

# ATAD III: What is it and why do you need to act now?

The European Commission has published draft legislation aimed at preventing the use of shell companies for tax evasion and tax avoidance. Known as ATAD III, this draft Directive will potentially have a significant impact on investment funds which currently benefit from EU tax directives and treaties.

Despite the proposal being very much draft legislation and not scheduled to become effective until 1 January 2024, a two year look back period will apply, meaning that should the legislation be passed, relevant structures will be in scope from 1 January 2022. The implication for fund managers and companies, therefore, is that they should consider these new rules at the earliest opportunity and take appropriate action.

Our latest guide sets out what the Directive involves, the key structuring implications and what managers can do to prepare.

**Download the full guide here**

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