

MACFARLANES

STEP, BAHAMAS BRANCH

**HIGH VALUE RESIDENTIAL PROPERTY
NEW STRATEGIES FOR THE NEW ENVIRONMENT**

JONATHAN CONDER

30 JANUARY 2013

MACFARLANES LLP

- 71 partner full service law firm with offices in the City of London
- Top ranked for private client and corporate work (Chambers and Legal 500)
- International private client work – 90% plus of new work of which a proportion has no connection with the UK at all
- The private client group advise (or procure advice on) global tax issues, trusts, foundations, companies, real property, family offices, private trust companies, corporate governance, asset protection, succession and dispute resolution for private clients, trustees, private banks and family offices
- Wide range of private clients in terms of wealth and background but the vast majority are first or second generation entrepreneurs or senior executives

MACFARLANES

SPEAKER



Jonathan Conder

Partner, Head of Private Client

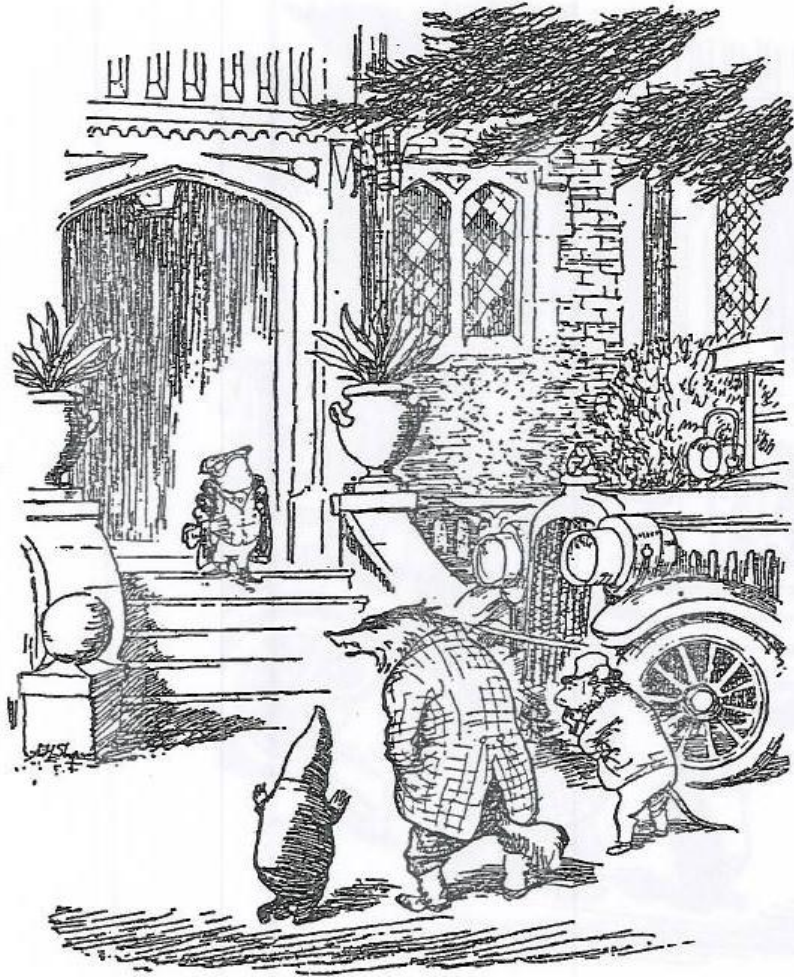
T +44 (0)20 7849 2253

ajc@macfarlanes.com

MACFARLANES



MACFARLANES



MACFARLANES

OVERVIEW

- **Background to the use of structures to hold UK property**
- **The current tax regime**
- **What is the Government proposing?**
- **Existing structures**
- **New purchases**
- **Next steps**

WHY WERE STRUCTURES USED TO HOLD UK PROPERTY?

- **UK tax mitigation – Stamp Duty Land Tax (SDLT), Inheritance Tax (IHT), Capital Gains Tax (CGT) and Income Tax (IT)**
- **Confidentiality**
- **Limited liability**
- **Succession planning**

