



Popular Investment Vehicles

Funds and Indirect Real Assets quick reference guide

This guide gives a quick review of some of the most popular fund vehicles for institutional investment in real assets. There are many different forms and this guide is selective. It includes:

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Introduction

The selection of a vehicle has a number of common themes including the location of the assets, management and the investors. Funds targeted at local investors and markets will frequently involve suitable local vehicles.

The position changes where the assets are more spread, and investors are more international. In these cases, such as the UK and Luxembourg are popular fund jurisdictions, but the choice is not exclusive.

Structures are also selected due to structural flexibility, tax and regulatory reasons, such as the Alternative Investment Fund Managers Directive (AIFMD). They also often combine vehicles in more than one country. These aspects are reviewed in outline in this guide.

CMS can give you direct access to cutting-edge knowledge and insights into the latest trends in fund terms, tax, regulation and markets. Whether you need strategic or transactional advice, whether you are fundraising or investing, whether you are operating domestically or internationally, we can deliver effective, bespoke solutions to meet your needs.



Austria

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Real estate investment fund (ImmoInvF)									
Contractual	Exempt at fund level Tax at investor level Gains from sale / disposal of fund units taxable at investor level Double taxation treaties may apply on the fund level in case of real estate located outside of Austria	Real estate transfer tax of 3.5% (generally calculated on the basis of the consideration (e.g. purchase price)) Stamp duty on the mortgage agreement Registration fees applicable to the mortgage	Yes	Open-ended	Regulated as a licensed AIFM In addition, the management company is licensed as a credit institution	No (sanctions regulations may apply)	Final withholding tax at special rate (no inclusion into the tax return, unless opted otherwise) available in many cases Assets are held on trust for the unitholders (and can be segregated in the insolvency of the management company)	Statutory investment restrictions Fund rules are subject to regulatory approval	Real estate

Belgium

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
FIIS (Fonds d'investissement immobiliers spécialisés)									
Investment undertaking with fixed capital (SICAF)	Derogatory tax regime (as regards the tax base and withholding tax)	No	No	Closed-ended	Subject to the supervision of the Ministry of Finance They must be registered on the list of FIIS held by the Ministry of Finance	Only institutional and professional investors	Flexible regulatory Regime Favourable tax Treatment	Obligation to have a real estate portfolio with a total value of at least EUR 10m at the end of the second financial year following the registration in the FIIS register and Real estate located in Belgium must be directly held by the FIIS (unlike foreign real estate, which may be held directly or indirectly) See footnote	Real estate investment for institutional Investors

Note: The only exception to this rule is that Belgian real estate may be held indirectly via a subsidiary, in which the FIIS holds directly or indirectly all the shares, and provided that the FIIS rectifies this situation within 24 months (and therefore that the Belgian real estate in question is directly included in the FIIS balance sheet)

Brazil | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Equity investment fund (FIP)									
<p>Exemption for individuals and foreign investors (provided they do not hold more than 40% of the quotas and are not residents of a tax haven)</p> <p>For legal entities, there is a 15% withholding income tax on realised income obtained from the purchase and sale of shares</p> <p>The sale of quotas attracts a capital gain taxation rate of 15%</p>	No	Yes	Closed-ended	<p>Requires registration and supervision by the Brazilian Securities and Exchanges Commission ("Brazilian SEC")</p> <p>Must be managed jointly by a fund administrator and by a portfolio manager, both approved by the Brazilian SEC</p> <p>When publicly offered, the Brazilian SEC's explicit approval of its offer may or may not be required, depending on the characteristics of the issuer, the investors' investment profiles and other fund characteristics</p>	<p>Yes: limited to investors whose investment profile is characterised as qualified (mainly natural or legal persons who have financial investments worth more than BRL 1 million) and professional investors (mainly natural or legal persons who have financial investments worth more than BRL 10 million, as well as financial institutions, registered portfolio managers, and investment funds)</p>	<p>Enables participation in open or closed-end companies, through a wide range of titles, contracts or securities</p> <p>May invest up to 33% of their subscribed capital in assets abroad</p> <p>Tax exemption for individuals and foreign investors (provided they do not hold more than 40% of the quotas and are not residents of a tax haven)</p>	<p>Investor is not allowed to redeem the fund's shares before the fund's established duration period has elapsed</p> <p>Only qualified and professional investors are allowed to invest</p> <p>The fund's financial demonstrations must be annually audited by independent auditor registered with the CVM</p>	Venture Capital and Private Equity	

Brazil | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Infrastructure investment fund (FI-INFRA)									
Contractual, without a legal personality	Exempt for individuals or foreign investors (not located in tax-heavens) on income received and capital gains For legal entities 15% withholding income tax on income earned IOF charged at the time of sale according to the regressive table	No	Yes	Closed or opened-ended	Requires registration and supervision by the Brazilian Securities and Exchanges Commission ("Brazilian SEC") Must be managed jointly by a fund administrator and by a portfolio manager, both approved by the Brazilian SEC When publicly offered, the Brazilian SEC's explicit approval of its offer may or may not be required, depending on the characteristics of the issuer, the investors' investment profiles and other fund characteristics	No	Tax exempt for individuals or foreign investors (not located in tax-heavens) on income received and capital gains	In the case of a closed-ended fund, the investor is not allowed to redeem the fund's shares before the fund's established duration period has elapsed Investment concentration limit of 20% of the fund's assets per issuer The fund's financial demonstrations must be annually audited by independent auditor registered with the CVM	Long-term infrastructure operations

Brazil | 3

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Joint-Stock Company (Sociedade Anônima)									
<p>Corporate taxes will generally be charged on profits (or presumed profits) in accordance with the following rates:</p> <ul style="list-style-type: none"> income tax (IRPJ): 15%-25% social contribution on net profit (CSLL): 9% PIS contribution: 1.65% COFINS contribution: 7.6% <p>After Brazilian taxes are paid, profits can be repatriated by way of dividends, which are not taxed in Brazil under Brazilian law.</p>	No	Yes	Opened or closed-ended	Opened-ended companies are subject to the Brazilian SEC's regulations	No	Allows the use of more sophisticated investment structures not directly related with equity (ex: debentures, subscription bonuses, etc.)	<p>Requires the foreign investor to keep an attorney-in-fact in Brazil</p> <p>Needs at least two shareholders to be incorporated</p> <p>Incorporation process is more bureaucratic (requires deposit of 10% of the corporate capital, publication of incorporation documents, etc.)</p> <p>Must publish minutes of all shareholders meetings and some Board of Directors meetings</p> <p>Must publish financial statements yearly</p> <p>Need to keep corporate books up-to-date</p> <p>Exploration of mining activities (as real assets) is subject to approval</p> <p>There are some restrictions for the acquisition of rural real estate properties, real estate properties located near boarders / roads / railroads and land located near the coasts in case the company is majorly held by foreign investors</p>	Long-term real estate investments	

