Private Placement Exemption & White & Case

New UK withholding tax exemption for private placements

Key facts about us

Advised HM Treasury on their crafting of the private placement exemption

Liaised with key stakeholders such as The Investment Association

Active role in the HMRC and HM Treasury working party group

Helped develop the regulations and accompanying detailed guidance notes

The new rules at a glance

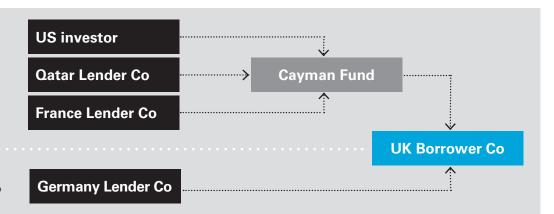
Broadly, from 1 January 2016, there will be no UK withholding tax on interest payments on a loan/security which meets all of the requirements below:

- □ not listed on a recognised stock exchange
- term of not more than 50 years and a minimum value of £10 million
- it represents a loan relationship to which a company is a party as debtor
- the debtor and each creditor are not connected
- the ultimate beneficial owner of the interest is resident in a country with a UK double tax treaty containing a non-discrimination article (the vast majority of UK tax treaties do)

Debt finance (via a Cayman Fund) to a UK borrower may now result in:

- No UK withholding tax
- No need to list bonds to make use of Quoted Eurobond exemption
- Overall cost savings
- Limited public disclosure

A lender from a country with a double tax treaty with the UK may no longer need to apply for treaty relief





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International Financial Law Review 2015

Benefits

- UK borrowers have a much wider range of options when searching for lenders worldwide
- Lenders have a greater range of potential tax efficient investment structures available
- No need to list bonds (in order to make use of the Quoted Eurobond exemption)
 saving time and money
- UK lenders and borrowers may no longer need to rely on double tax treaties to receive or make payments of interest free of UK withholding tax
- □ Applies to loan-type arrangements (as well as note instruments)
- Applies to securities issued at any time, so existing bonds may be included

Key contacts



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"...showed that being inventive in tax law can pay dividends... forward thinking will enable billions of dollars' worth of investment in the UK."

Financial Times, profiling our work on developing this exemption

"White & Case LLP 'has remarkable technical expertise in tax advisory, structuring and transactional work'."

Legal 500 UK, 2015

"Standout"

Financial Times Innovative Lawyers Report 2015, ranked our work on developing this exemption as one of the highlights of the year in Europe

Six FT Innovative Lawyers Commendations

Financial Times Innovative Lawyers Europe 2015 Report

Project Finance Practice Group of the Year *Law360, 2011-2014*

What we do

We offer a full service

We innovate

We provide a holistic approach

We are truly global

