

MEMORANDUM OF UNDERSTANDING re. investment vehicles

1. Based on Article 24 of the Convention between the United Kingdom of Great Britain and Northern Ireland (“United Kingdom”) and the Swiss Confederation (“Switzerland”) for the avoidance of double taxation with respect to taxes on income, of 8 December 1977 (the “Convention”), the competent authorities have reached the following mutual agreement regarding a simplified procedure for the refund of withholding taxes to collective investment vehicles.

2. In the case of Switzerland the relevant vehicles are contractual funds as defined in Article 25, investment companies with variable capital as defined in Article 36 and limited partnerships for collective capital investment schemes as defined in Article 98 of the Federal Act on Collective Investment Schemes of 23 June 2006.

In the case of the United Kingdom the relevant vehicles are Authorised Unit Trusts, Unauthorised Unit Trusts and Open Ended Investment Companies.

The competent authorities may agree to include in the above paragraphs vehicles of identical or substantially similar economic or legal nature which are introduced by way of statute or legislation in either State after the date of signature of this Memorandum of Understanding. Such inclusions shall be made based on mutually agreed amendments to this Memorandum of Understanding.

3. The vehicles named in paragraph 2 may claim a refund of withholding tax limited to that proportion of units or shares beneficially owned by persons who are residents according to Article 4 of the Convention of the State in which the vehicle is organised.

Managers or authorised representatives of a vehicle organised in a State must indicate, based on data established at least once every year at a specific date, and to the best of their knowledge and belief, the percentage ownership of shares/units in a vehicle beneficially owned by residents of the State, as required by the claim form issued by the other State. Each State may apply appropriate control mechanisms.

Where the percentage ownership by residents exceeds 95% a full refund may be claimed. Where the percentage ownership by residents does not exceed 95% a proportional refund may be claimed.

4. The above procedure will be applied to all pending and future claims for refunds if claimants provide an appropriately completed claim form. Claims presented to the revenue authority on or after 1 January 2000 which were subsequently refused may be resubmitted and the above procedures will apply.

This memorandum of understanding replaces the memorandum of understanding concluded on 18 January 2006.

Done in duplicate at London this 12th day of February 2008 in the English and German languages, both texts being equally authoritative.

For the United Kingdom:

For Switzerland:

Andrew Dawson

Jürg Giraudi