



Invesco Liquidity Funds Plc United Kingdom Country Supplement

19 February 2025

This UK Country Supplement forms part of and should be read in conjunction with the Prospectus of Invesco Liquidity Funds Plc dated 14 February 2025 including the Appendix to the Prospectus dated 14 February 2025 (as may be supplemented or amended from time to time, the "**Prospectus**")



Information for Investors in the United Kingdom

General

This United Kingdom country supplement (the “**Country Supplement**”) forms part of, and should be read in conjunction with the Prospectus for Invesco Liquidity Funds plc (the “**Umbrella Fund**”) dated 14 February 2025 including the Appendix to the Prospectus dated 14 February 2025 (and any reference to the “Prospectus” herein shall be deemed to include all such documents). Unless otherwise stated, capitalised terms in this Country Supplement should have the same meaning as in the Prospectus.

This Country Supplement is freely available to residents of the United Kingdom (“**UK**”) and refers to the Umbrella Fund of which Invesco Investment Management Limited is the Manager (the “**Manager**”). The Umbrella Fund is an EEA UCITS that has been notified for temporary recognition pursuant to regulation 62 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as may be amended (the “**UCITS SI**”), for the purposes of part 17 of the UK Financial Services and Markets Act 2000, as amended (the “**FSMA**”). The documentation in respect of the Funds which may be offered in the UK pursuant to this Country Supplement is available on the website www.invescoglobalcash.com.

The attention of investors in the UK is drawn to Section 8 (“Investment Risks”) of the Prospectus and the relevant key investor information document(s) (the “**KIID(s)**”) before investing in the Umbrella Fund. Investors should note that the fees and expenses of the Umbrella Fund are set out in the Prospectus.

UK investors are advised that they will not have the right to cancel their investment under the Financial Conduct Authority cancellation rules in the UK and accordingly applications for Shares will, upon the receipt and acceptance of an application form, be binding upon investors. UK investors will not be entitled to compensation under the Financial Services Compensation Scheme in the UK.

Facilities in the UK

In connection with the Company's recognition under regulation 62 of the UCITS SI, the Manager maintains facilities in the UK at the following address:

Invesco Asset Management Limited
Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire, RG9 1HH
United Kingdom

(the “Facilities Address”).

The latest version of the Memorandum and Articles of the Umbrella Fund, the most recent Prospectus and the most recently prepared and published Annual Report and (Audited) Accounts and Semi-Annual Report and (Unaudited) Accounts may be inspected and copies of them obtained by investors, free of charge, during normal business hours at the Facilities Address.

Details of the procedure to be followed for the subscription and the redemption of Shares are set out in Section 5 (“Dealing Information”) of the Prospectus. Alternatively,

Shareholders may present their redemption requests incorporating any payment instructions to the Facilities Address for onward transmission to the Administrator, and obtain payment.

Information can also be obtained from the Facilities Address about the most recently published net asset value of the Shares which are available on the website of Morningstar (www.morningstarfunds.ie) accessible via www.invescoglobalcash.com.

Finally, any complaints about the operation of the Umbrella Fund can be submitted in writing to the Facilities Address for onward transmission to:

Invesco Investment Management Limited
Ground Floor
2 Cumberland Place
Fenian Street
Dublin 2
Ireland

The following is a summary of various aspects of the UK taxation regime which may apply to persons resident (and, in the case of individuals, resident and domiciled) in the UK acquiring Shares in the Umbrella Fund. It is intended as a general summary only, based on current UK law and published practice of HM Revenue & Customs (“HMRC”) in force and as applied as of the date of the Prospectus. Such law and practice may be subject to change (possibly with retrospective effect), and the summary below is not exhaustive. Further, it will apply only to those Shareholders holding Shares as the absolute beneficial owner thereof and as an investment, and does not apply to dealers or others acting in the course of a trade. The summary below does not apply to Shareholders which are tax exempt or subject to special taxation regimes.