Brazil | 4

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Joint-Stock Company (Sociedade Anônima)									
<p>Corporate taxes will generally be charged on profits (or presumed profits) in accordance with the following rates:</p> <ul style="list-style-type: none"> • income tax (IRPJ): 15%-25% • social contribution on net profit (CSLL): 9% • PIS contribution: 1.65% • COFINS contribution: 7.6% <p>After Brazilian taxes are paid, profits can be repatriated by way of dividends, which are not taxed in Brazil under Brazilian law</p>	No	Yes	Opened or closed-ended	Opened-ended companies are subject to the Brazilian SEC's regulations	No	Allows the use of more sophisticated investment structures not directly related with equity (ex: debentures, subscription bonuses, etc.)	<p>Requires the foreign investor to keep an attorney-in-fact in Brazil</p> <p>Needs at least two shareholders to be incorporated</p> <p>Incorporation process is more bureaucratic (requires deposit of 10% of the corporate capital, publication of incorporation documents, etc.)</p> <p>Must publish minutes of all shareholders meetings and some Board of Directors meetings</p> <p>Must publish financial statements yearly.</p> <p>Need to keep corporate books up-to-date</p> <p>Exploration of mining activities (as real assets) is subject to approval</p> <p>There are some restrictions for the acquisition of rural real estate properties, real estate properties located near boarders / roads / railroads and land located near the coasts in case the company is majorly held by foreign investors</p>	Long-term real estate investments	

Brazil | 5

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Limited Liability Company (Sociedade Limitada)									
Corporate	<p>Corporate taxes will generally be charged on profits (or presumed profits) in accordance with the following rates:</p> <ul style="list-style-type: none"> • income tax (IRPJ): 15%-25% • social contribution on net profit (CSLL): 9% • PIS contribution: 1.65% • COFINS contribution: 7.6% <p>After Brazilian taxes are paid, profits can be repatriated by way of dividends, which are not taxed in Brazil under Brazilian law</p>		No	Closed-ended	No	No	<p>Simpler to be incorporated</p> <p>Requires one sole investor to be incorporated</p> <p>The most common corporate vehicle adopted in Brazil</p>	<p>Requires the foreign investor to keep an attorney-in-fact in Brazil</p> <p>Exploration of mining activities (as real assets) is subject to approval</p> <p>There are some restrictions for the acquisition of rural real estate properties, real estate properties located near borders / roads / railroads and land located near the coasts in case the company is majorly held by foreign investors</p>	Long-term real estate investments

Brazil | 6

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Investment fund in agribusiness production chains (FIAGRO)									
<p>Exempt for individuals with distributed income, provided that the fund holds a minimum of 50 shareholders, and the individual does not hold more than 10% of the shares (or receive more than the distributed profits)</p> <p>For legal entities and foreign investors 15% (exclusive – final taxation) withholding income tax on accumulated earnings</p> <p>Capital gains and income earned from the sale or redemption of FIAGRO shares are subject to income tax at a rate of 20% (twenty percent)</p> <p>Starting in 2024, individuals will only be exempt if they have a minimum of 100 shareholders</p>	No	Yes	Opened or closed-ended	<p>Requires registration and supervision by the Brazilian Securities and Exchanges Commission (“Brazilian SEC”)</p> <p>Must be managed jointly by a fund administrator and by a portfolio manager, both approved by the Brazilian SEC</p> <p>When publicly offered, the Brazilian SEC’s explicit approval of its offer may or may not be required, depending on the characteristics of the issuer, the investors’ investment profiles and other fund characteristics</p>	No	<p>Enables investment in agribusiness through different assets, such as rural properties, participation in companies that explore the sector, or securities whose issuers are part of the agribusiness production chain</p> <p>Tax exempt for individuals with distributed income, provided that the fund holds a minimum of 50 shareholders, and that the individual does not hold more than 10% of the shares (or receive more than the distributed profits)</p>	<p>The current rule is under public consultation and a new rule should be issued in February by the CVM, so there is uncertainty regarding the topic</p> <p>The fund’s financial demonstrations must be annually audited by independent auditor registered with the CVM</p>	A wide array of investments in the agribusiness sector	

Brazil | 7

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Real estate investment fund (FII)									
Contractual, without a legal personality.	<p>For individuals, this income is tax exempt, whether resident or domiciled in Brazil or abroad, even in jurisdictions regarded as tax heaven to Brazilian tax authorities if at least 95% of the earnings are distributed and if the fund holds a minimum of 50 shareholders</p> <p>Income tax on capital gains levied at a rate of 20% for sale of redemption of quotas</p> <p>For legal entities 15% (exclusive – final taxation) withholding income tax on accumulated earnings</p> <p>From 2024 onwards, individuals will only be exempt if they have at least 100 shareholders</p>	No	Yes	Closed-ended	<p>Requires registration and supervision by the Brazilian Securities and Exchanges Commission ("Brazilian SEC")</p> <p>Must be managed jointly by a fund administrator and by a portfolio manager, both approved by the Brazilian SEC. When the fund's investment policy requires that at least 95% of its assets are not securities, but real estate assets, the fund administrator may also manage its portfolio, rendering the portfolio manager dispensable</p> <p>When publicly offered, the Brazilian SEC's explicit approval of its offer may or may not be required, depending on the characteristics of the issuer, the investors' investment profiles and other fund characteristics.</p>	No	<p>For individuals, this income is tax exempt, whether resident or domiciled in Brazil or abroad, even in jurisdictions regarded as tax heaven to Brazilian tax authorities if at least 95% of the earnings are distributed and if the fund holds a minimum of 50 shareholders, provided that, from 2024 onwards, individuals will only be exempt if they have at least 100 shareholders</p>	<p>Investor is not allowed to redeem the fund's shares before the fund's established duration period has elapsed</p> <p>The fund's financial demonstrations must be annually audited by independent auditor registered with the CVM</p>	Investment in Real Estate properties and titles related to them, such as real estate credit tiles (LCI), mortgage titles (LH), etc

Bulgaria

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Special purpose investment company (дружество със специална инвестиционна цел or АДСИЦ in Bulgarian)									
Corporate: Joint-stock public special purpose investment company or акционерно публично дружество със специална инвестиционна цел (АДСИЦ) in Bulgarian)	Exempt at company level Pass-through entity subject to distribution requirements Tax at investor level Capital gains exempt, If the sale of company shares is made on a regulated market or as a result of a tender offer	Real estate transfer tax between 0.1% and 3.00% depending on the location of real estate (generally calculated on the basis of the consideration (e.g. purchase price)) Registration fees applicable to the registration of transfer of real estate No transfer tax in respect of the acquisition of interest in the special purpose investment company	Yes	Closed-ended	Regulated as a licensed special purpose Investment company	No	Pass-through tax status at company level Capital gains exempt Acquisition of real estate by the company, if made in accordance with the special legal requirements applicable to the company, cannot be invalidated in case of insolvency of the seller	Regulatory approvals, incl. of the articles of association, Board members, appointment or replacement of servicing or managing companies Minimum real estate requirement (70%) Minimum capital requirement (BGN 500,000, app. equal to EUR 255,646) Minimum gross income (70%) from main activity (acquisition, management and disposition of real estate) requirement	Real estate

France

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
(OPCI) Fonds de placement Immobilier (FPI)									
Contractual (FCP) No legal personality	Pass-through entity subject to distribution requirements Tax at investor level No access to double tax treaties or EU Directives	Acquisition of interest in an OPCI is exempt from RETT where the acquirer holds less than 10% (individual) or 20% (corporate) of the OPCI following the acquisition	No	Open- or closed-ended	Requires regulatory approval and supervision by the AMF and a regulated manager (AIFM licensed to manage real estate funds)	No However, professional OPCIs (OPPCIs) are open to professional or sophisticated clients only	Pass-through tax status at fund level	Regulatory approvals Minimum real estate requirement (60%) Minimum capital and liquid asset requirements Professional OPCIs (OPPCIs) are more flexible in terms of liquid asset requirements	Long-term real estate investments
(OPCI) Société de placement à prépondérance Immobilière (SPPICAV)									
Corporate Usually SA or SAS	Opaque Exempt at fund level but subject to distribution requirements Tax at investor level No access to double tax treaties or EU Directives	Acquisition of interest in an OPCI is exempt from RETT where the acquirer holds less than 10% (individual) or 20% (corporate) of the OPCI following the acquisition	No	Open- or closed-ended	Requires regulatory approval and supervision by the AMF and a regulated manager (AIFM licensed to manage real estate funds)	No However, professional OPCIs (OPPCIs) are open to professional or sophisticated clients only	Corporate vehicle Tax exempt status at fund level One of the most popular French real estate funds	Regulatory approvals Minimum real estate requirement (60%) Minimum capital and liquid asset requirements Professional OPCIs (OPPCIs) are more flexible in terms of liquid asset requirements Dividend distribution requirements (rental income 85% and gains 50%)	Long-term real estate investments

