

## **INDIVIDUAL SAVINGS ACCOUNT TERMS OF BUSINESS**

**LAST UPDATED: JANUARY 2023**

### **GUIDANCE NOTES**

Where you instruct us to manage an ISA account for you, these ISA Terms of Business will govern our management of your ISA Account for you. You should read these ISA Terms of Business together with the Client Agreement, which contains the general terms that govern our relationship.

#### **1 DEFINITIONS**

The definitions in the Client Agreement apply to these ISA Terms of Business, together with the following:

Annual Subscription means the payments, the value of which will be agreed by you and us subject to the Regulations, which you will make into your ISA Account in each Tax Year;

Client Agreement means the terms of business relating to discretionary investment management services, the Client Investment Profile, any supplemental terms and/or any other document which is in writing between you and us which has been signed by you, as may be amended or restated from time to time;

Continuous Subscription Form means the form (the required content of which will be determined by us from time to time) on which instructions regarding Annual Subscriptions must be made;

Investment(s) mean any investments, including cash, within the ISA Account which must be “qualifying investments” under the Regulations;

ISA means an Individual Savings Account for the purposes of the Regulations;

ISA Account means your ISA account with the ISA Manager and should be read as including each and every ISA Account in respect of which you have appointed us to act as ISA Manager;

ISA Application Form means the form on which an application for an ISA Account may be made, the required content of which shall be determined by us from time to time;

ISA Manager means Sarasin & Partners LLP (registered number OC329859);

ISA Terms of Business means these terms of business, as may be amended or restated from time to time;

Nominee Company means Bank of New York Mellon (London Branch) or such other party as we may notify to you from time to time;

Regulations means the Individual Savings Account Regulations 1998 (as amended or replaced from time to time) which govern the operation of ISAs; and

Tax Year means the period beginning 6th April in each year and ending on 5th April in the following year.

References to “we”, “us” and “our” are references to the ISA Manager.

## **2 ISA TERMS OF BUSINESS**

- 2.1 These ISA Terms of Business apply to the ISA Account in respect of which you have appointed us to act as ISA manager. They are supplemental to, and must be read in conjunction with, the Client Agreement.
- 2.2 For the avoidance of doubt, the terms of the Client Agreement will continue to apply to your ISA Account except where modified and superseded by the terms of these ISA Terms of Business. In the event of conflict between the Client Agreement and these ISA Terms of Business, these ISA Terms of Business shall prevail.

## **3 APPOINTMENT**

- 3.1 In submitting the completed ISA Application Form, you expressed a wish to appoint us as ISA manager of your ISA Account. We are an HMRC-registered ISA manager and we are responsible for the management of your ISA Account. We shall also manage the investments held within your ISA Account on a discretionary basis in accordance with the FCA Rules.
- 3.2 You should take the time to carefully read these ISA Terms of Business and the terms of the Client Agreement. A copy of each of these documents should be retained by you for future reference. If you are unclear about anything concerning our services please do not hesitate to contact us or speak to your professional adviser.

## **4 OUR MANAGEMENT OF YOUR ISA ACCOUNT**

- 4.1 Subject to the remaining provisions of this clause 4, you instruct us to transfer cash from your Portfolio into your ISA Account, for your initial and subsequent Annual Subscription.
- 4.2 Changes to any future Annual Subscriptions can be made by completing the Continuous Subscription Form.
- 4.3 Alternatively, we may accept transfers into your ISA Account from any existing ISA plan manager. You may transfer the whole of your current Tax Year’s ISA and/or previous Tax Years’ ISAs to us on the following terms:
  - (a) ISAs can be transferred between ISA plan managers without loss of their tax status;
  - (b) the transfer will be subject to our acceptance of your transfer application form;

- (c) the transfer of the previous Tax Year's ISA to us does not count towards that Tax Year's annual ISA allowance under the Regulations; and
- (d) any residual cash received from the preceding ISA plan manager after the date of the transfer will be credited to your ISA Account.

