

COMPETENT AUTHORITY AGREEMENT

The competent authorities of the United Kingdom and the Netherlands have reached the following mutual agreement regarding the application of the Convention between the Government of the Kingdom of the Netherlands and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains and the related Protocol signed on 26 September 2008 to UK pension scheme and Charity investors in UK *Common Investment Funds* (hereinafter also referred as: 'CIFs').

A CIF is an arrangement whereby a number of registered pension schemes have pooled some or all of their investments into a common fund for investment purposes. The CIF must be no more than an investment agency for the assets of participating schemes. A CIF cannot be a registered pension scheme in its own right (See the HMRC Guidance).

Charity CIFs are set up by Schemes made by the Charity Commission (the Commission) under section 22 of the Charities Act 1960 (now repealed), section 24 of the Charities Act 1993 (now repealed) or sections 96 to 99 of the Charities Act 2011. They operate as investment vehicles and are deemed by law to be charities themselves. They are therefore eligible for registration as charities in their own right.

This Agreement applies to UK CIFs whose investors are:

- a. Pension schemes which qualify for benefits under the above Convention¹;
- b. Charity organisations which qualify for benefits under the above Convention²; and
- c. Other investors which qualify for benefits under a Convention for the avoidance of double taxation to which the Netherlands is a Contracting State.

A CIF can act as a pooled investment vehicle for the assets of pension schemes or charities. The CIF invests these assets on behalf of those investors.

The competent authorities of the Netherlands and the United Kingdom agree that a CIF is regarded as fiscally transparent in both countries. Since a CIF is fiscally transparent, all income and gains derived by the fund from the fund assets are allocated to the investors in the CIF in proportion to their participations in the CIF.

Request for application of the benefits of a Convention on behalf of the participants

A CIF which is established in the United Kingdom and which derives income and gains arising in the Netherlands may itself, represented by its custodian,

¹ Article 3, paragraph 1, letter l of the Convention and Article III, letter b of the Protocol.

² See Article 4, paragraph 2, letter b of the Convention.

manager or depository, in lieu of and instead of the investors in the CIF, claim the benefits of an agreement for the avoidance of double taxation to which the Netherlands is a Contracting State and which is applicable to those investors, on behalf of those investors in the CIF and according to the conditions of such agreement.

Such claims may be subject to enquiry and, where requested, a custodian, manager or depository shall provide relevant information which may include a schedule of investors and allocated income relevant to a claim. A CIF may not make a claim for benefits on behalf of any investor in the CIF if the investor has itself made a claim for benefits in respect of the same income. If a CIF intends to make a claim for benefits on behalf of an investor, the custodian, manager or its depository should clearly communicate this to the investor to avoid duplicate claims in respect of the same income.

This Agreement shall be subject to regular review.

Agreed by the undersigned competent authorities:

London, 8 September 2014
Mr. Andrew Dawson
UK Competent Authority

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The Hague, 19 September 2014
Mr. Harry Roodbeen
Netherlands Competent Authority

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