Germany | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sondervermögen (fund in contractual form)									
Contractual (so-called chapter 3 fund under German Investment Tax Act)	Opaque or (semi) transparent	3.5 – 6 % RETT depending on the location of real estate in Germany RETT-Blocker structures possible, but require greater share of blocking entity	No	Open-ended	AIFM supervised by BaFin	(Semi) professional investors	Tax transparency (depending on structure) Sale of fund units does not trigger RETT* Single line balance sheet item (depending on structure)	Opaque tax treatment (depending on structure) If structured (semi) transparent: <ul style="list-style-type: none"> • Conclusive list of eligible assets • Risk diversification requirements • Limitation on leverage 	Investments by German tax-exempt institutional investors (e.g. pension schemes) Commonly implemented using a German service AIFM
Contractual (so-called chapter 2 fund under German Investment Tax Act)	Opaque Not tax transparent but solely subject to tax with domestic real estate income	3.5 – 6 % RETT depending on the location of real estate in Germany RETT-Blocker structures possible, but require greater share of blocking entity	No	Closed-ended	AIFM supervised by BaFin	(Semi) professional investors	Sale of fund units does not trigger RETT* Single line balance sheet item (depending on structure) Generally no limitation on leverage Generally no list of eligible assets	Opaque tax treatment	Investments by German tax-exempt institutional investors (e.g. pension schemes) Higher leverage possible Single asset club deals Commonly implemented using a German service AIFM

*This tax privilege is debated but remains in place for the time being.

Germany | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Investment Kommanditgesellschaft (InvKG) (limited partnership)									
Limited partnership	Transparent	3.5 – 6 % RETT depending on the location of real estate in Germany RETT-Blocker structures possible, but require greater share of blocking entity	No	Closed-ended /open-ended	AIFM supervised by BaFin	(Semi) professional investors	Tax transparency Trade tax avoided at fund level if structured as asset-managing partnership No limitation on leverage No risk diversification requirements (closed-ended) Highly flexible	No access to tax treaties and EU PSD at fund level Sale of LP interest may trigger RETT	Higher leverage possible Single asset club deals (closed-ended) Commonly implemented using a German service AIFM

Italy

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Real estate investment fund (REIF)									
Contractual	Exempt at fund level Tax at investor level See footnote	VAT, registration tax, mortgage and cadastral tax and stamp duty	Yes	Closed-ended	Requires regulatory Approval Supervised by Bank of Italy	Limited to professional investors (and to non-professional investors provided that the conditions set forth by the Decree of the Ministry of Economy and Finance no. 30/2015 are met) if structured as "Reserved" funds	Tax exempt status at fund level	Regulatory Approvals Minimum real estate investment (66,6% in real estate assets, including inter alia, those arising from financial leasing contract, real estate companies (società immobiliari) and other real estate AIFs. Such percentage may be reduced to 51% when at least 20% of the AIF's total asset is invested in financial instruments issued in connection with securitisation transactions involving real estate assets/rights and/or receivables guaranteed by mortgages	Real estate
Società di investimento a capitale fisso (SICAF)									
Contractual	Exempt at fund level Tax at investor level See footnote	VAT, registration tax, mortgage and cadastral tax and stamp duty	Yes	Closed-ended	Requires regulatory Approval Supervised by Bank of Italy	Limited to professional investors (and to non-professional investors provided that the conditions set forth by the Decree of Ministry of Economy and Finance no. 30/2015 are met) if structured as "Reserved" funds	Corporate vehicle Tax exempt status at SICAF level	Regulatory Approvals Minimum real estate investment (66,6% in real estate assets, including inter alia, those arising from financial leasing contract, real estate companies (società immobiliari) and other real estate AIFs. Such percentage may be reduced to 51% when at least 20% of the AIF's total asset is invested in financial instruments issued in connection with securitisation transactions involving real estate assets/rights and/or receivables guaranteed by mortgages	Real estate

Note: Proceeds distributed to certain categories of institutional investors (such as pension funds, and collective investment undertakings established in countries which allow adequate exchange of information, sovereign funds,) are exempted from withholding tax

Luxembourg | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Luxembourg SICAV-SIF SCA									
Corporate partnership limited by shares with the form of an investment company with variable capital and subject to SIF law	Not tax transparent Not subject to Luxembourg income taxes (i.e., corporate income tax (CIT) and municipal business tax (MBT)) and net wealth tax Subject to an annual subscription tax of 0.01% of its NAV	No	Yes	Open or closed-ended	Subject to CSSF supervision: must be approved by the CSSF and comply with SIF Law and AIFMD if AIF full scope	Only well-informed investors: institutional, professional or EUR 100,000 minimum	Umbrella structure available and well known structure by investors	Diversification Requirements Direct CSSF supervision (less flexible re time to market)	All strategies – commonly used for PE/RE/Infra
Luxembourg SICAV-RAIF SCA									
Corporate partnership limited by shares with the form of an investment company with variable capital and subject to RAIF law	Not tax transparent Not subject to Luxembourg income taxes and net wealth tax Subject to an annual subscription tax of 0.01% of its NAV	No	Yes	Open or closed-ended	Light touch regulation and compliance with full requirements under AIFMD	Only well-informed investors: institutional, professional or EUR 100,000 minimum Not open to the retail market	Flexible, umbrella structure available and no direct CSSF supervision (time to market)	Diversification requirements	All strategies – commonly used for PE/RE/Infra

Luxembourg | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Luxembourg SICAV-RAIF SCSp									
Special limited partnership without legal personality with the form of an investment company with variable capital and subject to RAIF law	Tax transparent Not subject to Luxembourg income taxes and net wealth tax Subject to annual subscription tax of 0.01% of its NAV	No	Yes (but complicated)	Open or closed-ended	Light touch regulation and compliance with full requirements under AIFMD	Only well-informed investors: institutional, professional or EUR 100,000 minimum Not open to the retail market	Tax and legal Transparency Flexible, umbrella structure available and no direct supervision by CSSF (time to market)	Diversification requirements	All strategies – commonly used for PE/RE/Infra
Luxembourg unregulated SCSp									
Special limited partnership without legal personality	Tax transparent Not subject to Luxembourg CIT and net wealth tax. Not subject to MBT provided it is not deemed to pursue a commercial activity Not subject to subscription tax	No		Open or closed-ended	Not regulated and compliance with AIFMD if AIF full scope	Only professional investors in the EEA Not open to the retail market	Tax and legal Transparency Very flexible, no direct CSSF supervision (time to market) and no diversification requirements	No umbrella structure	All strategies – commonly used for PE/RE/Infra

