

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 18 May 2012

Subject: **APPOINTMENT OF A TAX GUARANTOR IN TAIWAN**

Classification: Unrestricted

Summary: To seek authority for the signing of the Guarantee Agreement and Power of Attorney, and for the affixing of the Kent County Council seal to the Power of Attorney

FOR DECISION

INTRODUCTION

1. The Pension Fund from time to time invests via its fund managers in the Taiwan stock market. It is now required by the Taiwan authorities to appoint a Chinese legal entity as Tax Guarantor in Taiwan in relation to tax matters arising from these investments.
2. Having a Tax Guarantor in place will also enable our custodians, JP Morgan, to transfer cash proceeds from the sale of investments back to the UK.
3. KPMG UK act as advisors to the Pension Fund on tax matters and the intention is to appoint KPMG Ltd Taiwan as Tax Guarantor. The likely cost of this service based on the current value of funds held in Taiwan is £2,000 pa.
4. Authority is required from the Kent County Council Superannuation Committee for the signing of the Tax Guarantor Agreement and POA, and sealing of the POA.
5. The Agreement and POA have been reviewed by KCC Legal Services and Russin & Vecchi LLP, a Taiwan based lawyer.

RECOMMENDATION

6. Members are asked to:
 - (1) Authorise the Corporate Director of Finance and Procurement to sign the Tax Guarantor Agreement
 - (2) Authorise the Corporate Director of Finance and Procurement and Head of Financial Services to sign the Power of Attorney

- (3) Authorise Kent County Council Legal Services to affix the Kent County Council seal to the signed Power of Attorney

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