This summary should not be taken to constitute legal or tax advice and any prospective Shareholder should consult their own professional advisers as to the UK tax treatment in respect of a holding of Shares in the Umbrella Fund.

The Directors intend to conduct the affairs of the Umbrella Fund so that it does not become resident in the UK for taxation purposes. Accordingly, provided the Umbrella Fund does not exercise a trade within the UK or carry on a trade in the UK through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for UK tax purposes and all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of their business, the Umbrella Fund will not be subject to UK income tax, corporation tax or capital gain tax arising to it other than withholding tax on certain UK source income.

The Directors intend that the affairs of the Umbrella Fund are conducted so that no such permanent establishment will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent this will at all times be satisfied.

It is not expected that the activities of the Umbrella Fund will be regarded as trading activities for the purposes of UK taxation. However, to the extent that trading activities are carried on in the UK, they may in principle be liable to UK tax. The profit from such trading activities will not, based on Section 1146 of the Corporation Tax Act 2010 and Section 835M of the Income Tax Act 2007, be assessed to UK tax provided that the Umbrella Fund, the Manager and the Investment Advisers meet certain conditions. The Directors, the Manager and the Investment Advisers intend to conduct the respective affairs of the Umbrella Fund, the Manager and Investment Advisers so that all the conditions are satisfied, so far as those conditions are within their respective control.

Certain interest and other income received by the Umbrella Fund, which has a UK source, may be subject to deduction of tax in the UK.

Income and gains received by the Umbrella Fund may be subject to withholding or similar taxes imposed by the country in which such returns arise.

Shareholders

Subject to their personal tax position, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of any dividends or other income distributions of the Umbrella Fund (whether or not such distributions are reinvested). In

addition, UK Shareholders holding Shares at the end of each ‘reporting period’ (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a Class’ ‘reported income’, to the extent that this amount exceeds dividends received. Further details on the reporting regime and its implications for investors are set out below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

The attention of Shareholders is drawn to Chapter 3 of Part 6 of the Corporation Tax Act 2009 and Section 378A of the Income Tax (Trading and Other Income) Act 2005, which provide that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. A distribution is treated as interest if the offshore fund, at any time during the “relevant period”, holds more than 60% of its assets in the form of qualifying investments (the “qualifying investment test”). Qualifying investments include money placed at interest (other than cash awaiting investment), debt securities or certain other investments.

Shareholders subject to UK income tax will pay tax at their full income tax marginal rate on such ‘interest distributions’ if the Funds holds more than 60% of its assets in qualifying investments at any time during the relevant period. Otherwise, income distributions received will be taxed as dividends at the lower dividend marginal rates.

Under the corporate debt tax regime in the UK, any corporate Shareholder which is within the charge to UK corporation tax will be taxed on the increase in value of its holding on a fair value basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the investments of the Funds consist of more than 60% (by value) of “qualifying investments” at any time during the relevant period. If the Fund does not hold more than 60% (by value) of “qualifying investments” at any time during the relevant period, Shareholders who are subject to UK corporation tax should generally expect to be exempt from UK taxation in respect of dividends from the Funds provided that the dividend income does not fall to be treated as trading income.

For the tax year 2016/2017, individuals domiciled and resident in the UK are generally taxed either at the basic rate of 20% where the interest income does not exceed £32,000, at the higher rate of 40% where interest income earned is between £32,001 and £150,000, or where interest income earned is in excess of £150,000 this income is taxable at a rate of 45% for the tax year 2016/2017.

Under Part 9A of the Corporation Tax Act 2009, dividend distributions by an offshore fund made to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the Shares held by that fund are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

From 6 April 2016, the dividend tax credit regime has been replaced by a new tax-free dividend allowance. An exemption from tax on the first £5,000 of dividend income

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received will be available to individual shareholders resident in the UK under the new dividend allowance regardless of the non-dividend income they have received. Dividend income received in excess of the £5,000 limit will be taxed at the following rates:

- (i) 7.5% on dividend income within the basic rate band
- (ii) 32.5% on dividend income within the higher rate band
- (iii) 38.1% on dividend income within the additional rate band