Mauritius | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Variable Capital Companies (VCC)									
Company	<p>VCCs, sub funds and SPVs set up under the Variable Capital Companies Act 2022 are treated similarly to companies under the Income Tax Act 1995 and are generally taxed at 15%.</p> <p>VCCs may be entitled to partial exemptions of 80% on certain types of income (subject to meeting substance requirements). They may alternatively apply for certain tax credits on foreign-sourced income.</p> <p>If a VCC presents separate financial statements for each of its sub-funds or SPVs, then each sub-fund or SPV is liable to income tax individually.</p> <p>Where the VCC presents consolidated financial statements, the VCC fund will be liable for income tax on the aggregate income of its sub-funds and SPVs.</p> <p>Tax-resident VCCs also have access to double tax treaties of Mauritius</p>	<p>If the transfer of shares in a company or issue of new shares by a company gives rise to a right of ownership, occupation or usage in an immovable property in Mauritius, registration duty and land transfer tax of 5% on the value of the immovable property are payable to the Registrar General</p> <p>Should there be no immovable property involved as set out above there are no transfer taxes</p> <p>Where the company holds a global business license and does not reckon any immovable property as asset, the transfer shall be exempted from any registration</p>	Yes	Open and closed-ended	The Registrar of Companies of Mauritius, the Financial Services Commission of Mauritius and the Mauritius Revenue Authority	None	<p>No restriction on the number of sub-funds and SPVs that can be created under the VCC structure.</p> <p>Each sub-fund may opt to have a legal personality distinct from the VCC</p> <p>Each sub fund or SPV incurs liability on its own and are segregated ensuring ring-fencing of the assets and liabilities of each sub fund in case of insolvency</p> <p>Cross sub-fund investments and cross SPV investments are permitted within the same VCC</p>	As a relatively new vehicle, the market is only starting to discover the vehicle although there are already several VCCs which have been incorporated	All strategies

Mauritius | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Collective Investment Scheme (CIS)									
(i) Company; (ii) Trust; (iii) Limited Partnership; or (iv) Foundation	<p>Liable to income tax on its chargeable income at the rate of 15%</p> <p>CIS may however benefit from an exemption of (i) 80% on their income (other than interest income); and (ii) a 95% exemption on their interest income, subject to the satisfaction of the relevant substance requirements, subject to the satisfaction of the relevant substance requirements</p>	<p>If the transfer of shares in a CIS or issue of new shares by a CIS gives rise to a right of ownership, occupation or usage in an immovable property, located in Mauritius, a duty of 5% on the value of the immovable property is payable to the Registrar General</p> <p>Should there be no immovable property involved as set out above there are no transfer taxes</p> <p>Where the CIS holds a global business license and does not reckon any immovable property as asset, the transfer shall be exempted from any registration</p>	Yes	Open-ended	The Registrar of Companies of Mauritius, the Financial Services Commission of Mauritius and the Mauritius Revenue Authority	This will depend on whether the CIS is a retail scheme, a professional CIS, an expert CIS or a specialised CIS	<p>Suitable for a large number of investors</p> <p>Flexible structure</p> <p>Can apply for authorisation to the Financial Services Commission of Mauritius to act as an expert fund, a specialised collective investment scheme or professional collective investment scheme</p>	Regulated framework and statutory requirements (this is also a positive aspect depending on the investors targeted)	All strategies

Mauritius | 3

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Closed-End Fund (CEF)									
(i) Company; (ii) Trust; (iii) Limited Partnership; or (iv) Foundation	<p>Liable to income tax on its chargeable income at the rate of 15%</p> <p>CEFs may benefit from partial exemptions of (i) 80% on their income (other than interest income), and (ii) 95% on their interest income, subject to the satisfaction of the relevant substance requirements</p>	<p>If the transfer of shares in a CEF or issue of new shares by a CEF gives rise to a right of ownership, occupation or usage in an immovable property a duty of 5% on the value of the immovable property is payable to the registrar general (the property has to be situated in Mauritius)</p>	Yes	Closed-ended	<p>The Registrar of Companies of Mauritius, the Financial Services Commission of Mauritius and the Mauritius Revenue Authority</p>	None	<p>No requirement to conduct daily valuations</p> <p>No such requirement as to minimum funding</p> <p>No need to appoint a custodian</p>	<p>Compared to a CIS, the holder of securities in a CEF cannot redeem them at their net assets value</p> <p>Participants in a CEF do not have day to day control over the management of the property</p>	All strategies

The Netherlands | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Fonds voor gemene rekening (FGR)									
Contractual	<p>Opaque*</p> <p>In case participations units are freely tradable (so-called: "open FGR")</p> <p>Tax at fund level</p> <p>Generally access to double tax treaties and EU Directives</p> <p>Transparent</p> <p>In case: (i) admission or substitution is done via FGR (i.e. redemption and issuance of units); or (ii) admission or substitution requires prior unanimous consent of all participants (so called: "closed FGR")</p> <p>Tax at investor level</p> <p>No access to double tax treaties or EU Directives</p> <p>As of 2025, all FGRs will be treated as transparent, unless (a) a FGR qualifies as an investment fund (<i>beleggingsfonds or fonds voor collectieve belegging in effecten</i>) as defined in the Dutch Financial Supervision Act and (b) the admission and substitution to such regulated FGR is not done only through redemption and issuance of units</p>	<p>10.4% RETT (2024 rate) in case of real estate fund, with 30% of Dutch real estate.</p> <p>Generally, a transfer of an interest in a real estate fund is not subject to RETT if interest constitutes less than 1/3 of the (issued) fund size and the acquiring investor does not already own interest in fund which subsequently constitutes at least 1/3. Transfer of legal title to Dutch real estate (or shares in Dutch real estate entities) to general partner / depository may attract RETT</p>	Yes	Open or closed-ended	Regulated by the Dutch Authority for Financial Markets (<i>Autoriteit Financiële Markten</i> "AFM") if in scope of AIFMD, unless an exemption applies	No	<p>Flexible</p> <p>Potential tax transparency.</p> <p>No minimum capital requirement</p>	Lack of access to tax treaties and lack of free transfer rights with regard to closed FGR	Real estate

The Netherlands | 3

	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Commanditaire vennootschap (CV)									
<p>Contractual Limited partnership without legal personality</p> <p>Legal title to assets held by general Partner</p>	<p>Opaque*</p> <p>In case no prior unanimous consent of all partners is required with respect to the admission or substitution of a limited partner (so called: "open CV")</p> <p>Tax at fund level</p> <p>Generally access to double tax treaties or EU Directives</p> <p>Transparent*</p> <p>In case prior consent of all partners is required with respect to the admission or substitution of a limited partner (so called: "closed CV")</p> <p>Tax at investor level</p> <p>No access to double tax treaties or EU Directives</p> <p>As of 2025, all CVs are to be treated as transparent for tax purposes, unless such CV may also qualified as a fund within the context the Dutch Financial Supervision Act. In that case the 2025 rules applicable to FGRs also apply to the regulated CV.</p>	<p>10.4% RETT (2024 rate) in case of real estate fund, with 30% of Dutch real estate.</p> <p>Generally not subject to RETT if interest is less than 1/3 of the (issued) fund size (and this takes the form of units issued by the fund) and the acquiring investor does not already own interest in fund which subsequently constitutes at least 1/3. Transfer of legal title to Dutch real estate (or shares in Dutch real estate entities) to general partner / depository may attract RETT</p>	Probably not	Open or closed-ended	Regulated by the AFM if in scope of AIFMD, unless an exemption applies	No	<p>Flexible</p> <p>Potential tax transparency.</p> <p>No minimum capital requirement</p>	Lack of access to tax treaties and lack of free transfer rights with regard to closed CV	

