finansowego</i>)	Yes, limited to legal persons, partnerships, or individuals investing EUR 40,000 minimum	No income tax at the fund level unless investments are made into tax transparent structures	Strong supervision of the Polish Financial Supervision Authority	Specific types of investors preferring highly regulated entities
Alternative investment company ("ASI")									
Joint stock company/ LLC/EU company/ limited partnership/ limited joint stock partnership	Exemption for income from exit (disposal of shares – parent-subsidiary type) For other types of income, general taxation applies Tax at investor level	1% on non-tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	Yes, to the extent that they issue shares	Open- or closed-ended	Regulated by the Polish Financial Supervision Authority (<i>Komisja Nadzoru Finansowego</i>), although, depending on the fund, the scope of supervision may be very limited	Yes, to professional investors	Income tax exemption for disposal of portfolio shares	Limitation of possible investors	Real estate investments
Closed-ended investment fund									
Contractual	Partial exemption depending on the type of income (generally, investments into tax transparent entities are subject to CIT) Tax at investor level	1% on non-tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	Yes	Closed-ended	Regulated by the Polish Financial Supervision Authority (<i>Komisja Nadzoru Finansowego</i>)	Yes, limited to legal persons, partnerships, or individuals investing EUR 40,000 minimum	No income tax at the fund level unless investments are made into tax transparent structures	Strong supervision of the Polish Financial Supervision Authority	Private investments in real estate

Singapore

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Singapore Limited Partnership									
Limited Partnership	Tax transparent	Nil	No	Open- and closed-ended	None other than requirements to register as a limited partnership with Accounting and Corporate Regulatory Authority of Singapore	None	Very flexible unregulated tax transparent vehicle	Less commonly used than limited partnership structures from other jurisdictions	All strategies
Singapore Variable Capital Company									
Corporate entity	Taxable as a corporate entity but can avail itself of one of a range of fund-specific tax incentives that can reduce the corporate tax rate to zero	The share duty rate is 0.2%	Yes	Open- and closed-ended	Needs a Singapore based licensed or regulated fund manager	None	<p>Flexible and tax efficient regulated vehicle</p> <p>Can be used as an umbrella fund structure</p> <p>It can avail itself of Singapore's extensive network of tax treaties (not available to limited partnerships)</p> <p>Register of shareholders is not publicly available</p>	As a new vehicle (launched January 2020) it is not widely known in the market (although as of December 2020 nearly 200 Singapore VCCs had been launched)	All strategies

South Africa

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Limited Partnership									
Contractual	Transparent	Securities transfer tax (0.25%) on portfolio company disposals Capital gains tax (at ranging between 18% and 36%) or income tax (at a marginal rate) could apply to the carried interest earned by the fund manager	No	Usually closed-ended May be used on an open-ended basis for suitable asset classes such as infrastructure and primary agriculture	The Financial Sector Conduct Authority regulates the fund managers	Yes, no retail investors. The investors are high-net worth individuals and institutional investors	Limited liability for investors, familiar investment vehicle for international investors and tax transparent	Restricted investor base	Private equity funds
Real Estate Investment Trust (REIT)									
Public Company (corporation) or Trust (contractual)	REITs are exempt from capital gains in respect of the disposal of its immovable property, shares in another REIT or shares in a controlled property company REITs can claim, as a deduction, distributions made to its shareholders	The transfer of shares in a REIT is exempt from securities transfer tax Investors will only pay capital gains tax when the REIT share is sold, dividends withholding tax does not apply to distributions to South African investors If the recipient of a dividend is a non-resident investor, the dividend will remain exempt from income tax but dividends withholding tax may apply (depending on the relevant double taxation agreements)	Yes	Open-ended	Subject to requirements of the Companies Act, 2008 (Companies Act) and requirements of the relevant exchange. Also subject to oversight by the South African Revenue Service	None	Liquidity for investors, favourable tax treatment	Extensive regulation	Real estate investment