4.4 Unless you notify us to the contrary by way of a signed written notice, the investment objectives and investment restrictions for your ISA Account will be managed in combination with your Portfolio as set out in the Client Investment Profile which forms part of your Client Agreement with us and will be reported by us to you as one Portfolio. Where applicable and subject to the Regulations, in selecting Investments for your ISA Account which are consistent with your Client Investment Profile we will take into account the holdings across your whole Portfolio and not just within the ISA Account.

4.5 We will manage your ISA Account on a discretionary basis subject to:

- (a) these ISA Terms of Business;
- (b) the Client Agreement;
- (c) the Regulations;
- (d) relevant HMRC guidance on ISAs; and
- (e) and any other Applicable Regulation.

4.6 You will be sent a valuation, report and statement of all purchases and sale transactions (if any) made on your behalf through the ISA Account at least half-yearly.

## **5 YOUR UNDERTAKINGS**

5.1 You undertake to us that:

- (a) you are entitled to subscribe for an ISA under the Regulations;
- (b) to the extent that the Regulations impose requirements on you, you will comply with all such requirements;
- (c) you will notify us immediately of any change in your status which affects your ability to subscribe to an ISA;
- (d) in any Tax Year your total Annual Subscription to your ISA Account shall not exceed the relevant subscription limits permitted under the Regulations;
- (e) the Investments within your ISA Account will be, and will remain in, your beneficial ownership and will not be used as security for a loan; and

- (f) if asked to do so by us, you will sign an ISA Application Form or Continuous Subscription Form every year.

## **6 OUR REPRESENTATIONS AND WARRANTIES**

6.1 We represent and warrant to you that:

- (a) your Annual Subscription will only be invested in Investments which may be held inside an ISA pursuant to the Regulations;
- (b) title in the Investments will be vested in the name of a Nominee Company held to our order;
- (c) the certificate evidencing title to each Investment will be held to our order; and
- (d) we shall satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms of the Client Agreement is competent to carry out those functions or responsibilities.

## **7 TRANSFER OF YOUR ISA ACCOUNT**

7.1 Upon your request, your ISA Account may be transferred to another ISA manager. A transfer may be made in respect of (i) all of the Annual Subscription in respect of the current Tax Year in which the transfer takes place and the Investments bought therewith (and any income arising) and/or (ii) all of any previous Tax Years' ISA Annual Subscriptions and the Investments bought therewith (and any income arising).

7.2 Where we receive a valid instruction/request from you to transfer to another ISA manager (which for the avoidance of doubt must be sent by you delivering to us a signed ISA transfer form in such form as we may reasonably require) any amount which you have subscribed to an ISA Account in the same Tax Year as that in which the transfer is to be effective (the current Tax Year's subscriptions), the instruction shall (regardless of the amount or value which we are instructed to transfer) be taken to extend to the entirety of the current Tax Year's Annual Subscription (and neither less nor more) of such ISA Account, as revealed at the transfer date.

7.3 On receipt of your signed written instructions we will transfer all of your ISA Account to another ISA manager:

- (a) subject to and in accordance with, these ISA Terms of Business and Applicable Regulation governing the transfer;
- (b) within such period as shall be agreed between you and us but which in any event may not be longer than thirty calendar days; and

- (c) subject to the transferee approving the transfer and being an approved ISA manager. For the avoidance of doubt you will need to agree terms with the ISA manager to which any ISA Account is to be transferred, and should note that ISA managers are not obliged to accept transfers.

7.4 We will normally carry out the transfer within the time you stipulate, however it may occasionally take longer to complete due to factors outside of our control. Please be aware any transfer may be subject to charges by us as set out in Clause 18 of these ISA Terms of Business.

## **8 WITHDRAWALS FROM YOUR ISA ACCOUNT**

- 8.1 If you wish to withdraw Investments from your ISA Account you can do so by notifying us in writing. To meet your request we will sell such Investments from within your ISA Account as we may select. The amount to be withdrawn will be paid to you as soon as sufficient cash has been raised. You will not incur a tax liability by making a withdrawal from your ISA Account.
- 8.2 Please note carefully that the assessment of whether the total value of your Annual Subscription in a given Tax Year is below the applicable limit established by the Regulations is not affected by withdrawals. Irrespective of any withdrawals that you may make in a Tax Year we cannot (and no other ISA manager can) accept further Annual Subscription sums in the same tax year if the applicable subscription limit under the Regulations has been reached.