TYPES OF STRUCTURES USED

- **Nominee**
- **Company**
- **Trust**
- **Trust and company**
- **Foundation**

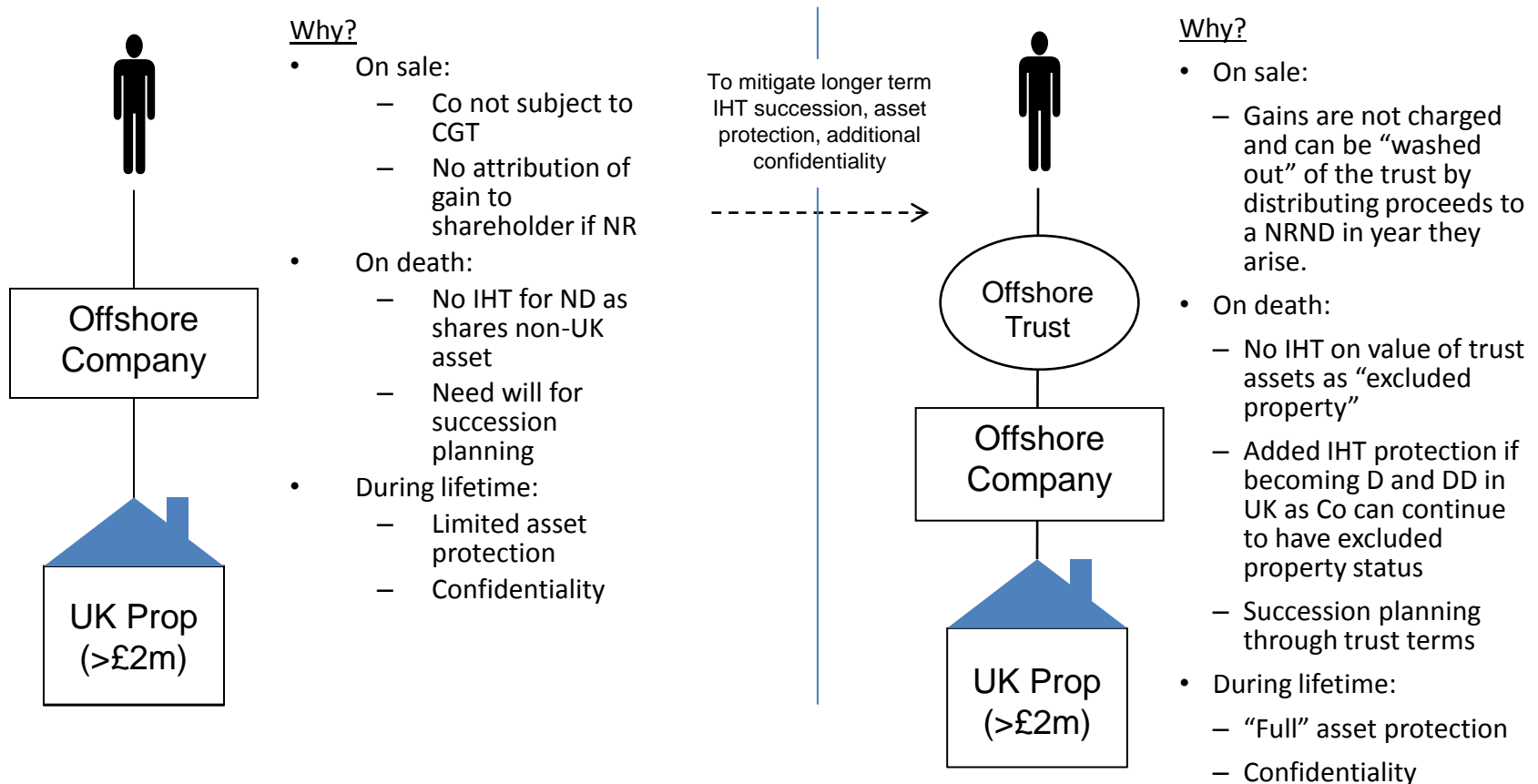
THE CURRENT TAX REGIME

- **Residence (R, NR), domicile (D, ND) and deemed domicile (DD)**
- **NRND individual holding UK property**
 - Liable to SDLT on acquisition
 - Liable to IT on rental income
 - Liable to IHT on death
 - Not liable to CGT
- **Possible strategies for NRND individual:**
 - Protection from SDLT if acquire shares of non-UK company
 - Protection from IT if financing used
 - Protection from IHT if non-UK company owns property
 - Protection from CGT not required

THE CURRENT TAX REGIME

- **RND individual holding UK property**
 - Liable to SDLT, IT, IHT and CGT
- **Possible strategies for RND individual**
 - Shelters as for NRND from SDLT and IT
 - Protection from IHT if use trust and company to own property
 - Protection from CGT on sale if main residence relief (PPR) available in UK or if trust and company structure used (but benefit issue)
 - If PPR available then weigh up costs and benefits of setting up and running trust and company structure against costs of insurance to pay the IHT (and contingent tax on benefit)

Historic Structuring – what we might see and why for NRND?



Why?

- On sale:
 - Co not subject to CGT
 - No attribution of gain to shareholder if NR
- On death:
 - No IHT for ND as shares non-UK asset
 - Need will for succession planning
- During lifetime:
 - Limited asset protection
 - Confidentiality

Why?

- On sale:
 - Gains are not charged and can be “washed out” of the trust by distributing proceeds to a NRND in year they arise.
- On death:
 - No IHT on value of trust assets as “excluded property”
 - Added IHT protection if becoming D and DD in UK as Co can continue to have excluded property status
 - Succession planning through trust terms
- During lifetime:
 - “Full” asset protection
 - Confidentiality

WHAT IS THE GOVERNMENT PROPOSING?

- **Position as at 8 January 2013**
 - SDLT: rates increased from Budget Day (7%, 15%)
 - announced new SDLT reliefs effective from Royal Assent to FA 2013
 - consultation on annual charge on non-natural persons and now draft legislation published
 - consultation on CGT on gains arising to non-resident non-natural persons and results (but not draft legislation) published
- **Why has it done it?**
 - discourage “enveloping”
 - encourage “de-enveloping”
 - preserve “credibility” of SDLT at high end
 - CGT extension is designed to “create more equal tax treatment between UK residents and non-residents”

FINANCE BILL HEADLINES

- **Annual Residential Property Tax (“ARPT”)**
 - Reliefs available for “genuine businesses carrying out genuine commercial activity”
 - Similar reliefs will be inserted into the existing SDLT 15% rate legislation from Summer 2013
- **CGT**
 - Definition of “non-natural person” (“**NNP**”) for ARPT and for the extension of CGT have been aligned
 - Effective rebasing of property to 6 April 2013 value
 - Rate of CGT on disposals will be 28%
 - The reliefs will be mirrored under the new CGT rules
- **SDLT 15% rate**

ARPT/SDLT – CONSULTATION RESPONSES

- **The reliefs are a major alteration to the proposed operation of the ARPT and the application of the 15% SDLT rate.**
- **The reliefs allow genuine property businesses including rental, trading and development businesses, to exclude dwellings worth more than £2m purchased for their trade from the higher 15% rate of SDLT.**
- **The reliefs will also apply to the ARPT.**

HIGH VALUE RESIDENTIAL PROPERTY: SDLT

- Residential property where chargeable consideration exceeds £2m : 7% SDLT rate
- Consideration includes lease premium but not rent
- Higher rate (15%) where buyer is or includes a “non-natural person”
- Applies where effective date is on or after 21 March (Budget Day)
- Transitional saving if
 - (i) contract entered into and substantially performed before 21 March 2012, or
 - (ii) contract entered into before 21 March 2012 and no variation/assignment or sub-sale on or after that date

“HIGHER THRESHOLD INTEREST”

- “Interest in a single dwelling” where £2m+ chargeable consideration is attributable to that interest
- No aggregation (cf linked transactions)
- Interest splitting (linked transactions in chargeable interests in same dwelling)
- If “the main subject matter of the transaction” is only a higher threshold interest, transaction is a high-value residential transaction
- If “main subject matter” also includes a chargeable interest that is not higher threshold interest, it is split into two transactions
- How much consideration is “attributable” to that transaction?
- Multiple dwellings (price averaging) does not apply where main subject matter includes higher threshold interest, nor does the rule that a transaction involving 6+ dwellings is treated as commercial property

“DWELLING”

- **Buildings (or part) used or suitable for use as a dwelling or in the process of being constructed/adapted for that use**
- **Includes land that is or is to be occupied/enjoyed with a dwelling “as a garden or grounds”**
- **Includes land that “subsists for the benefit of” a dwelling**
- **Includes “appurtenant rights” (rights or interests appurtenant or pertaining to the chargeable interest that are acquired with it)**
- **Exclusion of institutional uses (s116(2) and (3))**
- **Acceleration of effective date (substantial performance) where construction adaptation not begun**
- **“Prudential” schemes**

COUNTRY HOUSE ESTATES

- **The “big house”**
- **Gardens near the house**
- **Working estate/farm**
- **Workers’ cottages**
 - can you price average (Sch 6B)?
 - what if there are six or more (s116(7))?
 - all commercial property (s55)?

