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Praemium wins UK platform deal

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Homegrown finance technology group Praemium marks a turning point in its foray to the UK after signing up Cofunds, one of the largest platforms in the region with over \$35 billion in assets under administration.

The contract follows the UK Government's pre-budget report which revealed its plans to make legislative changes to its existing Capital Gains Tax (CGT) treatment. Initially, Cofunds will use Praemium's capital gains tax functionality in their V-Wrap with a view to use the rest of the portfolio administration and performance analysis system as well as Praemium's separately managed accounts (SMA) technology.

Andy Creak, Cofunds' managing director, said: "With the forthcoming proposal to change Capital Gains Tax, professional advisers will be rethinking and exploring the tax strategies which are appropriate for their clients. We believe the new tools we hope to develop with Praemium will provide a very valuable addition to our service offering."

Praemium's managing director Arthur Naoumidis said that Australia is ahead of the UK in that many of the platforms here already provide tax functionalities and portfolio administration features not available overseas. This is partly because the wrap market locally is relatively mature but still in its early stages in the UK.

One of the key benefits of the deal, said Naoumidis, is that one of the CGT rules in the UK allows investors to keep the first \$22,000 of capital gains (around 9,000 pounds) tax-free. At the moment, getting that CGT exemption is not automated by the platform and fund providers there. By contrast, Cofunds can introduce automating this \$22,000 CGT exemption on behalf of investors using Praemium's technology.

"To us it is a major milestone. It's the first revenue-generating deal we're making in England," said Naoumidis, adding that the sheer scale of the \$35 billion platform also hints at the breadth of opportunities beyond the current CGT functionality deal.

Michelle Baltazar

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