Shareholdings in the Umbrella Fund are likely to constitute interests in an “offshore fund”, as defined for the purposes of Part 8 of the Taxation (International and Other provisions etc.) Act 2010. Each Share Class of the Umbrella Fund is treated as a separate “offshore fund” for the purposes of United Kingdom taxation. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund (or on conversion from one fund to another within an umbrella fund) held by a Shareholder who is resident in the UK for taxation purposes and holds an interest in an offshore fund will be taxed on the sale, disposal, redemption or conversion on any accrued gain at the time of sale, redemption or other disposal as income (“offshore income gains”), unless the Share Class was a “reporting fund” certified by the HM Revenue & Customs (or previously a fund with distributor status) throughout the period during which the Shareholder holds an interest.

UK Reporting Fund Regime

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a non-reporting fund, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a reporting fund (and a distributing fund prior to the adoption of the UK reporting fund regime if an existing fund) for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits in which they can be made. Investors should refer to their tax advisors for further information.

It should be noted that a disposal for UK tax purposes would generally include a switching of interest between sub-funds within the Fund and might in some

circumstances also include a switching of interests between classes in the same sub-fund of the Fund.

In broad terms, under the Offshore Fund Regulations 2009 (the “Regulations”), a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. The Directors intend to manage the affairs of the Umbrella Fund so that these upfront and annual duties are met and continue to be met on an ongoing basis for each of the relevant Share Classes within the Umbrella Fund. The Directors may seek UK reporting fund status for any Share Classes where they feel it is appropriate. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-share basis to all relevant Shareholders. Investors are referred to HM Revenue & Customs’ published list of reporting funds for confirmation of the Share Classes of the Umbrella Fund which are approved as reporting funds. UK Shareholders which hold their interest at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The excess of the reported income over the amount distributed will be deemed to arise to UK Shareholders six months following the end of the relevant reporting period. Any gain accruing to the investor upon the sale, redemption or other disposal of their interest in a reporting fund will be subsequently taxed as a capital gain, with any undistributed income that has been subject to tax being treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

Once UK reporting fund status is obtained from HMRC for the relevant Share Classes, it will remain in place permanently so long as the annual requirements are undertaken. Should an investor require further information on the implications of the Funds obtaining such status, they should seek professional advice.

Shareholders who are exempt from UK tax on capital gains and income from investments (such as exempt approved pension schemes) will be exempt from UK tax on any income from, and any gains made on the disposal of their Shares.

The Umbrella Fund may decide in future to apply for other Share Classes to join the Reporting Fund Regime. For the purposes of UK Taxation a switch from shares in one Fund to shares in another Fund will generally be regarded as a disposal. A switch from one class of Shares to another class of Shares in a Fund may also constitute a disposal.

Investors resident in the UK for tax purposes holding shares in a non-reporting fund which subsequently becomes a UK “reporting fund” can elect to make a deemed disposal on the date that the Fund becomes a reporting fund. Such an election would crystallise any gains accrued to that date and would be subject to income tax. Gains which then accrue after the deemed disposal date would be treated as capital gains. The election must be made by the Shareholder in their tax return for the year in which the deemed disposal occurs. If an election is not made, the entire gain will be taxed as income on disposal.

Under current law, a disposal of Shares (which includes a redemption) by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, should be taxed at a capital gains tax rate of 10%

Taxation

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or 20% depending on the applicable marginal rate. The principal factors that will determine the extent to which such capital gains will be subject to capital gains tax are the level of annual allowance of tax free gains in the year in which the disposal takes place, the extent to which the Shareholder realises any other capital gains in that year and the extent to which the Shareholder has incurred capital losses in that or any earlier tax year.

Holders of Shares who are bodies corporate resident in the UK for taxation purposes will be taxed on any such gains at the applicable corporation tax rate of 19% from April 2017 but may benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index. It is proposed that the rate will be further reduced to 17% effective 1 April 2020.