The Netherlands | 5

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Fiscale beleggings-instelling (FBI)									
Corporate: Public limited company (NV) Private limited company (BV) Contractual as a non transparent FGR Comparable foreign entity (EU member state or tax treaty country with non discrimination clause)	Opaque and taxable at 0% Generally, has access to double tax treaties, but not to EU Parent Subsidiary Directive Tax will apply to permitted subsidiary carrying out project development activities As of 2025, FBIs may no longer invest directly in Dutch real estate assets, causing profits derived from Dutch real estate assets to become taxable	10.4% RETT (2024 rate) in case of real estate fund, with 30% of Dutch real estate Generally, not subject to RETT if interest is less than 1/3 of the (issued) fund size Transfer of legal title to Dutch real estate (or shares in Dutch real estate entities) to general partner / depository may attract RETT *A conditional and temporary exemption of RETT applies in 2024 for restructurings prompted by the introduced restriction that applies as of 1 January 2025	Yes	Open or closed-ended	May be regulated listed or licensed FBI Managed by an AIFM A private FBI is available	For regulated FBI: 45% ownership limit for any taxable corporate investor and 25% ownership restriction for an individual or Dutch corporate investors using non-Dutch Entities For private FBI: 75% ownership by private individuals, certain exempt entities or regulated FBIs requirement No private individual may own an interest of 5% or more	Zero tax rate Transfer rights for shares	Passive investment only Investment, debt and ownership restrictions Distribution requirement *Direct investments in Dutch real estate assets no longer allowed as of 2025	Passive investment

Norway

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Norwegian limited company (<i>Aksjeselskap</i>)									
Corporate: Private limited company	Opaque. Ordinary income taxed at 22% on the hands of the company. Dividends and capital gains on shares subject to participation exemption for Norwegian corporate investors. WHT of 25% applies to dividends, but the rate may be reduced under an applicable double tax treaty. Exemption may apply where the recipient is a corporate entity genuinely established within the EEA.	Real estate transfer tax of 2.5% on registration of deed (calculated on the basis of the consideration (e.g. purchase price)) No other transfer taxes or stamp duties	Yes (but would be highly unusual)	Open- or closed-ended	AIFM regulated by the Norwegian Financial Supervisory Authority (<i>Finanstilsynet</i>)	No	Flexible	Withholding tax on dividends	All strategies
Norwegian internal partnership (<i>Indre selskap</i>)									
Contractual partnership without legal personality Legal title to assets held by general partner	Transparent Income is calculated on company level and attributed to the participants based on ownership interest.	Real estate transfer tax of 2.5% on registration of deed (calculated on the basis of the consideration (e.g. purchase price)) No other transfer taxes or stamp duties	No	Open- or closed-ended	AIFM regulated by the Norwegian Financial Supervisory Authority (<i>Finanstilsynet</i>)	No	Flexible and high resemblance to limited partnership Tax transparency	Norwegian foundations may not invest Nordic investors are unfamiliar with the legal construction Foreign participants / investors risk creating a Norwegian taxable presence (PE)	All strategies

Poland

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Specialised open-ended investment fund applying investment restrictions of closed-ended investment funds									
Contractual	Opaque Partial exemption depending on the type of income (generally, investments into tax transparent entities are subject to CIT) Tax at investor level	1% on non tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	No	Open or closed-ended	Regulated by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego)	Yes, limited to legal persons, partnerships, or individuals investing the PLN equivalent of EUR 40,000 minimum	No income tax at the fund level unless investments are made into tax transparent structures	Limitation of possible investors	Specific types of investors preferring highly regulated entities
Alternative investment company ("ASI")									
Joint stock company/ LLC/EU/ company /limited partnership/ limited joint stock partnership	Exemption for income from exit (disposal of shares – parent-subsidary type) For other types of income, general taxation applies Tax at investor level	1% on non tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	Yes, to the extent that they issue shares	Open or closed-ended	Regulated by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), although, depending on the fund, the scope of supervision may be very limited	Yes, to professional investors	Income tax exemption for disposal of portfolio shares	Limitation of possible investors	All strategies
Closed-ended investment fund									
Contractual	Partial exemption depending on the type of income (generally, investments into tax transparent entities are subject to CIT) Tax at investor level	1% on non-tangible assets (e.g. shares in a Polish SPV) and 2% on tangible (e.g. RE located in Poland)	Yes	Closed-ended	Regulated by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego)	Yes, limited to legal persons, partnerships, or individuals investing the PLN equivalent of EUR 40,000 minimum	No income tax at the fund level unless investments are made into tax transparent structures	Limitation of possible investors	All strategies

Romania | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Alternative investment funds specialised in real estate investments (“FIAIMOB”)									
Contractual	Tax transparent, tax at investor level. FIAIMOB concept was recently introduced in the domestic law, and it is not specifically covered by the tax legislation.	The transfer of real estate is subject to notary and Land Book fees, at approx. 1% of the real estate transfer price.	Yes, to the extent that certain requirements are met	Open- or closed-ended	Regulated by the Romanian Financial Supervision Authority (Autoritatea de Supraveghere Financiara).	Yes, to professional investors	A FIAIMOB cannot buy or sell real estate assets without having been previously valued by an independent valuator. As a general rule, the purchase or sale of real estate assets cannot be done at a price that is more than 10% higher (purchase), respectively by more than 10% lower (sale) by the valuation determined by an independent valuator.	Limitation of possible investors High minimum access investment amount to the FIAIMOB	Real estate investments

Romania | 2

	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Alternative investment funds specialised in real estate investments (“FIAIMOB”)									
Legal entity (e.g., joint stock company, limited liability company)	General taxation rules apply. Access to double tax treaties and Parent-Subsidiary Directive How investors are treated for tax will depend on their tax residence	The transfer of real estate is subject to notary and Land Book fees, at approx. 1% of the real estate transfer price	Yes, to the extent that certain requirements are met	Open- or closed-ended	Regulated by the Romanian Financial Supervision Authority (Autoritatea de Supraveghere Financiara)	Yes, to professional investors	A FIAIMOB cannot buy or sell real estate assets without having been previously valued by an independent valuator. As a general rule, the purchase or sale of real estate assets cannot be done at a price that is more than 10% higher (purchase), respectively by more than 10% lower (sale) by the valuation determined by an independent valuator	Limitation of possible investors High minimum access investment amount to the FIAIMOB	Real estate investments

Singapore

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Singapore Limited Partnership									
Limited Partnership	Tax transparent	Nil	No	Open and closed-ended	None other than requirements to register as a limited partnership with Accounting and Corporate Regulatory Authority of Singapore	None	Very flexible unregulated tax transparent vehicle	Less commonly used than limited partnership structures from other jurisdictions	All strategies
Singapore Variable Capital Company									
Corporate entity	Taxable as a corporate entity but can avail itself of one of a range of fund-specific tax incentives that can reduce the corporate tax rate to zero	The share duty rate is 0.2%	Yes	Open and closed-ended	Needs a Singapore based licensed or regulated fund manager	None	Flexible and tax efficient regulated vehicle Can be used as an umbrella fund structure It can avail itself of Singapore's extensive network of tax treaties (not available to limited partnerships) Register of shareholders is not publicly available	As a new vehicle (launched January 2020) it is not widely known in the market (although as of December 2020 nearly 200 Singapore VCCs had been launched)	All strategies