ACQUISITION BY “NON-NATURAL” PERSONS

- High-value residential transactions AND
- Purchaser is a company OR
- Acquisition is by a partnership one or more of whose members is a company OR
- Acquisition is “for the purposes of a collective investment scheme”
- If two or more joint purchasers transaction is caught if at least one of the purchasers falls into one of these categories

SDLT – MAIN BUSINESS RELIEF

- **Acquisition exclusively for business**
 - of letting (exploitation as a source of rents)
 - redevelopment and resale in course of a property development trade
 - resale in course of property development trade where acquired as part of an exchange
 - resale (as stock) in course of property trading business
- **Not qualify if intended that non-qualifying individual will occupy or that property will be made available for occupation by non-qualifying individual**

SDLT – CLAWBACK OF MAIN BUSINESS RELIEF

- **For 3 years after effective date**
 - higher threshold interests must be held for qualifying purpose AND
 - no non-qualifying person allowed to occupy
- **Period ends if purchaser ceases to hold the interest or a chargeable interest derived from it**
- **Change of circumstance beyond purchaser's control means not reasonable to expect building to be used as intended**

SDLT – OTHER RELIEFS

- **Trade involving making dwelling available to public**
- **Dwellings for occupation by employees**
- **Farmhouses**
- **All have similar clawback provisions**

ARPT – DRAFT LEGISLATION KEY TERMS

- **Chargeable period:** 1/4/2013 to 31/3/2014 and each 12 month period thereafter
- **Chargeable interest:** estate/right/interest/power over land; benefit of obligation/restriction/condition affecting value of estate etc
- **Single dwelling interest:** Flexible term which can be extended to cover multiple dwellings where necessary (to tackle fragmentation)
- **Dwelling** – broadly as per SDLT: NB doesn't include hotel, hall of residence etc

ARPT – DRAFT LEGISLATION MAIN CHARGING PROVISION

- **Tax charged if on one or more days in chargeable period:**
 - Single dwelling interest worth more than £2 million
 - Company/partnership or CIS meets ownership condition
- **Ownership condition**
 - Company – beneficial entitlement
 - Partnership – corporate member is beneficially entitled as member of partnership (NB WHOLE interest satisfies condition regardless of profit share)
 - CIS – property held for purposes of scheme

ARPT – DRAFT LEGISLATION AMOUNT CHARGEABLE

- If within charge on 1st day of period – full annual chargeable amount
- Otherwise – fractional adjustment
- Chargeable amounts confirmed as per consultation

Value of property	Annual charge
£2m-£5m	£15,000
£5m-£10m	£35,000
£10m-£20m	£70,000
£20m+	£140,000

ARPT – DRAFT LEGISLATION AMOUNT CHARGEABLE

- **Amounts to be indexed to CPI – but not thresholds!**
- **Valuations:**
 - 1 April 2012
 - Every 5 years thereafter
 - On date acquisition or part disposal of interest
- **Value as per CGT – tension annual charge vs CGT upbasing!**

ARPT – Draft legislation

Aggregation of interests etc

- **Where ownership of single dwelling interest split chargeable person/connected person:**
 - Treat as belonging to chargeable person in entirety
 - NB no double charging if connected person also a chargeable person
 - Connected persons: as per CTA 2010 s1122: very wide
- **Circumstances where single dwelling interests can be aggregated:**
 - Two or more single dwelling interests in same dwelling
 - Single dwelling interest in grounds of other dwelling under common ownership
 - Two or more single interests in same “building” with private access between them – e.g. neighbouring houses in terrace

ARPT – Draft legislation

Acquisitions and disposals

- **Acquisition/disposal takes place on completion (not contract) – power to set alternative dates by regulation (?)**
- **But where substantial completion (as for SDLT) acquisition takes place at that time**
- **Additional provisions dealing with new dwellings/conversions etc**

ARPT – Draft legislation Reliefs

- **Property rental businesses:**
 - days in chargeable period ignored if property exploited in course of “qualifying property rental business” carried on by chargeable person
 - Includes situations where intention to commence business (as long as does in fact commence as soon as reasonably practicable)
- **Property rental business as per CTA 2009 (very wide)**
 - “qualifying” – must not be occupied (or held with intention to be occupied) by non-qualifying individual – i.e. anyone within wide class of connected persons

ARPT – Draft legislation

Property rental business (cont)

- **If occupied by non-qualifying individual – relief won't apply until is in fact occupied as part of a business by qualifying individual**
- **Chargeable person treated as having intention to permit occupation by non-qualifying individual if NQI permitted to occupy for whole of current chargeable period AND previous chargeable period...**
- **....but not, it seems, for any period when in fact occupied by qualifying individual**

ARPT – Draft legislation

Other businesses

Also reliefs for:

- **Property trading businesses**
- **Property development businesses**
Subject to similar restrictions for occupation by non-qualifying individuals
- **Stately homes where part of trade and public access to property (including “significant part” of interior) for at least 28 days a year**
- **Property occupied by employees where trade carried on by chargeable person or group company – but restrictions if occupied by 5% owner of business/domestic servant of 5% owner**
- **Farmers**

CGT – Consultation response

- **No draft legislation available – to be published in January 2013**
- **CGT to apply to the same non-resident NNPs as those subject to ARPT:**
 - Companies
 - NNPs which are members of partnerships
 - Collective investment vehicles that own and dispose of HVRP
- **So extension of CGT (as with ARPT) will not apply to trustees**
- **ARPT/SDLT reliefs available for CGT too**
- **There will be some differences in treatment of certain entities between CGT/ARPT/SDLT – further guidance available in “early 2013”**
- **Partnerships treated as transparent for CGT i.e. each partner will be treated as independently disposing of own share in partnership asset**
- **Trustee or individual partners who are non-resident not chargeable**

CGT – Consultation response

- **CGT will apply only to that part of the gain that accrues on or after 6 April 2013**
- **The new CGT charge will be given ‘precedence’ over charges arising under sections 13, 86 and 87 TCGA 1992**
- **Assumptions:**
 - Rebasing will apply to calculation of CGT payable by NNP on disposal after 5 April 2013, but not for the purposes of s. 13/87 TCGA
 - S.13/87 TCGA gain will remain increase in value since original purchase or since 2008 rebasing election but reduced by gain taxed under new rules
- **Further details to follow in early 2013**

CGT – Consultation response

- **£2m threshold not indexed**
- **ARPT definition of ‘dwelling’ used for CGT purposes**
- **‘Cliff edge’ tapered – designed to ensure that the seller will be in a better financial position than if they had sold for just under £2m**
 - Taxes actual gain, or the amount of the disposal value that exceeds £2m multiplied by 5/3, whichever is lower.

– Example:

Acquire property for £1.1m, sell for £2.3m (gain £1.2m)

Without tapering CGT = £1.2m x 28% = £336,000 (net proceeds £1.964m)

Marginal amount £0.3m (lower than actual gain)

Marginal CGT charge £0.3m x 5/3 x 28% = £140,000 (net proceeds £2.160m)

MACFARLANES

CGT – Consultation response

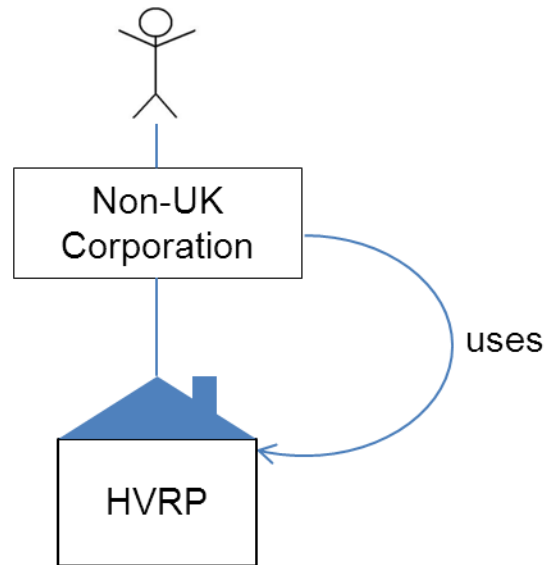
- **Value of property = consideration in the transaction**
 - No re-valuation by HMRC unless price manipulated or connected persons
- **Sale of shares in NNP owning property exempt from CGT (not subject to initially proposed 50% rule)**
- **Extension of CGT regime will only apply to disposals of residential property, and interests in residential property, directly held by non-resident NNPs**

