

# Investing in UK Real Estate

## The Moore Approach

Embark on a journey of strategic investment with our expert guidance. From initial decision to exit strategy, we'll advise you every step of the way.



**MOORE** Kingston Smith



# MARKET EXPLORATION & ASSET IDENTIFICATION

## Everything starts with the decision to invest

Investor-led stage to identify and select the target real estate asset that meets investment criteria.

## Brainstorming

Facilitate exploratory conversations around the market, tax, control, and financials to help determine investment strategy.

## Target identification & Introductions

Assist with introductions in the market to help identify potential real estate investments tailored to your specific requirements.



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## DUE DILIGENCE PROCESSES

Understanding potential risks and liabilities allows you to plan accordingly

### **Tax Due Diligence**

We conduct a thorough review of the target company's tax liabilities, including corporate income tax, VAT, and other taxes.

### **Financial Due Diligence (FDD)**

Our FDD process provides you with a clear understanding of the target company's financial performance and position, including a review of historical financial statements, key performance metrics, and analysis of the current financial situation.

### **Financial projections & cashflow modelling**

We will help you develop detailed financial projections and cashflow models, taking into account various scenarios and assumptions.



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# STRUCTURING AND FINANCING

## 1. Tax Advice

Receive expert tax advice on the investment structure to optimize its tax position and avoid double taxation in international investments.

## 3. Transaction Management

Assist with managing the acquisition and financing process to ensure a successful outcome, including legal support.

## 2. Entity Management

Creation/set-up of investment entity and ongoing entity management services including governance, administration, accounting, transfer pricing, etc.

## 4. Tax & Regulatory Filings

Provide guidance and support on tax and regulatory filings to ensure full compliance at all times.



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# ASSET STRATEGY AND MANAGEMENT



## Entity Management & Administration

Expert services on governance, administration, accounting, tax compliance, and regulatory requirements such as audit.



## Specialist Services

Bespoke services, including business consulting, valuation, and consolidation advice.



## Reporting

Customized, in-depth financial reporting on investments and capital flows.



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# INTRODUCTION OF NEW CAPITAL/INVESTORS

## **Investor Tax Advice**

Local advice to new investors on tax implications of investment and any opportunities to optimize returns.

## **Governance Changes**

Reviewing and amending existing governance structures to accommodate new investors, if necessary.

## **Structure Review (Tax)**

Tax review of investment structure considering new investment to ensure optimal tax outcomes.

## **Regulatory and Compliance**

Guidance and support on regulatory and compliance issues related to new investors.



# EXIT STRATEGY

## Transaction Management

1

Assist with either the sale of the asset or share divestiture to achieve desired exit results.

## Tax Advice

2

Expert advice on capital repatriation and minimizing tax implications during the exit process.

## Completion Accounts

3

Preparation of completion accounts to determine the final sales proceeds and detailed transaction costs.

## Solvent Winding Up

4

Final winding-up of the investment entity, ensuring full regulatory and tax compliance and full distribution of sale proceeds.



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## TAX AND RESTRUCTURING ADVISORY

<b>Corporate Tax</b>	Full range of experts to advise you on the tax impacts of your investment, attaining optimization while ensuring compliance with increasingly complex rules.
<b>Value Added Tax</b>	Management of the entities' VAT position in order to reduce transaction costs
<b>Real Estate Transfer Tax &amp; Trade Tax</b>	Solutions to manage liability and mitigate adverse impacts
<b>Withholding Tax (WHT)</b>	Structuring services in order to facilitate repatriation, as well as recovery of excess amounts.
<b>Ad Hoc consulting</b>	Our industry experts help you to achieve the desired results.





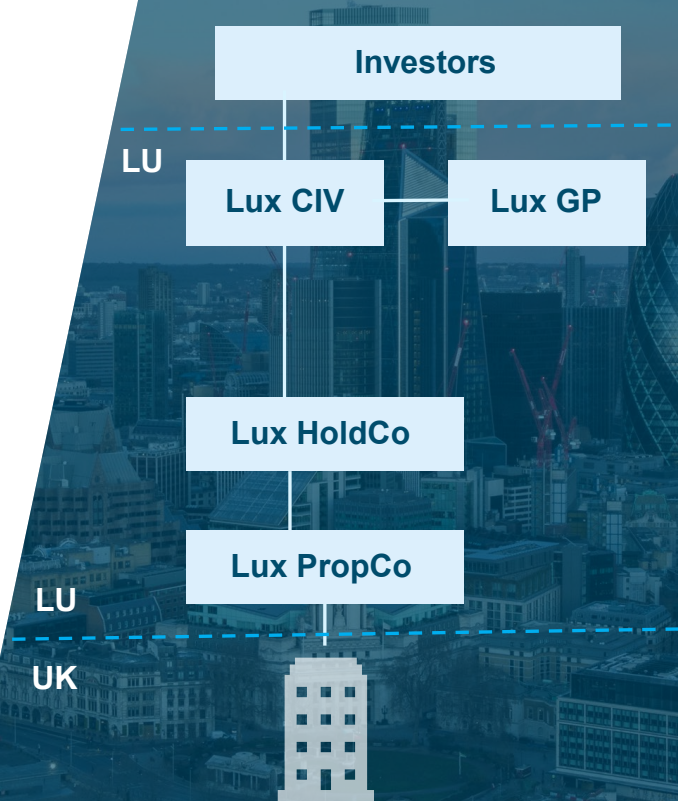
# INVESTING IN THE UK THROUGH LUXEMBOURG

## Luxembourg Tax

- Exempt RE-income (e.g., rental income) via UK-LU Tax Treaty
- Dividend distributions and interest from PropCo to HoldCo exempt from WHT
- Dividend distributions from HoldCo to Investors exempt where participation exemption regime applies, or could be reduced/exempted based on an applicable Tax Treaty
- No Lux capital gains tax to the extent the Participation Exemption Regime applies
- No WHT due in case of the liquidation or partial liquidation of Lux HoldCo
- Lux CIV entitled to the new LU-UK Tax Treaty, thus reducing chance of challenge from tax authorities

## UK Tax

- PropCo subject to UK CT under Non-resident landlord regime
- PropCo subject to UK VAT on property related expenditure



# INVESTING IN THE UK VIA JERSEY

## Jersey Tax

- Local tax neutrality (no Jersey income tax or capital gains tax payable – for JPUT or PropCo)
- No WHT on interest or distributions
- No stamp duty on sale of PropCo Shares or on interest in JPUT

## UK Tax

- Baker Trust = transparency for UK CIT on property income
- Availability of tax transparency election for UK capital gains
- If elected, PropCo and Trust should not incur UK CIT liability on gains which will instead flow to investors
- PropCo subject to UK VAT on property related expenditure

## Legal & Corporate

- Well established and recognised structure for UK RE (PropCo optional)
- Flexible legal framework based on UK common law
- Large degree of flexibility in drafting terms of trust
- Access to professional investors throughout EU available using NPPR regime (avoids cost of full AIFMD compliance)
- Can be structured as a private vehicle or a fund at the outset, or can be converted to a fund at a later date

