Closed-ended Real Estate Funds

If insurance companies and pension funds invest in closed-ended real estate funds, they must be familiar with the requirements. KPMG provides advice for the implementation of the right investment structure and answers to specific tax questions related to the fund project.

Your challenge
You are required to prepare a comprehensive list of questions, for example from the tax sphere and the analysis of the real estate locations.

Our services
Assistance in planning closed-ended funds
- Identification of a suitable fund vehicle
- Implementation of the right investment structure:
  - Analysis of the domestic and foreign real estate locations based on tax and similar criteria
  - Analysis of the advantages of alternative investment vehicles and/or direct investment, if required
  - Tax model calculations for different distribution, investment and divestment scenarios
  - Presentation of the financing structures taking into consideration (permissible) debt capital ratios to achieve the highest yield possible

- Support regarding regulatory issues of the fund investment for certain groups of institutional investors
- VAT optimization of fee structures and review of their qualification as tax deductible business expenses
Advice on the establishment of a fund
• Response to specific tax questions related to the fund project and canvassing of investors
• Tax review of fund and project related drafts of contracts
• Tax advice and recommendations for (international) real estate acquisitions by providing support in negotiations and due diligence
• Application for advance rulings by the tax authorities
• VAT registration in the countries of investment

Support during the utilization period
• Preparation of tax returns for domestic and foreign companies associated in the fund and for the investors, if necessary
• Support and handling of future tax audits
• Ongoing accounting and preparation of annual financial statements
• Support in the adjustment of fund reporting to the requirements of institutional investors

Support in the dissolution of a fund (disinvestment phase)
• Check for tax efficient sales conditions for seller and buyer

Integrated consulting approach
Together with you, we first of all identify your specific requirements and develop possible approaches for dealing with them. We do not limit this to conducting a tax analysis, but keep the economic consequences in mind. The value for you will be clearly recognizable in numbers. Our international real estate network allows us to offer prompt and comprehensive answers to complex international questions.

The capabilities
Our team members include certified tax advisors*, lawyers, and MBAs with outstanding practical knowledge and many years of experience with real estate taxation and advising of real estate investment funds. It goes without saying that we are available at short notice and that communication is clear and open. We would be happy to answer any questions you may have and are available for an initial, non-binding meeting. Please feel free to contact us.

* Legal services are provided by KPMG Rechtsanwaltsgesellschaft mbH.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Our services are provided subject to our verification whether a provision of the specific services is permissible in the individual case.

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