CGT – Consultation response

- **Government considering extending CGT to UK NNPs at 28% rate (with tapering)**
- **Government wants a ‘consistent approach’ and has requested responses before 18 January 2013**

SCENARIOS

Scenario 1: Non-Resident (non-UK domiciled) individual



MACFARLANES

SCENARIOS

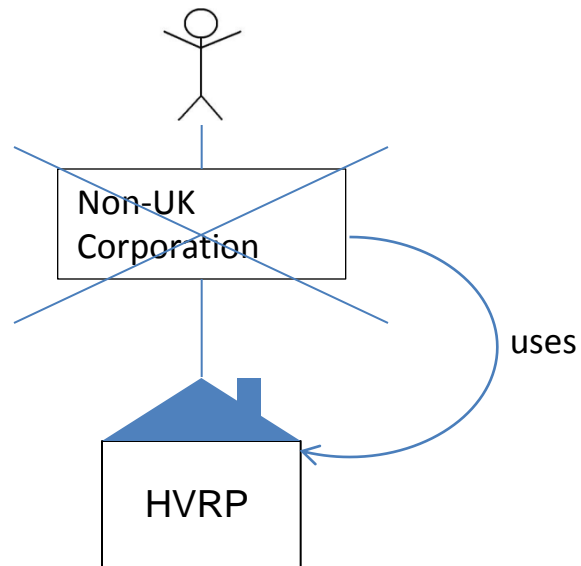
Scenario 1: Non-Resident (non-UK domiciled) individual

Considerations:

- **IHT – winding up the company creates an exposure**
- **CGT – the rebasing creates a window for contemplation – future gains will be chargeable over and above value accrued to 6 April 2013**
- **IT – same risks as before i.e. shadow director (subject to treaty protection)**
- **ARPT: a cost of life?**
- **Confidentiality**
- **Limited liability**

SCENARIOS

- Scenario 1: Non-resident (non-UK domiciled) individual
- What can be done? Personal ownership



MACFARLANES

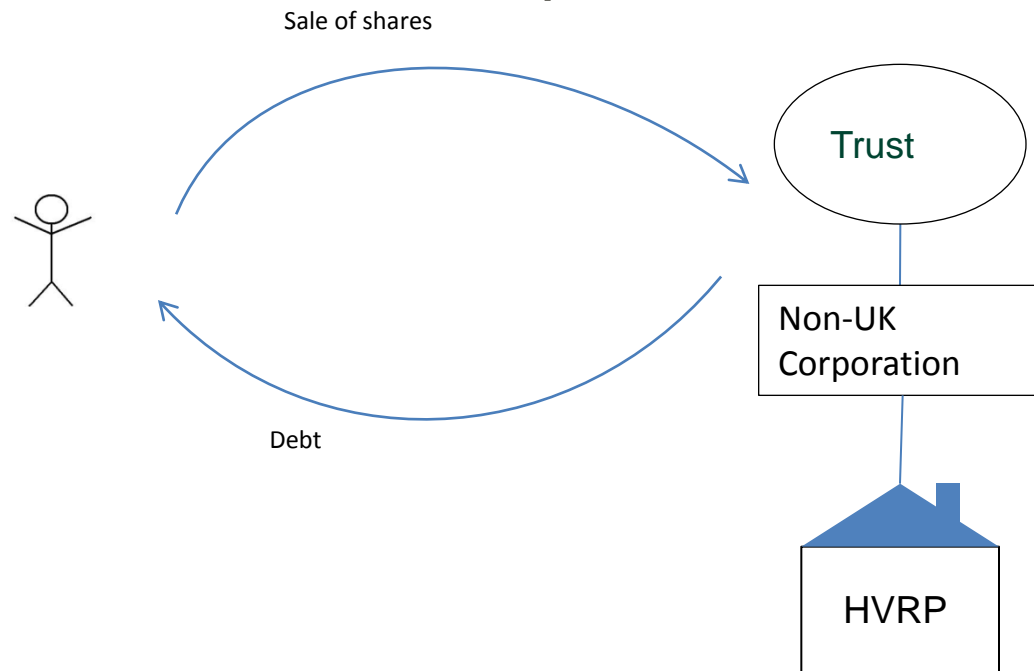
SCENARIOS

- **Scenario 1: Non-resident (non-UK domiciled) individual – personal ownership**
 - IHT: borrowing; spouse exemption; life insurance
 - CGT: no
 - IT: no
 - ARPT: no
 - Confidentiality: nominee company if required
 - Loss of limited liability: but is it an issue?