## **9 AVOIDING LOSS OF ISA BENEFITS**

9.1 In the event that compliance with your instructions reduces or extinguishes, or would or might, if carried out, reduce or extinguish any benefits of your ISA Account, we accept no responsibility, subject to Applicable Regulation, for such reduction or extinction if we act in accordance with:

- (a) these ISA Terms of Business;
- (b) the Client Agreement; and
- (c) your instructions;

but we reserve the right not to comply with any instruction which we reasonably believe may lead to such a reduction.

9.2 Subject to Applicable Regulations, it is further agreed that we may take such action as we consider necessary to avoid or minimise any loss, but shall have no liability for failing to take any action in this regard. In any case where it is our reasonable opinion that you wish

your instructions to be carried out regardless of any possible adverse taxation or other consequences, we will carry out the instructions and not take any mitigating actions on our own initiative, and you accept the possible consequences of the benefits being lost, the ISA Account being rendered void and/or the retrospective withdrawal of previous benefits.

- 9.3 In certain cases of breach of the Regulations by either party in relation to investment rules or governing subscription to a disallowed ISA, HMRC may allow the position to be rectified (a process known as “repair”) and the ISA can be continued, subject to a penalty or to some action being taken in relation to the ISA. HMRC may impose a time limit for the action to be taken. You agree that, in the absence of alternative written instructions from you, we are to seek to ensure that your ISA Account continues to be an ISA for the purposes of the Regulations. As such, we will take such action (including, where applicable, the paying of such penalty on your behalf from your ISA Account) as is required by HMRC to effect the repair of your ISA. In accordance with the limitation of liability provisions at Part G (Liability and Indemnity) of the Client Agreement, provided that we act in good faith we shall not be liable for any loss or tax liability incurred by our taking or not taking action in these circumstances, nor if HMRC status of your ISA Account is nevertheless lost.

## **10 CLOSING YOUR ISA ACCOUNT**

- 10.1 If we choose to close your ISA Account because we intend to stop managing ISAs you will have the right to transfer your ISA Account to another ISA manager in accordance with Clause 7 above.
- 10.2 We may close your ISA Account with immediate effect by written notice if in our determination it is impossible or impractical to administer your ISA Account consistently with the Regulations.
- 10.3 Termination will not prevent us from keeping your ISA Account open until any remaining claims for dividends or tax credits are finalised.
- 10.4 Subject to Clause 9, if your ISA Account is closed you may choose to have all the Investments held in your ISA Account transferred into your name or, where applicable, the name of your new ISA manager as per Clause 7. You acknowledge that such action may cause the ISA Account to lose the tax benefit provided under the Regulations from time to time.
- 10.5 Before your ISA Account has been closed we may charge you for:
- (a) accrued but unpaid charges and expenses;

- (b) any additional expenses we, our agents or delegates necessarily incur on the closure of your ISA Account (including expenses of sale or transfer of the Investments);
- (c) any losses necessarily realised by us, our agents or delegates in settling or concluding outstanding obligations; or
- (d) an amount equal to tax which may have become payable in respect of your ISA Account;

but will not ask you for any additional payments not specified in these ISA Terms of Business and/or the Client Account.

## **11 AMENDMENTS TO THE ISA TERMS OF BUSINESS**

- 11.1 These ISA Terms of Business may be amended by us in accordance with the terms of the Client Agreement provided that such variation does not infringe the Regulations.

## **12 POWER OF ATTORNEY**

- 12.1 Please refer to the terms of the Client Agreement for information on how we will take instructions if you appoint a power of attorney.

## **13 DEATH OR BANKRUPTCY**

- 13.1 As of 06 April 2018, on your death, the tax benefits under the Regulations will continue to apply until the earlier of:
  - 13.1.1 the administration of your estate being finalised;
  - 13.1.2 the closure of your ISA Account; and
  - 13.1.3 the third anniversary of the date of your death.
- 13.2 Please refer to the terms of the Client Agreement for further information on how we will treat your ISA Account in the event of your death.
- 13.3 In the event of you becoming bankrupt we will stop accepting any further Annual Subscriptions from you. The appointed trustee or official receiver will become the beneficial owner of the investments in your ISA Account. Any tax reclaimed on income received after the date on which the trustee or official receiver was appointed will be returned to HMRC.

