



30 October 2009

Jeremy Sherwood
Personal Tax Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Jeremy,

RE: Charity Pooled Funds Consultation

The Depository and Trustee Association (DATA) represents all depositaries and trustees of UK-based authorised unit trusts and open-ended investment companies. At the end of August 2009, the members of DATA were responsible for safeguarding £439 billion of funds under management.

DATA welcomes the proposal for the future regulation of Common Investment Funds. We have had the opportunity to review IMA's response and we agree with its content. In particular, we welcome the proposal for a specifically branded 'Charity AIF', provided its operation is not impeded, nor an attempt is made to 'shoe-horn' existing CIFs and CDFs into an operationally unworkable regime. To that end, we believe the most appropriate route should be a new chapter within COLL to cater for charity-specific funds, as was done for QIS.

We also agree with the IMA's view that the Charity AIF should be provided with the flexibility to structure itself as either an AUT or OEIC and should not be restricted to operating as a NURS.

DATA notes the adverse consequences that could arise from the loss of charity status for the fund. And, to this end, DATA supports IMA's proposal for the CAIF to be an exempt charity.

DATA also supports the IMA's proposal for transitional relief in respect of corporation tax should a charity investor lose its charity status.

If you would like to discuss any of the above in more detail, please do not hesitate to contact me. Otherwise, we look forward to reviewing the draft regulations in due course.

Yours sincerely

Kevin Tomlin
DATA Chairman