SCENARIOS

Scenario 1: Non-Resident (non-UK domiciled) individual

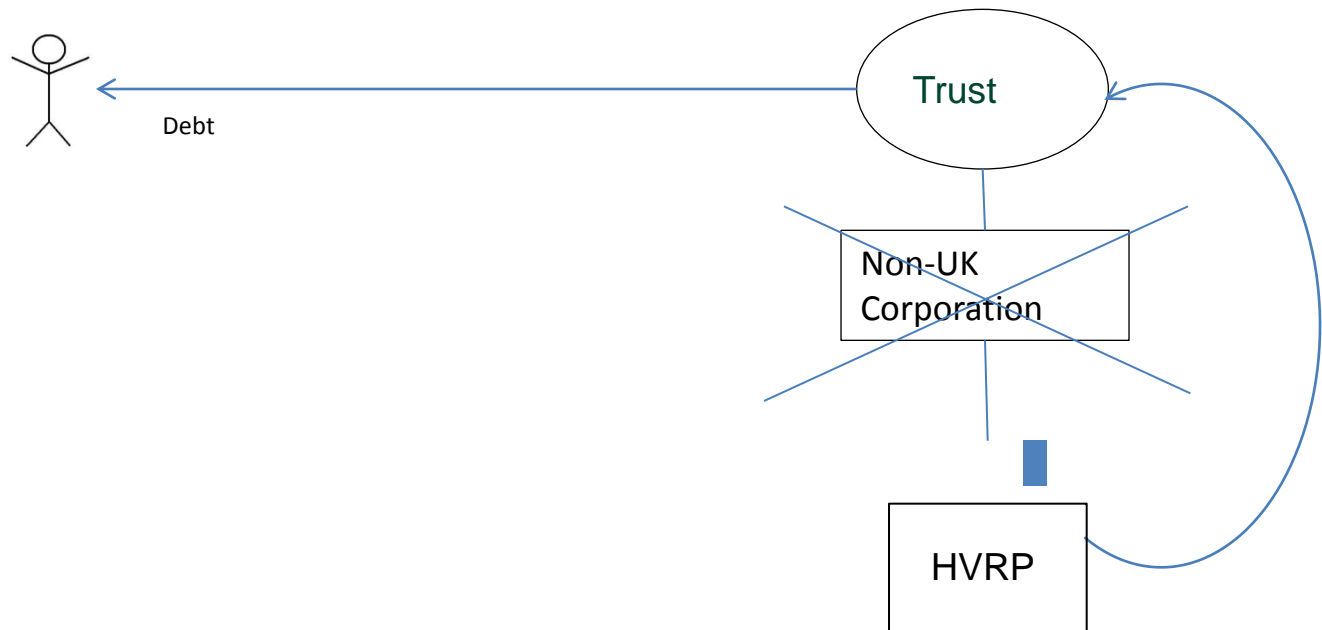
What can be done? Trust ownership



MACFARLANES

SCENARIOS

Scenario 1: Non-Resident (non-UK domiciled) individual – Trust ownership



MACFARLANES

SCENARIOS

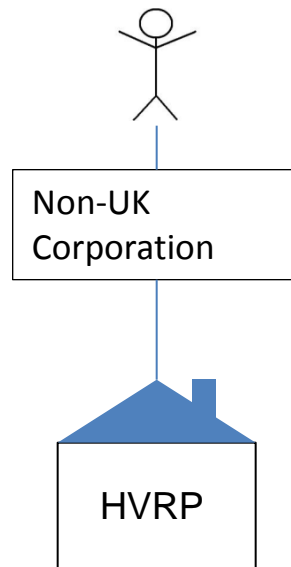
Scenario 1: Non-resident (non-UK domiciled) individual – trust ownership

Considerations:

- **IHT: 10 year charge and reservation of benefit regime; growth in value**
 - S.103 FA 1986
- **CGT: no**
- **IT: better position? No shadow director risk any longer**
- **ARPT: no**
- **SDLT on extraction: no (with care)**
- **Can you find a trustee willing to hold the property?**
- **This structure will require maintenance and is not future proof**
- **Complicating factor: debt to third party secured on the property**

SCENARIOS

Scenario 2: UK resident (non-UK domiciled) individual



MACFARLANES

SCENARIOS

Scenario 2: UK resident (non-UK domiciled) individual

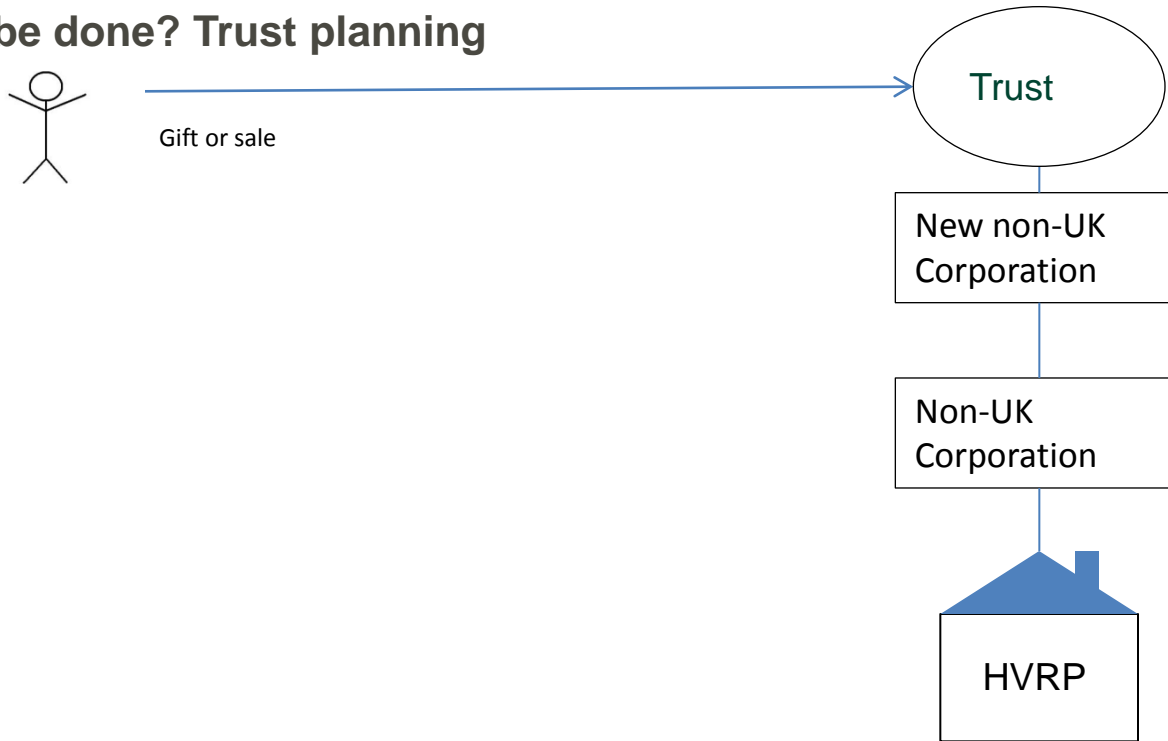
Considerations:

- **IHT: deemed domicile**
- **CGT: no PPR; s.13 position; potential for “central management and control” to slip into the UK**
- **IT: as before**
- **ARPT: how do you fund this? Clean capital required**

SCENARIOS

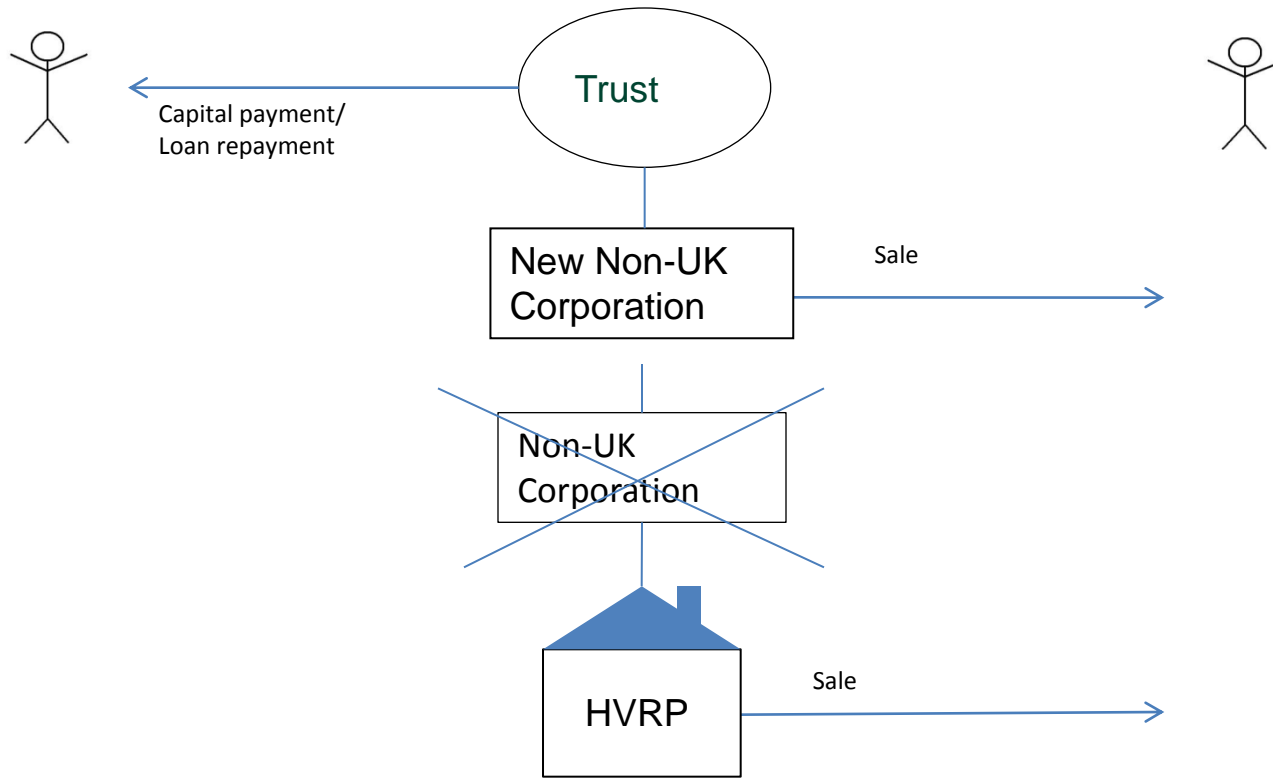
Scenario 2: UK resident non-UK domiciled individual

