



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Alison Thewliss MP
House of Commons
London
SW1A 0AA

16 December 2021

Dear Alison,

FINANCE BILL: CLAUSE 15

Thank you for your question at the Finance Bill Public Bill Committee on 14 December, in relation to Clause 15 and regarding how the changes to the Real Estate Investment Trust (REITs) tax regime made through Clause 15 and Schedule 3 of the Finance Bill would interact with plans to introduce a Register of Overseas Entities' Beneficial Ownership ('ROEBO').

The government is setting up a public register of owners of overseas entities that own UK property. This will enable us to combat money laundering and achieve greater transparency in the UK property market. Once implemented, this register will be one of the first of its kind in the world. That is good news for the UK, enhancing our already strong reputation as an honest and trusted place to do business.

The Register requires primary legislation for it to be established, and the Government will legislate when Parliamentary time allows.

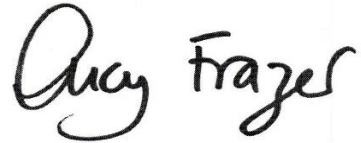
The overseas entities register is one of a number of proposed corporate transparency reforms. This will make the UK one of the most comprehensively transparent jurisdictions in the world.

The changes made by clause 15 of this Finance Bill concern real estate investment trusts (REITs) which, despite their name, are not trusts but are UK companies, or parents of groups of companies, primarily investing in portfolios of properties. They are subject to specific tax rules which allow investors to obtain broadly similar returns from their investment, and be taxed on the same basis as they would have, had they invested directly in UK property. REITs must either be non-close companies or owned by certain institutional investors, for example pension funds. They are also subject to the same transparency requirements as other corporate entities.

More widely, the government will continue to consider the interactions of its ongoing work on ROEBO with the overall tax system.

I am copying this letter to the Chairs and other members of the Public Bill Committee, and am depositing a copy of this letter in the Library of the House.

Yours sincerely,

A handwritten signature in black ink that reads "Lucy Frazer". The signature is written in a cursive, flowing style.

THE RT HON LUCY FRAZER QC MP