
From: [REDACTED]
Sent: 23 April 2017 08:18
To: Transparency and Trust Paper
Cc: [REDACTED]
Subject: beneficial ownership of UK property - a proposed public list

For UK BEIS

From [REDACTED]

I have been for 30 years, and am still, an administrator of Hong Kong pension schemes, legally and tax-recognised in Hong Kong and by HMRC.

We hold UK real estate as a part of a continuous investment programme world-wide sometimes including natural currency hedging and also answering life expectancies.

Real estate is a good method of doing these things and it would be a retrograde, costly step to introduce a beneficial ownership test simply to assuage curiosity.

In other words, it is unclear to me and my colleagues what is the purpose a list of beneficial owners. What is the purpose?

We are tax-exempt in some respects (e.g. UK ATED CGT and CGT) so we are neutral on any taxation motive because factoring taxation is just a yield calculation for us. It is the same when we invest into USA infrastructure or real estate - no significant USA taxation that materially affects after-tax yield.

I would also point out that, just like the UK, Hong Kong has secrecy rules on pension fund assets and so on. USA's Intergovernmental Agreement with Hong Kong on the Foreign Account Tax Compliance Act 2010 (USA) exempts pension funds. Indeed, the OECD Common Reporting Standard rules define us as a Non-Reporting Financial Institution and our pensioners as Excluded Accounts.

I recommend that the beneficial ownership list concept be abandoned as serving no clear purpose except curiosity.