South Africa | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Limited Partnership									
Contractual	Transparent	Securities transfer tax (0.25%) on portfolio company disposals Capital gains tax (at ranging between 18% and 36%) or income tax (at a marginal rate) could apply to the carried interest earned by the fund manager or general partner	No	Usually closed-ended May be used on an open-ended basis for suitable asset classes such as infrastructure and primary agriculture	The Financial Sector Conduct Authority regulates the fund managers	Yes, no retail investors. The investors are high-net worth individuals and institutional investors	Limited liability for investors, familiar investment vehicle for international investors and tax transparent	Restricted investor base	Private equity funds
Real Estate Investment Trust (REIT)									
Public Company (corporation) or Trust (contractual)	REITs are exempt from capital gains in respect of the disposal of its immovable property, shares in another REIT or shares in a controlled property company REITs can claim, as a deduction, distributions made to its shareholders	The transfer of shares in a REIT is exempt from securities transfer tax Investors will only pay capital gains tax when the REIT share is sold, dividends withholding tax does not apply to distributions to South African investors If the recipient of a dividend is a non-resident investor, the dividend will remain exempt from income tax but dividends withholding tax may apply (depending on the relevant double taxation agreements)	Yes	Open-ended	Subject to requirements of the Companies Act, 2008 (Companies Act) and requirements of the relevant exchange. Also subject to oversight by the South African Revenue Service	None	Liquidity for investors, favourable tax treatment	Extensive regulation	Real estate investment

South Africa | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Special Purpose Acquisition Company (SPAC)									
Public Company	SPACs are subject to ordinary corporate taxes	Securities transfer tax (0.25%) on portfolio company disposals Investors may incur capital gains tax (on exit) and dividends withholding tax (at 20%) on dividends/Distributions	Yes	Closed-ended	Subject to the requirements of the Johannesburg Stock Exchange Subject to requirements of the Companies Act, 2008 (Companies Act). Also subject to oversight by the South African Revenue Service	Yes. The minimum capital to be raised by a SPAC is R500 million for a listing on the Main Board of the JSE and R50 million for a listing on the Alternative Exchange (AltX) of the JSE	SPACs minimise operating business risks; it is an effective way of creating currency for M&A transactions The cost of going public is significantly lower than a traditional IPO SPACs allow for a broader base of investors and have built in regulatory safeguards to protect all parties to the deal. SPACs may not obtain debt financing for reasons other than to facilitate an acquisition	A company applying for a SPAC listing may not undertake any commercial or business operations If the SPAC fails to complete the acquisition(s) within a set timeframe (generally two years), funds must be returned to investors SPACS don't require the same level of due diligence as traditional IPOs	Mergers and Acquisitions

Spain | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario (SOCIMI)									
Public Corporation	Taxable at 0% if certain requirements are met. However, non-distributed benefits are taxed at a 15% tax rate. SOCIMIs are liable to pay 19% on dividends distributed to shareholders that (i) hold at least 5% of its capital (ii) which are tax exempt or taxed at an effective rate lower than 10% (iii) are not distributed to other SOCIMI or foreign REIT	No RETT applies on the transfer of shares provided that the real estate assets are linked to the development of an economic activity for Spanish tax purposes	Yes Listing is a requirement Usually, these companies are listed in the Spanish MAB (<i>Mercado Alternativo Bursátil</i>) but there are recent precedents of listings on France's Euronext since any regulated secondary market in the EEA may be eligible	Open-ended Minimum floating capital is required by Law	Relevant stock Market supervising body	No specific investor restriction However, tax treatment is different depending on the corporate income tax payable by the shareholder	Zero corporate income tax rate 95% relief in transfer tax and stamp duty applicable to acquisition of residential units or land to be used for residential developments	EUR 5m minimum share capital 80% of its assets shall be qualifying assets (rental properties, investment in REITs or other real estate collective investment schemes) Limitations to corporate structuring (a SOCIMI affiliate, which is not a SOCIMI cannot have further affiliates) Profit distribution obligations	Rental real estate properties

Spain | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Sociedad Anónima (SA)									
Public limited liability company Investors own shares Subject to Spanish Companies Act Opaque unless listed	Opaque and taxable at general CIT rate of 25% (23% and 15% reduced tax rates could be applied in certain cases) Has access to double tax treaties and to EU Parent-Subsidiary Directive	No RETT applies on the transfer of shares provided that the real estate assets are linked to the development of an economic activity for Spanish tax purposes.	Yes, but unusual (for listing purposes, SOCIMI is more usual)	Open-ended if listed	Only if listed	No	If listed, more control by the regulatory and, then, more security for investors High liquidity, if listed	If listed, regulatory approval and regulated status vehicle	Extended use for funds and joint ventures on real estate sector Especially used if the listing of the vehicle is expected within the future
Sociedad de Responsabilidad Limitada (SRL or SL)									
Private limited liability company Investors own shares Subject to Spanish Companies Act Opaque	Same as SA (see above)	Same as SA (see above)	No	Closed-ended	No	No	High flexibility and potential liquidity	None in particular	Extended use for funds and joint ventures on real estate sector

Sweden | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Swedish Limited Liability Company (Aktiebolag)									
Corporate: Private limited liability company	Corporate tax 20.6% Dividends and capital gains on shares are subject for participation exemption WHT of 30% applies to dividends, but the rate may be reduced under applicable double tax treaty Exemption from WHT may apply if the recipient is a limited liability company genuinely established within the EEA or if what is exempted under the relevant double tax treaty (if applicable)	Real estate transfer tax of 4.25% if sold to a company and 1,5 % if sold to an individual on registration of deed. The transfer tax is only levied if the real estate is sold directly, i.e. is the transfer tax not levied if real estate is sold indirectly via a SPV Sweden does not have any other transfer taxes or stamp duties	Yes, but requires that the entity is re-categorised to a public limited company	Open- or closed-ended	AIFM regulated by the Swedish Financial Supervisory Authority (<i>Finansinspektionen</i>)	No (other than requirements set out in AIFMD)	Flexible in terms of establishment and operations	Withholding tax on dividends	All strategies – commonly used for PE/RE/Infra

Sweden | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Swedish Limited Partnership (Kommanditbolag)									
Contractual partnership Represented by a general partner	Transparent Income is calculated on shareholder level and attributed to the participants based on ownership shares	Real estate transfer tax of 4.25% if sold to a company and 1,5 % if sold to an individual on registration of deed. The transfer tax is only levied if the real estate is sold directly, i.e. is the transfer tax not levied if real estate is sold indirectly via a SPV Sweden does not have any other transfer taxes or stamp duties	No	Open- or closed-ended	AIFM regulated by the Swedish Financial Supervisory Authority (<i>Finansinspektionen</i>)	No (other than requirements set out in AIFMD)	Highly flexible and similar to UK and Luxembourg Limited Partnership Tax transparency	Investor recognition is low For non-Swedish investors Risk of creating permanent establishment (PE)	All strategies – commonly used for PE/RE/Infra

Switzerland | 1

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Immobilien-Aktiengesellschaft									
Corporate – Swiss Stock Corporation	Opaque and taxable at corporate income tax rate depending on canton where the real estate is located Tax at investor level depending on residence and size of participation Generally, has access to double tax treaties	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	Yes	Closed-ended	No regulatory approval required if listed or if registered shares are issued to qualified investors as defined under Swiss law (“QI”)	For non-regulated and not listed funds restricted to QI (cf. left hand column) Furthermore, there are restrictions concerning foreign investors in case the fund invests in Swiss residential property and is not Listed	No regulatory approval required if listed or restricted to QI	No regulatory constraints (investor perspective)	Real estate
Anlagestiftung									
Corporate – Swiss Foundation	Opaque, but generally exempt from corporate income tax due to public purpose	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	No	Open-ended	Yes, by Occupational Pension Supervisory Commission	Restricted to Swiss pension funds, occupational pension schemes and other institutions, such as foundations, in the pensions field	Tax exemption	Restricted investor base	Real estate and any other type of real asset investment

