



Wrap and Platform Open Meeting re: PAIFs & TEFs



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leading on tax incentivised savings

PAIFs and TEFs

A Regulatory Perspective

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PAIFs & TEFs: A High Level View

- Point of taxation moved from fund to investor
- Enables similar tax treatment to direct holding of assets
- PAIF must be structured as an OEIC
- Authorised by FSA / HMRC
- Open to all investor categories
- Income must be streamed



PAIFs and TEFs take up so far

- A handful of PAIFs now exist:
 - Clavis Walden (new launch)
 - CB Richard Ellis UK Property fund (new launch)
 - Royal London (conversion)
- Industry less sure of TEF benefits
 - Querns First Income Fund (new launch)
 - Others?



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Converting to a PAIF or TEF: Points to Consider

- Impact on existing investors – TCF?
- Investor communication – COLL change event category?
- Income streaming: impact on processes - Fund Accountant, Administrator
- Conversion costs vs. benefits to investors
- European Savings Directive

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Launching new PAIFs: Risks and Broader Issues

- FSA's focus on product stress-testing
- Current market conditions – is it the right time for new property funds? (TCF again)
- Management of liquidity risk and valuation risk

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PAIFs, TEFs, Wraps & Platforms

- FSA concern whether wraps and platforms could hinder take up and development of new products
- Will market forces prevail?
- Even if a PAIF is not available through platform, adviser must act in clients best interests