South Africa

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
12J Venture Capital Company (VCC)									
Private Company	The VCC is subject to ordinary corporate taxes	Securities transfer tax on portfolio company disposals Investors can deduct (against their taxable income) the full amount invested in a VCC Investors may incur capital gains tax (on exit) and dividends withholding tax (at 20%) on dividends/ distributions	No	Closed-ended	Registration with the South African Revenue Service and the Financial Sector Conduct Authority. Subject to requirements of the Companies Act	South African taxpayers	Deductions for investors	Constant regulatory changes, five-year lock-in, industry limitations (no investments in gambling, liquor, tobacco, arms, ammunition, financial services, property, mining houses with more than ZAR 500m in assets)	Venture capital

Spain

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario (SOCIMI)									
Public Corporation	Taxable at 0% However, SOCIMIs are liable to pay 19% on dividends distributed to shareholders that (i) hold at least 5% of its capital, and (ii) which are tax exempt or taxed at an effective rate lower than 10%	No RETT applies provided that the real estate assets are linked to the development of an economic activity	Yes Listing is a requirement Usually, these companies are listed in the Spanish Mercado Alternativo Bursátil but recently are being listed also in French Euronext	Open-ended Minimum floating capital is required by Law	Relevant stock market supervising body	No specific investor restriction However, tax treatment is different depending on the corporate income tax payable by the shareholder	Zero corporate income tax rate 95% relief in transfer tax and stamp duty applicable to acquisition of residential units or land to be used for residential developments	EUR 5m minimum share capital 80% of its assets shall be qualifying assets (rental properties, investment in REITs or other real estate collective investment schemes) Limitations to corporate structuring (a SOCIMI affiliate, which is not a SOCIMI cannot have further affiliates) Profit distribution obligations	Rental real estate properties

Spain

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sociedad Anónima (SA)									
Public limited liability company Investors own shares Subject to Spanish Companies Act Opaque If listed, transparent	Opaque and taxable at general CIT rate of 25% Has access to double tax treaties and to EU Parent-Subsidiary Directive	No RETT applies provided that the real estate assets are linked to the development of an economic activity	Yes, but unusual (for listing purposes, SOCIMI is more usual)	Open-ended if listed	Only if listed	No	If listed, more control by the regulatory and, then, more security for investors High liquidity, if listed	If listed, regulatory approval and regulated status vehicle	Extended use for funds and joint ventures on real estate sector Especially used if the listing of the vehicle is expected within the future
Sociedad de Responsabilidad Limitada (SRL or SL)									
Private limited liability company Investors own shares Subject to Spanish Companies Act Opaque	Same as SA (see above)	Same as SA (see above)	No	Closed-ended	No	No	High flexibility and potential liquidity	None in particular	Extended use for funds and joint ventures on real estate sector

Switzerland

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Immobilien-Aktiengesellschaft									
Corporate – Swiss Stock Corporation	Opaque and taxable at corporate income tax rate depending on canton where the real estate is located Tax at investor level depending on residence and size of participation Generally, has access to double tax treaties	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	Yes	Closed-ended	No regulatory approval required if listed or if registered shares are issued to qualified investors as defined under Swiss law (“QI”)	For non-regulated and not listed funds restricted to QI (cf. left hand column) Furthermore, there are restrictions concerning foreign investors in case the fund invests in Swiss residential property and is not listed	No regulatory approval required if listed or restricted to QI	No regulatory constraints (investor perspective)	Real estate
Anlagestiftung									
Corporate – Swiss Foundation	Opaque, but generally exempt from corporate income tax due to public purpose	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	No	Open-ended	Yes, by Occupational Pension Supervisory Commission	Restricted to Swiss pension funds, occupational pension schemes and other institutions, such as foundations, in the pensions field	Tax exemption	Restricted investor base	Real estate and any other type of real asset investment

Switzerland

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Vertraglicher Anlagefonds									
Contractual	Generally transparent, but treated as opaque to the extent holding direct investments in real estate and taxed at a reduced rate	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	Yes	Open-ended	Requires FINMA approval and a regulated fund and asset manager, as well as a custodian	In principle no, unless restricted to QI There are however also restrictions concerning foreign investors in case the fund invests in Swiss residential property	Flexibility	Considerable regulatory constraints (fund perspective)	Real estate and any other type of real asset investment