Switzerland | 2

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Vertraglicher Anlagefonds									
Contractual	Generally transparent, but treated as opaque to the extent holding direct investments in real estate and taxed at a reduced rate	Following taxes may apply depending on the specific circumstances: Real estate capital gains tax, real estate transfer taxes, VAT, land register fees, securities transfer stamp duty	Yes	Open-ended	Requires FINMA approval and a regulated fund and asset manager, as well as a custodian	In principle no, unless restricted to QI There are however also restrictions concerning foreign investors in case the fund invests in Swiss residential property	Flexibility	Considerable regulatory constraints (fund perspective)	Real estate and any other type of real asset investment

UK and offshore jurisdictions | 1 (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
UK Limited Partnership [Private Fund Limited Partnership]									
Limited Partnership	Tax transparent	In most circumstances, 5% on direct underlying UK property GAV	No	Usually closed-ended	Manager regulated by FCA in UK and must comply with AIFMD Existing limited partnerships can opt-in to the new Private fund regime if they qualify as a "collective investment scheme"	Limited to institutional, high net worth or knowledgeable Investors	Tax transparent Often combined with other investment vehicles	Illiquid and can be subject to transfer tax Post-Brexit Non-EU AIF	Pan-European property investment Funds UK property joint ventures with exempt taxpayers
UK Unauthorised Exempt Property Unit Trust									
Unit Trust	Effectively tax-free at fund level	0.5%	No	Usually semi open-ended	Manager regulated by FCA in UK and must comply with AIFMD	Only available to UK tax exempt investors, i.e. pension funds and charities	Tax efficiency	Tax exempt investors only	Pooled property for exempt investors

UK and offshore jurisdictions | 2 (Channel Islands and Cayman Islands)

	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Open-Ended Investment Company (OEIC)									
Corporate entity	OEIC itself is exempt from tax on chargeable gains; may be subject to corporation tax at 25% on income. Option for election into Property Authorised Investment Fund (PAIF) regime, which, can bring tax advantages making the fund tax efficient, although not transparent. How investors are treated for tax will depend on residence.	Will depend on asset class OEIC holds	Yes (but would be unusual)	Open-ended	Vehicle authorised by FCA in UK and must comply with OEIC Regulations as well as broader FCA rules (such as COLL) As an OEIC may be structured as either a UK UCITS or a UK AIF and either of these Directives (as implemented in the UK post Brexit) and their UK Regulations would therefore also be relevant. A UK UCITS may not invest in direct real estate - and so real estate exposure is normally achieved by UCITS through investment in REITs and other property investment companies.	Will depend on whether the OEIC is a UCITS, a non-UCITS retail scheme, a Qualified Investor Scheme or a Long Term Asset Fund The former 2 are suitable for retail; the latter for sophisticated or professional clients only	Suitable for a large number of investors Open-ended: so flexible	Investment restrictions (if a UCITS or NURS). Much greater flexibility for QIS and LTAF. Regulated framework (which may be a benefit depending on fund requirements and target investor)	Retail investment (if a UCITS or NURS)

UK and offshore jurisdictions | 3 (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Authorised Contractual Scheme (ACS)									
ACSs can be established in two legal forms: as authorised co-ownership schemes, as authorised limited partnership funds	Tax transparent ACS itself is not a taxable entity for UK tax purposes and is not subject to tax in the UK on income or gains arising on underlying investments In some markets, domestic withholding tax exemptions may apply to the ACS	Unlikely if an authorised co-ownership scheme.	No	Open-ended	Vehicle authorised by FCA in UK and must comply with ACS Regulations as well as broader FCA rules (such as COLL) The ACS may be structured as either a UCITS or an AIF and either of these Directives and their Regulations would therefore also be relevant	ACSs are available only to certain types of investor, being (1) a professional ACS investor (a professional client for the purposes of MiFID; (2) a large ACS investor (being a person who in exchange for units makes a payment of not less than GBP 1m or contributes property with a value of not less than GBP 1m); and (3) a person who already properly holds units in the ACS This restricts the usually wide investment criteria for UCITS and NURSSs and must be considered alongside the QIS or LTAF requirements	Tax efficiency	Investment restrictions (if a UCITS or NURSS. Much greater flexibility for QIS and LTAF Regulated framework (which may be a benefit depending on fund requirements and target investor)	UK institutional Investment (including local government pension schemes)

UK and offshore jurisdictions | 4 (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Cayman Islands Exempted Limited Partnership									
Limited Partnership	Transparent	5% on direct underlying UK property GAV above GBP 250,000 (with lower rates applied for the portion of GAV below GBP 250,000)	Yes	Usually closed-ended	Closed-ended funds are required to register with the Cayman Islands regulatory authority, the Cayman Islands Monetary Authority The regulatory requirements are similar to the Cayman Islands requirements for open-ended "Mutual" funds, including a requirement for an annual audit with Cayman Islands local audit sign-off	None (subject to usual Anti-Money Laundering/ Countering Terrorist Financing/ Proliferation Financing restrictions including sanctions)	Very flexible, proportionate regulation and supervision Tax transparent vehicle with no tax Cayman Islands tax imposed at the entity/investor level Ideally suited for multiple jurisdictions; high investor familiarity	Time zone for European Managers	Closed-ended real estate funds Private equity funds and credit funds
Jersey/Guernsey Property Unit Trust									
Unit Trust	Usually tax transparent for income Transparency election or exemption election often available	Nil	Yes (but would be unusual)	Usually closed-ended	By JFSC in Jersey Unregulated/ Light touch regulated funds available for institutional and large investors The functionaries of funds may need to be supervised If marketing in Europe, must consider AIFMD By GFSC in Guernsey	Depends on regulatory approval obtained	Tax treatment, high flexibility and potential liquidity	Must be managed and controlled outside UK	UK property investment

UK and offshore jurisdictions | 5 (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
UK Real Estate Investment Trust (UK REIT)									
<p>Is an elected tax status?</p> <p>UK tax resident company (can include other countries if tax resident in UK)</p> <p>Share capital and ownership conditions apply</p>	<p>Tax exempt status for UK property investment business</p> <p>Can have up to 25% of business related to other activities but other activities may be taxable</p>	<p>0.5% if UK Company</p> <p>Will depend on country if non-UK (e.g. Jersey)</p>	<p>Yes. An exemption from listing is available where 70% of direct / indirect ownership is institutional</p>	<p>Closed-ended (but buy backs possible)</p>	<p>UK AIFMD rules if an AIF with the REIT (internal management) or Manager (external management) regulated by FCA</p> <p>UK or other jurisdiction Prospectus rules if "listed"</p>	<p>No, but for unlisted vehicles, there are specific investor requirements</p>	<p>Tax exempt status for UK property investment</p> <p>Can be part of a fund</p> <p>Can have investment vehicles and joint ventures</p>	<p>Range of REIT conditions which must be met to maintain REIT status</p>	<p>UK property investment</p> <p>Potential "unlisted" use and potentially as part of a fund</p>