Shareholders who are neither resident nor ordinarily resident in the UK for taxation purposes, should not generally be subject to UK taxation on any gain realised on any sale, redemption or other disposal of their Shares unless their holding of Shares is connected with a branch or agency through which the relevant Shareholder carries on a trade, profession or vocation in the UK.

Prevention of Avoidance of Income Tax

The attention of Shareholders resident in the UK is drawn to Chapter II of Part XIII of the Income Taxes Act 2007, which may render them liable to income tax in respect of undistributed income or profits of the Umbrella Fund. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to income or corporation tax in respect of undistributed income or profits of the Umbrella Fund on an annual basis.

This legislation will, however, not apply if a Shareholder can satisfy HM Revenue & Customs that either:

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
- (iii) all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under Chapter 2 of Part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

Attribution of gains to persons resident in the UK

The attention of Shareholders resident in the UK is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains 1992 ("Section 13"). Under this section, where a chargeable gain accrues to a company that is not resident in the UK but which would be a close company were it resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person however, where such a proportion does not exceed one quarter of the gain. Exemptions also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the UK. These provisions could, if applied, result in a person being treated as if part of any gain accruing to the Umbrella Fund (such as on a disposal of its investments that constitutes a chargeable gain for those purposes) had accrued to that person directly; that part being equal to the proportion of the assets of the Umbrella Fund to which that person would be entitled on the winding up of the Umbrella Fund at the time when the chargeable gain accrued to the Funds. The rules were extended by the provisions of section 14A of Taxation of Chargeable Gains Act 1992, with effect from 6 April 2008, to individuals who are domiciled outside the UK, subject to the remittance basis in particular circumstances.

As disposals of certain Share classes are subject to tax as offshore income gains, the Regulations rather than Section 13 may apply. Regulation 24 substitutes 'offshore income gain' for any reference to 'chargeable gain' in Section 13. There is some uncertainty as regards to whether Regulation 24 actually operates in the way that it was intended, since it may be interpreted as only applying to offshore income gains generated by offshore funds, as opposed to any capital gains accruing to the offshore funds. Despite this uncertainty, it would be prudent to assume that Regulation 24 applies to all capital gains realised by offshore funds in the same way as Section 13, since this would appear to have been the intention of the UK tax authorities when the legislation was drafted.

Controlled Foreign Companies

The attention of UK resident corporate Shareholders is drawn to the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010.

These provisions may subject UK resident companies to corporation tax on profits of non-resident companies, controlled by persons resident in the UK, in which they have an interest. These provisions affect UK resident companies who are entitled to at least 25% of the profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains. The effect of these provisions would be to render such corporate Shareholder companies liable to UK corporation tax in respect of their share of the profits of the Umbrella Fund unless a number of available exemptions are met. For accounting periods of a Shareholder beginning on or after 1 January 2013, these provisions will not apply if the Shareholder believes that it does not hold a 25% interest in the Fund throughout the relevant accounting period.

A charge to tax cannot arise however, unless the non-resident company is under the control of persons resident

Taxation

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in the UK and, on an apportionment of the non-resident's "chargeable profits", more than 25% would be attributed to the UK resident and persons associated or connected with them.

Any individual Shareholder domiciled or deemed domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Stamp Duty and Stamp Duty Reserve Tax

Liability to UK stamp duty and stamp duty reserve tax will not arise provided that any instrument in writing, transferring Shares in the Umbrella Fund, or shares acquired by the Umbrella Fund, is executed and retained at all times outside the UK. However, the Umbrella Fund may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Umbrella Fund on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

As the Umbrella Fund is not resident in the UK and provided the register of holders of Shares is kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for and/or redemption of Shares except as stated above.

No UK stamp duty should be payable on the transfer, subscription for or redemption of Shares in Dematerialised Form through the electronic securities settlement systems provided that any such transfer, subscription or redemption will be effected electronically and will not be effected by any written instrument.

Shareholders should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in the Funds.

If you are in doubt about your position, or if you may be subject to a tax in a jurisdiction other than the UK, you should consult your independent financial adviser.