What can be done? Trust planning



SCENARIOS

Scenario 2: UK resident non-UK domiciled individual – trust planning



MACFARLANES

SCENARIOS

Scenario 2: UK resident non-UK domiciled individual – trust planning

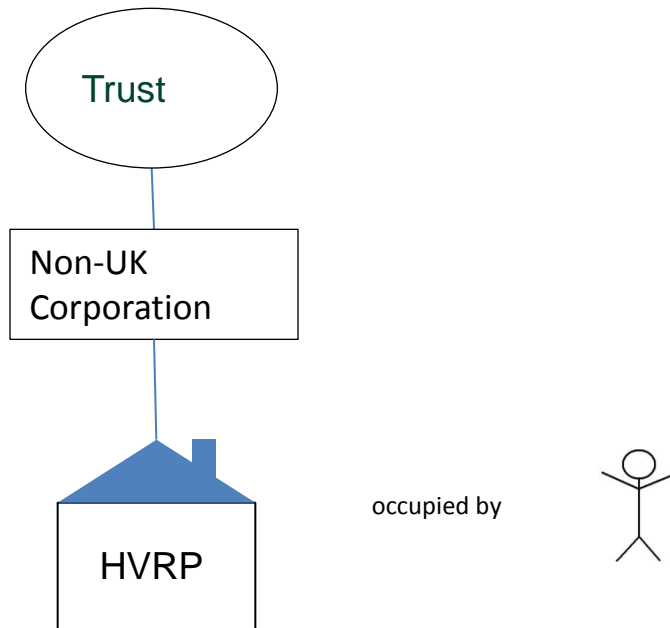
This is a holding plan. The real aim is to mitigate the impact of the 2008 changes by using the trust as a blocker from an arising basis charge. It is designed to facilitate a later sale of the property

Considerations:

- **IHT: deemed domicile restrictions – sale rather than gift**
- **CGT: be very careful how the trust is funded: s.809T risk on a gift**
 - if follow scenario 1 style planning by immediately winding up the company an inadvertent remittance can arise. Also, s.13 risk for a debt funded structure?
 - planning enables gains to be washed out? GAAR/Ramsay. Careful timing essential.
- **IT: rental? Defeats future capital payments charge**
- **ARPT: as before. There will be no charge if the company is wound up**
- **SDLT: no**

SCENARIOS

Scenario 3: UK resident (non-UK domiciled) beneficiary (settlor) in a “dry” structure



Assume that this is a “dry” structure

MACFARLANES

SCENARIOS

Scenario 3: UK resident (non-UK domiciled) beneficiary (settlor) in a “dry” structure

Considerations:

- **IHT: excluded property (under current HMRC practice)**
- **CGT: there is a double layer of gain here for s.87 TCGA purposes**
 - First on the HVRP
 - Second on the shares in the corporation. Rebasing election? Probably will not eliminate all of the gain. What is HMRC’s view of the interaction of the new (2013) HVRP rebasing with the gain on the value of the shares? Apparently, there is no interaction.
- **IT: there is no income in the structure**

SCENARIOS

Scenario 3: UK resident non-UK domiciled beneficiary (settlor) in a “dry” structure

There is a choice as to what to do here.

- **Option 1 - do nothing and avoid any dry tax charges**
 - Take the benefit of excluded property treatment
 - Accept the ARPT as the price of this
 - Undertake planning when the property is sold
 - Which is:
 - Either: sell the shares in the corporation, and distribute the gain outside of the UK to the beneficiary, who pays the RBC – expect the purchaser to discount for any in-built gain. Advantage: only one layer of gain. Disadvantage: a restricted class of purchasers.

CONT'D

- Or: sell the property, pay any CGT, wind up the company, and distribute the (double) gain outside of the UK to the beneficiary, who pays the RBC
- This swamps the historic benefit of rent free occupation and creates a remittance basis gain
- Even better: distribute the gain to a non-UK resident in the year it arises
- Do not sell on 5 April or this planning is tricky to achieve!

SCENARIOS

Scenario 3: UK resident non-UK domiciled beneficiary (settlor) in a “dry” structure

- **Option 2: bite the bullet option**

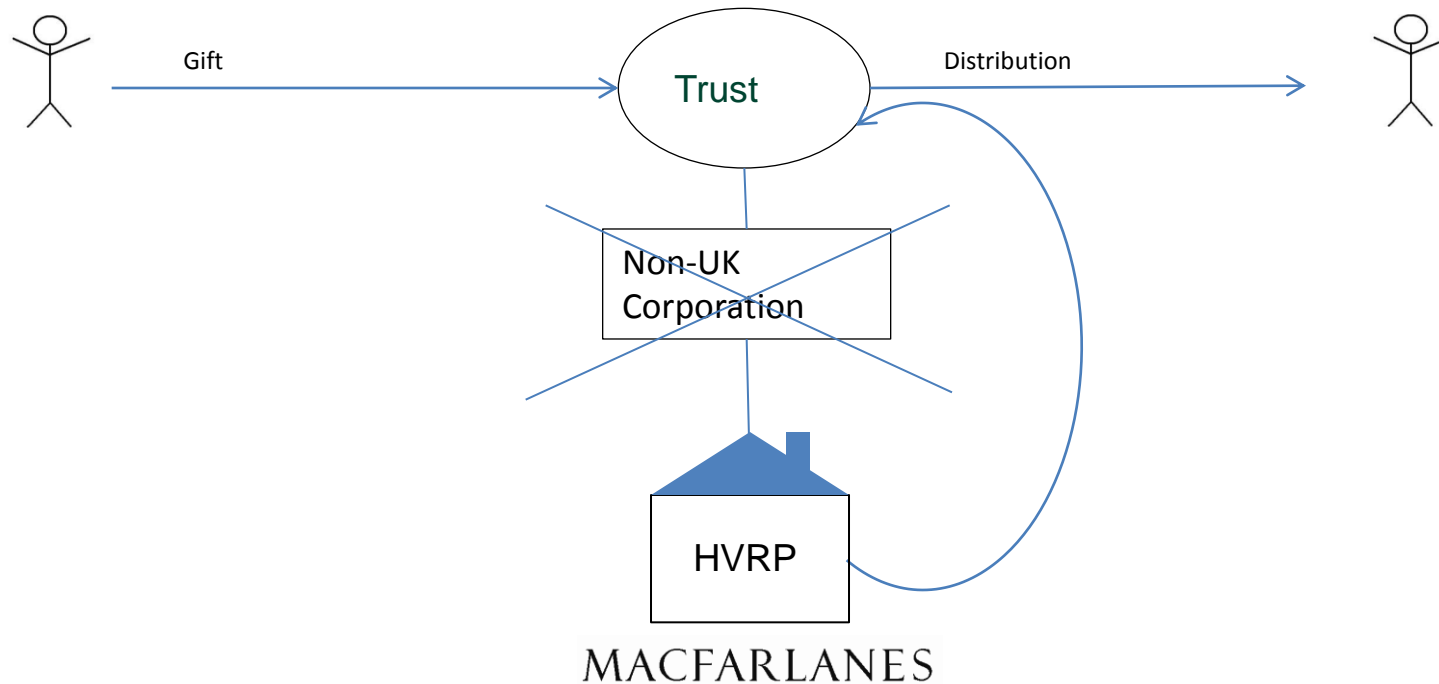
- The basic position: extract the property out of the structure to save the ARPT but accept that there will be an IHT exposure, which could be financed/covered by other means (third party debt, insurance etc)
- The planning: wind up the corporation and realise gains this tax year; swamp the capital payment received this tax year; distribute the property (with a small IHT exit charge) next tax year
- The problem: how do you procure the swamping out of a dry trust?