UK and offshore jurisdictions | 6 (Channel Islands and Cayman Islands)

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Qualifying Asset Holding Company (QAHC)									
Is an elected tax status for UK tax resident holding companies (can include other countries if tax resident in UK) Conditions apply including for ownership and must have a qualifying investment strategy	Tax exempt status for ringfenced investment business such as for qualifying shares and non-UK land (not UK land) Investors broadly taxed as if they had invested direct	0.5% if UK Company Will depend on country if non-UK (e.g. Jersey)	No	Closed-ended (but buy backs possible)	UK AIFMD rules by FCA if an AIF	FCA financial promotion rules Tax ownership requirements - investors other than good (e.g. institutional and diverse ownership investors) not to exceed 30%	Tax efficiency including for ringfenced business. Withholding tax exemptions on dividends and interest	Entry Specific holding company regime and limitations on activities	Use as an investment vehicle for qualifying investments Comparable to Luxembourg asset holding companies (AHCs)

Ukraine

Form	Tax Treatment	Transfer Tax	Listable	Open or closed ended	Regulatory Supervision	Investor Restrictions	Best Feature	Worst Feature	Best Used For
Venture investment corporate fund in Ukraine									
Legal personality	Exempt at fund level on Investment income Tax at investor level on distributed profits Gains from sale / disposal of fund shares (securities) taxable at investor level Double taxation treaties may apply for the fund	No	Yes	Closed-ended	Requires regulatory approval and managed by a licensed asset management company	In principal no investment restrictions, except that the investment contribution to set up a fund has to be made only with cash	Income tax exemption	Heavily regulated	For financing various types of businesses, including financial and contraction companies
Venture investment mutual fund in Ukraine									
Contractual	Exempt at fund level on Investment income Tax at investor level on distributed profits Gains from sale / disposal of fund certificates taxable at investor level Double taxation treaties availability depends on specific treaty provisions	No	Yes	Closed-ended	Requires regulatory approval and managed by a licensed asset management company	In principal no investment restrictions, except that the investment contribution to set up a fund has to be made only with cash	Income tax exemption	Heavily regulated	Real estate (especially at the construction stage) and others type of real asset investment

European Long Term Investment Funds (ELTIFs)

ELTIFs are EEA based funds which focus on investing in long-term and illiquid assets such as venture capital, private equity, private debt, real estate and infrastructure. Their domicile and authorisation will be within each relevant EEA country using the ELTIF framework. There has been increasing interest and activity in this type of fund. The ELTIF features described below start applying as from 10 January 2024, which is the date of application of the new ELTIF Amending Regulation.

Form	Open or closed ended	Investments	Diversification	Regulatory Supervision	Borrowing	Marketing	Management and Depository	Investors	Tax
ELTIFs									
<p>A type of EU domiciled regulated alternative investment fund (AIF)</p> <p>ELTIF is a label on top of regular national product laws such as:</p> <ul style="list-style-type: none"> SIF, SICAR, RAIF for well-informed investors <p>OR</p> <ul style="list-style-type: none"> SCS, SCSp, Part II UCI for all investors 	<p>Closed ended but early redemptions may be permitted subject to conditions set by ESMA</p>	<p>At least 55% in eligible investments such as:</p> <ul style="list-style-type: none"> real assets green bonds equity, quasi equity, debt instruments issued by or granted to a qualifying portfolio undertaking simple, transparent and standardised securitisations (STS) where the underlying assets consist of long-term exposures; and units, shares, interests in ELTIFs, EuVECAs, EuSEFs, UCITS or EU AIFs managed by EU AIFMs investing in “eligible investments” only (fund-of-funds strategy allowed) <p>Limits and restrictions apply</p>	<p>Diversification requirements and concentration limits apply</p> <ul style="list-style-type: none"> limit of 20% of its capital in a single qualifying portfolio undertaking, single real asset, or units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM or 10% UCITS eligible assets issued by a single body) not more than 30% of the units/shares of a single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM <p>Do not apply where ELTIF is marketed solely to professional investors</p>	<p>Yes</p> <p>Must apply for authorisation to its home state regulator</p>	<p>No more than 50% of NAV if the ELTIF marketed to retail investors</p> <p>OR</p> <p>no more than 100% of NAV if solely marketed to professional investors</p>	<p>Can avail of an EEA marketing passport for both retail and professional investors</p>	<p>An EEA authorised AIFM</p> <p>AIFMD rules on a depository apply</p>	<p>Institutional investors and retail investors with no minimum financial portfolio requirement and no minimum investment amount</p> <p>MiFID aligned suitability test and PRIIPS key information document (KID) for retail investors</p>	<p>Will depend on form, national jurisdiction and activity</p>

Long Term Asst Funds (LTAFs)

The LTAF is the UK's regime in place of the European Long-Term Investment Fund (ELTIF) regime for attracting investment into longer-term assets. The FCA has recently reformed the regime enabling wider retail distribution and even more recent announcements to enable ISA investment in LTAFs may make LTAFs more attractive to wealth managers. There has been an uptick in interest for the LTAF and its focus on investing in long-term illiquid assets. The table below sets out an outline summary but there are additional features, restrictions and requirements.

Form	Open or closed ended	Investments	Diversification	Regulatory Supervision	Borrowing	Marketing	Management and Depository	Investors	Tax
LTAFs									
UK category of authorised fund Legal form: <ul style="list-style-type: none"> • authorised contractual scheme (ACS) (either by a co-ownership scheme or an authorised limited partnership scheme) • authorised unit trust (AUT); or • open-ended investment company (OEIC) 	Open-ended. Minimum redemption notice period of 90 days Typical to have other disclosed liquidity tools	At least 50% of the value in relevant long-term illiquid assets including (directly or indirectly) Private equity and other unlisted securities <ul style="list-style-type: none"> • Private credit • Venture capital • Infrastructure • Real estate • Forestry • Precious metals 	A “prudent spread of risk”	The Financial Conduct Authority (FCA) Fund has to be authorised	Borrowing is capped at 30% of the NAV	LTAFs can be marketed within the UK subject to the FCA marketing rules. Cannot be sold into EEA states unless their private placement regime permits this	A full scope alternative investment fund manager (AIFM) and a depository	UK Professional and sophisticated investors May be marketed to retail investors subject to providing requisite risk warnings on liquidity	No separate tax regime. Depends on form of the LTAF. Only an ACS is tax transparent

About CMS Funds Group

Global reach

Our funds lawyers are embedded in their local markets and have extensive industry connections. But we are also well known for our specialist expertise in international fund structuring and cross-border mandates.

From our global team of over 150 professionals, we can mobilise the right people quickly to create the best team for every mandate. Our experts are based in jurisdictions including Austria, Belgium, Brazil, Bulgaria, Chile, Colombia, France, Germany, Hungary, Italy, Mauritius, Netherlands, Norway, Poland, Romania, Singapore, South Africa, Spain, Sweden, Switzerland and the UK, as well as Luxembourg. Our lawyers also provide US regulatory support.

Wherever you operate and do business, we can put the experience and resources of one of the world's largest law firms to work for you.

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Every stage of the funds cycle demands a tailored strategy and structure. CMS offers expert advice at every stage of the funds lifecycle – from planning and launch through governance, restructuring and exit. Different types of funds and asset classes also require distinct advice. We advise on all types of funds (both regulated and unregulated) and indirect structures, across the asset classes from private equity, real estate, infrastructure, hedge, venture capital, debt and exchange traded funds.

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About CMS Funds Group

Preparing for transformational tech



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Industry players



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