



Ms S Harper  
Assets, Savings and Wealth Team  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

28 September 2007

Dear Sue

### **Property Authorised Investment Funds (PAIFs)**

The Depository and Trustee Association (DATA) promote the role of trustees and depositaries in providing consumer protection to investors in authorised collective investment schemes (unit trusts and OEICs) in the UK.

We appreciate the opportunity to respond to your discussion paper on Property Authorised Investment Funds. We fully support HMT's proposals to introduce a level playing field between property funds and REITs. We recognise that the current disparity has adverse effects for tax exempt investors and we look forward to this being rectified.

We are in full agreement with the IMA's response to your paper, however, we would like to emphasise that there should be no lag between the rules of the FSA and HMT/HMRC in the introduction of Special Purpose Vehicles (SPVs) as an allowable investment for the purpose of the 60% minimum property holding. Although you have highlighted that there are currently no regulations set by the FSA to allow SPVs, this is to shortly be rectified and we anticipate this will be finalised before the PAIF rules come into effect. Any lag will only serve to delay the take up of conversion to the new tax regime.

We look forward to receiving your feedback on the responses provided.

Yours sincerely

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Chairman of DATA

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