## **14 NOTIFICATION OF VOIDING YOUR ISA ACCOUNT**

- 14.1 We will notify you if by reason of any failure to satisfy the provisions of the Regulations your ISA Account has lost, or will lose, its status as an ISA under the Regulations. If your ISA Account loses its status as an ISA under the Regulations it will also lose the tax benefits which apply under the Regulations. If your ISA Account does lose its status as an ISA under the Regulations we may either transfer your Investments into your name or sell the Investments and transfer the proceeds of sale to you.

## **15 DELEGATION**

- 15.1 Subject to the Client Agreement and Applicable Regulation, we may delegate any of our functions or responsibilities in relation to your ISA Account to a third party. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities in relation to your ISA Account has the required regulatory status (if any) in order to carry out those functions and responsibilities.

## **16 NOMINEE SERVICES**

- 16.1 The title to all Investments held in your ISA Account will be registered in the name of the Nominee Company; however, you will remain the beneficial owner of the Investments held in your ISA Account.
- 16.2 The Nominee Company will be responsible for making all reasonable efforts both to collect all income due and to vest other entitlements in respect of Investments in your ISA Account managed by us on your behalf and (when and if applicable) subject to changes in current legislation:
- (a) will arrange for all tax credits on dividends to be claimed, where permissible and on receipt will treat the tax claimed as income and will also arrange for the repayment of income tax deducted at source; and
  - (b) will make claims, conduct appeals and agree on your behalf liabilities for and reliefs from tax in respect of your ISA Account.
- 16.3 In all other respects as regards taxation, you or your other professional advisors must remain responsible for the management of your own tax affairs.
- 16.4 If you notify us we will (subject to payment by you of our then current charges for this service):
- (a) arrange for you to receive a copy of the annual report and accounts in respect of units and shares held directly in your ISA Account; and

- (b) subject to contrary legal provisions made by or under any enactment and the terms of the Client Agreement, arrange for you to attend unit holders' or share holders' meetings, to vote, and to receive, in addition to the annual report and accounts, any other information issued to unit holders or shareholders.

## **17 TERM AND TERMINATION**

- 17.1 These ISA Terms of Business may be terminated by you giving us signed written notice of such termination, which will take effect as soon as possible after we receive such notice of termination from you (and in any case within 30 days), as long as it does not contravene any of the ISA Regulations or any other applicable law, rule or regulation.
- 17.2 Subject to clause 10.2 of these ISA Terms of Business and to the extent permitted by applicable law, we may terminate our services as ISA Manager by giving you at least 30 calendar days' written notice or if the Client Agreement is similarly terminated according to its terms.

## **18 FEES AND CHARGES**

- 18.1 We do not currently charge any fees or charges for the provision of administration and/or custody services but we reserve the right to levy reasonable charges for these services in future. Investment management fees and charges will be due and payable in accordance with the Client Agreement.

## **19 OUR LIABILITY TO YOU**

- 19.1 We will not be liable for any loss, expense, cost or liability (together "Loss") suffered or incurred by you unless such Loss is suffered or incurred as a result of our negligence, wilful default or fraud. We will not be responsible for any indirect, special or consequential loss, or loss of profits, opportunity, goodwill or reputation arising from our negligence or otherwise.
- 19.2 Nothing in this Clause 19 shall exclude any liability, which we may have to you under the Financial Services and Markets Act 2000 or the rules of the FCA. Nothing in these ISA Terms of Business will reduce your statutory rights.

## **20 RISK WARNINGS**

- 20.1 As with many investments there is a degree of risk associated with using the service and you acknowledge and agree that you have read and understood the relevant risk warnings set out in the Portfolio Risk Warnings document available on our website at [www.sarasinandpartners.com/important-information/](http://www.sarasinandpartners.com/important-information/).