

OUR REF: ADXMBAM/GAT/0018/00004

YOUR REF:

**mms** Maclay Murray  
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HM Revenue and Customs

By email to:  
[capitalgains.taxteam@hmrc.gsi.gov.uk](mailto:capitalgains.taxteam@hmrc.gsi.gov.uk)

20 June 2014

Dear Sirs

**Gatehouse Bank plc**  
**Implementing a capital gains tax charge on non-residents**  
**Response to consultation**

*Please note that the information provided in this letter is strictly private and confidential and must not be disclosed to any person without our prior permission. In particular, no reference to the contents of this letter should be made, and no extract from this letter may be reproduced, in any response to the consultation published by Government.*

We act for Gatehouse Bank plc and have been requested by our clients to submit a response on their behalf to the consultation on the implementation of a capital gains tax charge on non-residents.

Please note that this response does not attempt to address each of the questions set out in the consultation document, but focuses on the proposed exemption for funds which meet a genuine diversity of ownership test.

**Background**

Gatehouse Bank (the "**Bank**") is a wholesale Shariah-compliant investment bank headquartered in London. It provides a range of wealth management services to an international client base.

In particular, the Bank is known for its expertise in the development of Shariah-compliant structured investment products designed to produce an income from investment in real estate.

Further information on the Bank is available from its website at: <http://www.gatehousebank.com/>

### **The proposed exemption for funds**

### **Implications of the new CGT charge for the Bank**

### **Requests for further consideration**

The Bank requests that Government give further consideration to extending the exemptions available under the new regime. In particular, the Bank requests that the proposed exemption for funds should be structured widely enough to include Shariah-compliant investment structures of the sort described above and that the requirement for a genuine diversity of ownership test should be reconsidered. In the Bank's view, where there is no underlying tax avoidance motive, there is no logical distinction to be drawn between a fund which is widely marketed to a broad investor base and a fund which is made available to a small pool of very high-net-worth investors. The size of the investor pool to which a fund is made available is not of itself an indicator of tax avoidance, but is simply a function of the nature of the underlying investment product and of the fund sponsor's targeted investor base.

If you require any further information in connection with this response, please do not hesitate to contact

Yours faithfully

For Maclay Murray & Spens LLP