UK and offshore jurisdictions (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
UK Limited Partnership [Private Fund Limited Partnership]									
Limited Partnership	Tax transparent	5% on direct underlying UK property GAV above GBP 250,000 (with lower rates applied to the portion of GAV below GBP 250,000)	No	Usually closed-ended	Manager regulated by FCA in UK and must comply with AIFMD Existing limited partnerships can opt-in to the new Private fund regime if they qualify as a "collective investment scheme"	Limited to institutional, high net worth or knowledgeable investors	Tax transparent	Illiquid and can be subject to transfer tax Post-Brexit Non-EU AIF	Pan-European property investment Funds UK property joint ventures with exempt taxpayers
UK Unauthorised Exempt Property Unit Trust									
Unit Trust	Effectively tax-free at fund level	0.5%	No	Usually semi open-ended	Manager regulated by FCA in UK and must comply with AIFMD	Only available to UK tax exempt investors, i.e. pension funds and charities	Tax efficiency	Tax exempt investors only	Pooled property for exempt investors
Open-Ended Investment Company (OEIC)									
Corporate entity	OEIC itself is exempt from tax on chargeable gains; may be subject to corporation tax at 20% on income How investors are treated for tax will depend on domicile	Will depend on asset class OEIC holds	Yes (but would be unusual)	Open-ended	Vehicle authorised by FCA in UK and must comply with OEIC Regulations as well as broader FCA rules (such as COLL) As an OEIC may be structured as either a UCITS or an AIF and either of these Directives and their Regulations would therefore also be relevant	Will depend on whether the OEIC is a UCITS, a non-UCITS retail scheme or a Qualified Investor Scheme The former 2 are suitable for retail; the latter for sophisticated or professional clients only	Suitable for a large number of investors Open-ended – so flexible	Investment restrictions (if a UCITS or NURS) and regulated framework (which may be a benefit depending on fund requirements)	Retail investment (if a UCITS or NURS)

UK and offshore jurisdictions (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Authorised Contractual Scheme (ACS)									
<p>ACSs can be established in two legal forms:</p> <p>as authorised co-ownership schemes,</p> <p>as authorised limited partnership funds</p>	<p>Tax transparent</p> <p>ACS itself is not a taxable entity for UK tax purposes and is not subject to tax in the UK on income or gains arising on underlying investments</p> <p>In some markets, domestic withholding tax exemptions may apply to the ACS</p>	<p>Will depend on asset class ACS holds</p>	<p>Yes (but would be unusual)</p>	<p>Open-ended</p>	<p>Vehicle authorised by FCA in UK and must comply with ACS Regulations as well as broader FCA rules (such as COLL)</p> <p>The ACS may be structured as either a UCITS or an AIF and either of these Directives and their Regulations would therefore also be relevant</p>	<p>ACSs are available only to certain types of investor, being (1) a professional ACS investor (a professional client for the purposes of MiFID); (2) a large ACS investor (being a person who in exchange for units makes a payment of not less than GBP 1m or contributes property with a value of not less than GBP 1m); and (3) a person who already properly holds units in the ACS</p> <p>This restricts the usually wide investment criteria for UCITS and NURSs and must be considered alongside the QIS requirements</p>	<p>Tax efficiency</p>	<p>Investment restrictions (if a UCITS or NURS) and regulated framework (which may be a benefit depending on fund requirements)</p>	<p>UK institutional investment (including local government pension schemes)</p>

