

Colleagues in the Asset Management industry,

This is an update outlining when we expect the Tax Transparent Fund (TTF) regulations to come into force and where we are up to in the process.

Thank you for your interest in the project so far and for all of your input.

You will shortly see the publication of the Government's formal response to the tax transparent funds consultation.

We are now in the final stages of ensuring these funds can be launched as part of the UK Investment Management Strategy published with the Budget.

Commencement of the Regulations

We sent our regulations to the Office for Parliamentary Counsel for agreement in mid-October, and they were cleared in January. We then sent the regulations to Parliament for 'pre-scrutiny'. We now expect to lay the regulations before Parliament later this month.

Although in our last update we said that we expected the regulations to come into force in early April 2013, it now looks as though the regulations are going to be made before the summer recess. Unfortunately, this delay is due is out of our hands

Consultation Process

Following the Open House session and review of the technical comments last year, the Government listened to industry and made further changes including removing the restrictions on the transferability of units. We published a set of revised regulations in January.

The Financial Services Authority then publication a consultation inviting views upon changes to the proposed rules for tax transparent funds. We have endeavoured to ensure all views to the consultation have been considered.

Next Steps

We are now keen to engage closely with industry during the final stages of this process and would welcome discussion with our stakeholders about initial commercial opportunities and what role the Government can best play.

If you have any questions, please do not hesitate to e-mail us at this address and the relevant expert in our team will come back to you.

We'd like to thank you again for your support and for bearing with us through this process.

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