The basic answer is: sums need to be added. There is a problem if the settlor is now deemed domiciled.

SCENARIOS

Scenario 3: UK resident (non-UK domiciled) beneficiary (settlor) in a “dry” structure – unwind the structures

Year 1 (before 6 April 2013)



SCENARIOS

Scenario 3: UK resident non-UK domiciled beneficiary (settlor) in a “dry” structure – unwind the structure

Year 2 (after 6 April 2013)



MACFARLANES

SCENARIOS

Scenario 3: UK resident (non-UK domiciled) beneficiary (settlor) in a “dry” structure – unwind the structure

Risk factors:

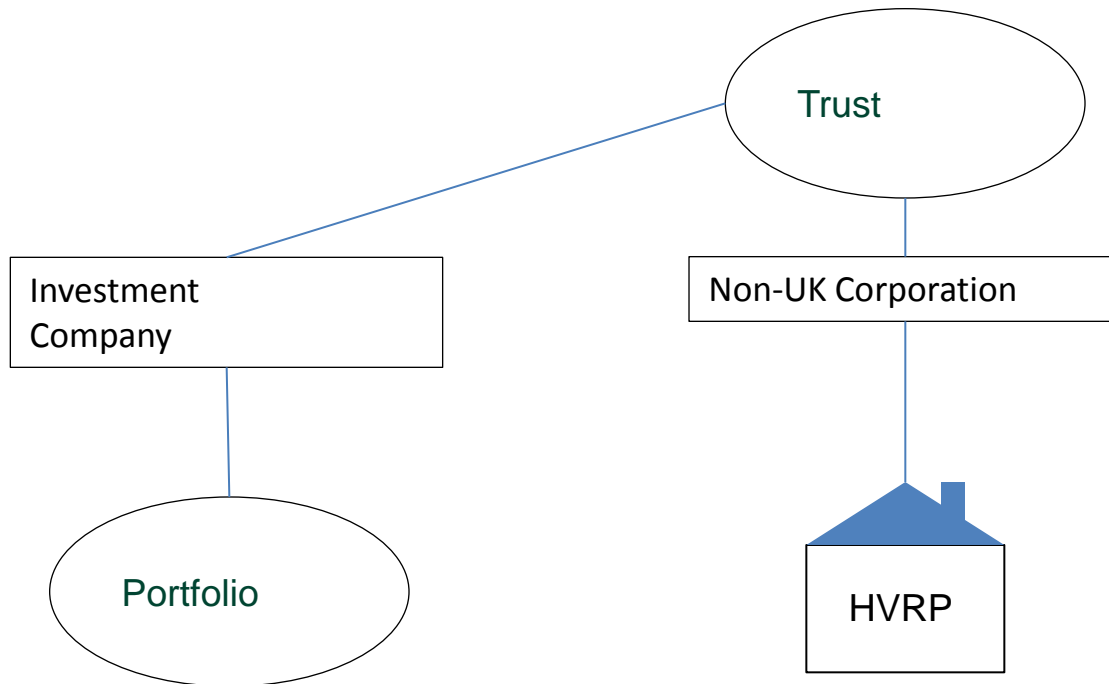
- **Ramsay risk?**
- **GAAR risk? Post 6 April 2013 “step”?**
- **Delay? Pay rent? What about historic capital payments?**

VARIATIONS

- 1. If a non-UK resident/non-domiciliary is going to gift sums to the trustees can he buy the shares in the company, wind it up, and gift the property to the occupant/beneficiary (with IHT risk?)**
- 2. What happens if you stop half way through, with the property owned by the trustees, and debt taken out on the property (to reduce its value for inheritance tax purposes). Distribution of the proceeds of the loan eliminates accumulated gains.**
- 3. Deemed domiciliary: upbase the value of the property into a new company (avoiding group relief); sell the shares in the company to the beneficiary in exchange for debt; distribute the debt in an underlying company.**

SCENARIOS

Scenario 4: UK resident (non-UK domiciliary) beneficiary of a “wet” structure



MACFARLANES

SCENARIOS

Scenario 4: UK resident (non-UK domiciliary) beneficiary of a “wet” structure

Considerations: will depend on whether the occupant is the settlor/transferor or not

- **IHT: excluded property**
- **CGT: gains in the portfolio already matched against the rent free occupation of the property – and income (subject to motive defence) if the occupant is a non-transferor**
 - rebasing election?
- **IT: as above**
- **ARPT: yes – and there are funds within the structure to pay it**

SCENARIOS

Scenario 4: UK resident (non-UK domiciliary) beneficiary of a “wet” structure

Planning:

- **As before, there is a choice – preserve the excluded property status, and pay the annual charge, accepting the CGT exposure; or bite the bullet, which involves swamping**
- **This is not (and has not been since 6 April 2008) a good structure for non-UK domiciliaries, because of the capital payment matching rules**
- **But in this case, there is an opportunity for an uncontroversial swamping payment, depending on values**
- **Basic planning: wind up the property owning company (passing the property to trust level) and distribute the shares in the investment company (Year 1). Ensure that all gains are matched. Distribute the property (accepting the exit charge) in Year 2. the structure terminates**

MORE COMPLEX OPTIONS

There will be some clients for whom simple swamping options do not work, e.g. because they are deemed domiciled (so cannot add sums to trusts).