UK and offshore jurisdictions (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open- or closed-ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Cayman Islands Exempted Limited Partnership									
Limited Partnership	Transparent	5% on direct underlying UK property GAV above GBP 250,000 (with lower rates applied for the portion of GAV below GBP 250,000)	Yes	Usually closed-ended	<p>Closed-ended funds are required to register with the Cayman Islands regulatory authority, the Cayman Islands Monetary Authority</p> <p>The regulatory requirements are similar to the Cayman Islands requirements for open-ended "Mutual" funds, including a requirement for an annual audit with Cayman Islands local audit sign-off</p>	None (subject to usual Anti-Money Laundering/ Countering Terrorist Financing/Proliferation Financing restrictions including sanctions)	<p>Very flexible, proportionate regulation and supervision</p> <p>Tax transparent vehicle with no tax Cayman Islands tax imposed at the entity/investor level Ideally suited for multiple jurisdictions; high investor familiarity</p>	Time zone for European Managers	<p>Closed-ended real estate funds</p> <p>Private equity funds and credit funds</p>
Jersey / Guernsey Property Unit Trust									
Unit Trust	<p>Usually tax transparent for income</p> <p>Transparency election or exemption election often available</p>	Nil	Yes (but would be unusual)	Usually closed-ended	<p>By JFSC in Jersey Unregulated/Light touch regulated funds available for institutional and large investors</p> <p>The functionaries of funds may need to be supervised</p> <p>If marketing in Europe, must consider AIFMD</p> <p>By GFSC in Guernsey</p>	Depends on regulatory approval obtained	Tax treatment, high flexibility and potential liquidity	Must be managed and controlled outside UK	UK property investment



About CMS Funds Group

Global reach

Our funds lawyers are embedded in their local markets and have extensive industry connections. But we are also well known for our specialist expertise in international fund structuring and cross-border mandates.

From our global team of over 130 professionals, we can mobilise the right people quickly to create the best team for every mandate. Our experts are based in jurisdictions including Austria, Belgium, France, Germany, Hungary, Italy, Netherlands, Poland, Singapore, Spain, South Africa, Switzerland and the UK, as well as Luxembourg. Our lawyers also provide US regulatory support.

Wherever you operate and do business, we can put the experience and resources of one of the world's largest law firms to work for you.

A complete service

Every stage of the funds cycle demands a tailored strategy and structure. CMS offers expert advice at every stage of the funds lifecycle – from planning and launch through governance, restructuring and exit. Different types of funds and asset classes also require distinct advice. We advise on all types of funds (both regulated and unregulated) and indirect structures, across the asset classes from private equity, real estate, infrastructure, hedge, venture capital, debt and exchange traded funds.

Our core funds team can leverage expert resources across CMS to ensure you have the expert advice you need, whatever your requirements, in areas from finance through regulation and taxation to technology. Our sector focus means we can offer you seamless support from market leading specialists in, for example, energy and clean energy life sciences & healthcare, hotels & leisure, real estate, and financial institutions. And if you are involved in a dispute or potential dispute, or simply wish to mitigate your dispute risk, we have a world class team of dispute resolution lawyers who will help you achieve the most commercial outcome possible.

About CMS Funds Group



Preparing for transformational tech

For the funds sector, the new decade promises transformation through digitalisation, artificial intelligence, blockchain and fintech. New technologies offer the promise of digitalisation or “tokenisation” for both traditional and new asset classes, the streamlining of processes, and significant reductions in costs. We are helping a wide variety of clients navigate this digital revolution, ranging from fund managers through technology specialists to the owners of assets.

Industry players

We are deeply immersed in the funds industry and play a leading role in conversations shaping the tax and regulatory developments that affect your business, as well as complex technical developments such as the role of tokenisation and AI in the future of fund management. CMS partners are active members of key committees in prominent industry bodies, including IPF, AREF, INREV, BCO, BPF, LPeC, BVCA and EPRA.



Future-proofing through sustainable investment

Sustainable investment issues are among the key drivers of change in the world today. Devising and implementing a responsible investment strategy is now a vital part in protecting and enhancing the reputation of fund houses and ensuring their continued success. We are actively advising on funds with sustainability at their heart. Our sustainable investment experts help clients with a wide range of Sustainable investment issues. From strategy to implementation, we advise on how a robust sustainable investment strategy can help futureproof your business.

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