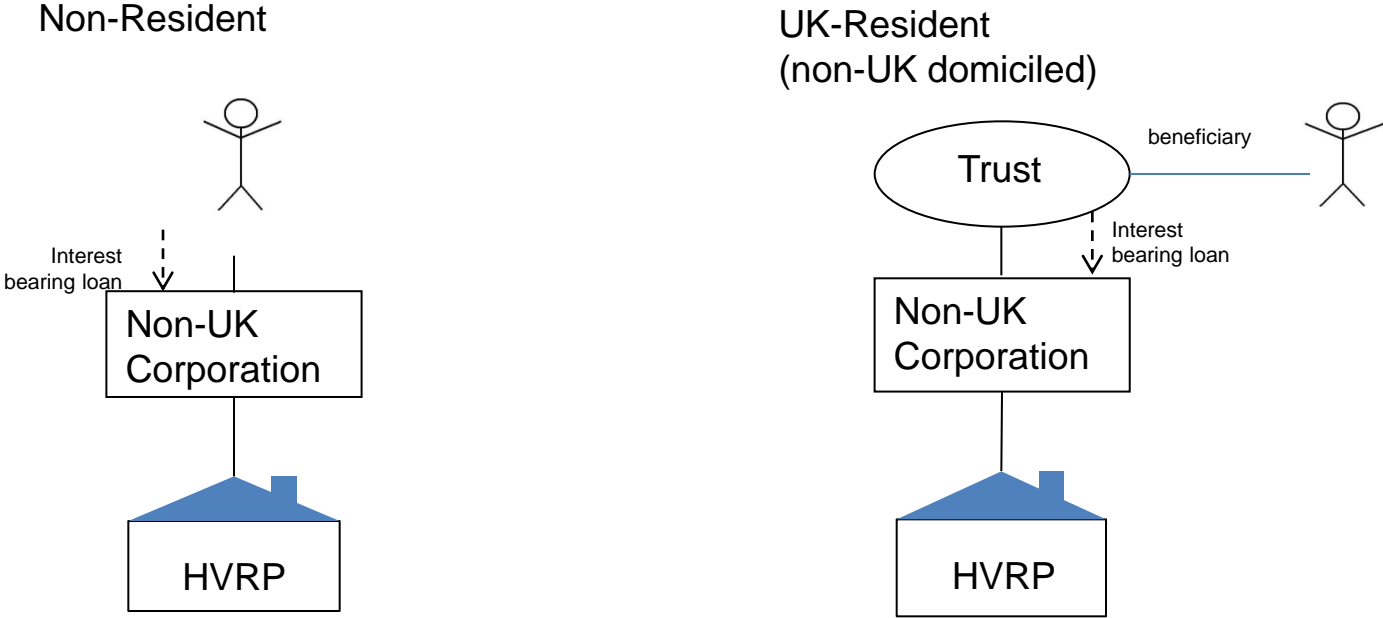
There are other options which can be considered, e.g. involving capital payments with no sums actually leaving the trust (capital payments to a company). These options are only viable in specific circumstances.

Some added complicating factors...

- Leasehold properties – Licence to assign? Enfranchisement rights?**
- Debt against the property or company borrowing? – SDLT traps**
- Local tax issues? – In country of residence or in US if US person**

NEW PURCHASES

**Properties let to third parties
No change to current planning**



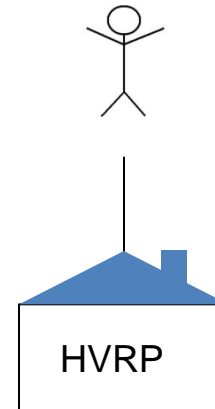
No UK tax exposure other than IT on rental profit (reduced by interest charge)

MACFARLANES

NEW PURCHASES

Properties for Personal Occupation – Own Name

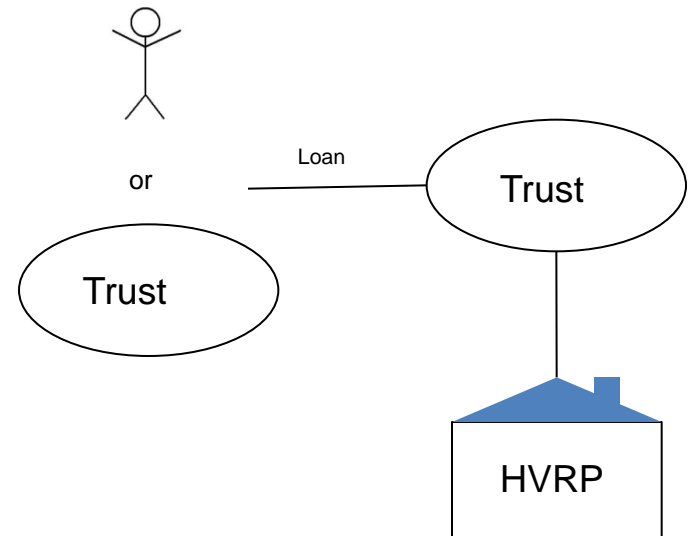
- **IHT: borrowing; spouse exemption; life insurance**
- **CGT: no (as long as PPR if UK resident)**
- **IT: no**
- **ARPT: no**
- **SDLT: 7%**



NEW PURCHASES

Properties for Personal Occupation – Trust/Borrowing

- **IHT:**
 - Reservation of benefit
 - 10 year charges
 - Value of property reduced by debt – probably
- **CGT: no (as long as PPR if UK resident)**
- **IT: no**
- **ARPT: no**
- **SDLT: 7%**



THE FUTURE

- **Some NRND clients may wish to retain existing corporate structures for homes**
 - ARPT + CGT on future growth
 - But IHT protection
- **Others will want to dismantle and hold personally**
 - IHT exposure can be addressed through debt or life insurance – although may be cheaper to pay the ARPT?
 - Watch for SDLT where company has bank borrowings
- **Appropriate offshore trust structures remain attractive assuming debt is deductible**
 - Benefits: no ARPT, no CGT, IHT protection, succession planning
 - Maybe attractive for higher value properties/properties intended to be held on longer term basis
- **Generally no need for re-basing exercises before 6 April 2013**
 - Exception: where existing company structure is to be converted into a trust structure and the trust may have UK beneficiaries in future

NEXT STEPS

- **Time is short: the effective date for ARPT is 1 April 2013 and for extended CGT is 6 April 2013. Some strategies require more than one step to be completed by 31 March 2013. NB – draft legislation for CGT not due until end January 2013 but need to commence preparatory work now**
- **Review existing property structures which are potentially caught by the new proposals**
- **Obtain advice on the pros and cons of retaining the existing structure, dismantling or restructuring, including the need for an up to date valuation and the clients' residence and domicile status**

MACFARLANES

STEP, BAHAMAS BRANCH

**HIGH VALUE RESIDENTIAL PROPERTY
NEW STRATEGIES FOR THE NEW ENVIRONMENT**

JONATHAN CONDER

+44 (0) 20 7849 2253

jonathan.conder@macfarlanes.com

30 JANUARY 2013

Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
T +44 (0)20 7831 9222 F +44 (0)20 7831 9607 DX 138 Chancery Lane www.macfarlanes.com

This presentation is given on behalf of Macfarlanes LLP. Macfarlanes LLP is not authorised under the Financial Services and Markets Act 2000, but it is able in certain circumstances to offer a limited range of investment services to clients because it is authorised and regulated by the Solicitors Regulation Authority. It can provide these investment services if they are an incidental part of the professional services it has been engaged to provide. © Macfarlanes LLP 2012