



SARASIN

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# Individual Savings Account Terms of Business

## GUIDANCE NOTES

Where you instruct us to manage an ISA account for you, these ISA Terms of Business will govern our provision of your ISA Account to you. You should read these 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:

**Continuous Subscription Form** means the form on which continuous subscriptions to your ISA Account may be made, the required content of which will be determined by the ISA Manager from time to time;

**Client Agreement** means the discretionary client agreement signed by you;

**HMRC** means Her Majesty's Revenue and Customs;

**Investment(s)** mean any investments including cash within the ISA Account which are qualifying investments under the Regulations;

**ISA(s)** means the Individual Savings Account(s);

**ISA Account** means your ISA account with the 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 the ISA Manager from time to time

**ISA Manager** means Sarasin Asset Management Limited;

**ISA Terms of Business** means this document;

**Nominee Company** means Royal Bank of Canada (Channel Islands) Limited or such other party as we may notify to you from time to time;

**Regulations** means the Individual Savings Account Regulations (as amended or replaced) which govern the operation of ISAs;

**Tax Year** means the period beginning 6<sup>th</sup> April in each year and ending on 5<sup>th</sup> April in the following year.

## 2. Agreement

2.1 These ISA Terms of Business are supplemental to, and must be read in conjunction with, the Client Agreement currently in place between us and is applicable only to the Portfolio maintained to receive the services described herein.

2.2 The terms of the Client Agreement as amended and reinstated from time to time will apply to your ISA Account except where modified and superseded by the terms of these ISA Terms of Business.

- 2.3 Except as defined in these ISA Terms of Business, capitalised terms used in these ISA Terms of Business shall have the meaning given to them in the terms of the Client Agreement.

### 3. Appointment

- 3.1 These ISA Terms of Business are effective where you have appointed us as the ISA Manager of your ISA Account. We are an HMRC registered ISA manager and we are responsible for the administration of your ISA Account. We shall also manage the investments held within your ISA Account on a discretionary basis in accordance with the rules of the FCA.
- 3.2 You should take the time to carefully read these ISA Terms of Business and the ISA Manager's Application Form and the terms of the Client Agreement. A copy 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 You instruct us, acting as your agent upon receipt of your signed ISA Application Form to transfer cash from your Portfolio into your ISA Account, for your initial and subsequent annual subscription, unless otherwise instructed. Changes to any future subscriptions can be made by completing the Continuous Subscription Form.
- 4.2 Alternatively, we 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' ISA to us:
- (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; 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.
- 4.3 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 and will be reported by us to you as one portfolio. Where applicable, in selecting Investments for your ISA Account consistent with your Client Investment Profile we will take into account the holdings across your whole Portfolio and not just within the ISA Account.
- 4.4 We shall follow the Client Investment Profile to the extent that it is consistent with the requirement for your ISA Account to include only qualifying Investments.
- 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) Regulations; and
  - (d) relevant HM Revenue & Customs guidance on ISAs.
- 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:

- (a) that you are entitled to subscribe for an ISA Account under the Regulations;
- (b) to the extent that the Regulations impose requirements on you, you undertake to comply with all such requirements;
- (c) to notify us immediately of any change in your status which affects your ability to subscribe to an ISA Account;
- (d) in any Tax Year your total subscriptions 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 agree to sign an Application Form or Continuous Subscription Form every year.

## 6. Our representations and warranties

### 6.1 We represent and warrant:

- (a) your subscriptions will only be invested in Investments permitted to be held inside an ISA by the Regulations;
- (b) title in the Investments will be held in accordance with the Regulations;
- (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, with all rights and obligations of the parties to it, may be transferred to another ISA manager. A transfer may be made in respect of current Tax Year ISA subscriptions and the investments bought with those (and any income arising) in whole and/or previous Tax Years' ISA subscriptions and the investments bought with those subscriptions (and any income arising) in whole or in part.

7.2 Where we receive a valid instruction 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) any amount which you have subscribed to an ISA in the same Tax Year as that in which the transfer is to be effective (the current 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 year's subscriptions (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 or part of your ISA Account with all rights and obligations of the parties to it, to another ISA manager subject to:

- (a) these ISA Terms of Business;
- (b) in accordance with any legislation governing the transfer;
- (c) such times as shall be agreed between us but in any event may not be more than thirty days;

- (d) 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 whom, the ISA is to be transferred, and should note that ISA managers are not obliged to accept transfers; and

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 the ISA Manager as set out in Clause 10.5 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 select Investments within your ISA to sell. 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.
- 8.2 Please note carefully that your subscription limit 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 subscriptions in the same tax year if your subscription limit 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 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 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 act. 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 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 Account can be continued, subject to a penalty or to some action being taken in relation to the ISA Account. 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 maintain HMRC status of your ISA Account and to take such action and to meet such penalty on your behalf as is required by HMRC to effect the repair of your ISA. In accordance with the limitation of liability provisions at Part G 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. For the avoidance of doubt, such action may cause the ISA Account to lose the tax benefit provided under the Regulations from time to time.
- 10.5 When 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 (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 payment.

## **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**

- 13.1 In the event of your death, your ISA Account will be suspended from the date of your death however it would remain a continuing ISA for tax purposes.
- 13.2 Please refer to the terms of the Client Agreement for information of how we will treat your ISA Account in the event of your death.

## **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, or will, become void. If your ISA Account is made void we may, by agreement with you, either transfer your Investments to you or sell the Investments and transfer the proceeds of sale to you.

## **15. Delegation**

- 15.1 We will satisfy ourselves that any person to whom under the terms of these ISA Terms of Business we delegate any of our functions or responsibilities in relation to your ISA Account is authorised and regulated to carry out those functions and responsibilities.

## 16. Nominee services

- 16.1 You authorise us, acting as your agent, to appoint the Nominee Company as custody of your ISA Account. This appointment will be made in compliance with rule 206(4)-2 of the U.S. Investment Advisers Act 1940.
- 16.2 The title to all Investments held in your ISA Account will be registered in accordance with the Regulations.
- 16.3 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.
- 16.4 In all other respects as regards taxation, you or your other professional advisors must remain responsible for the management of your own tax affairs.
- 16.5 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 will endure until terminated by you or us in writing or until the Client Agreement is similarly terminated according to its terms.

## 18. Fees and charges

- 18.1 There are currently no fees or charges for the provision of administration and/or custody services but we reserve that right to levy a reasonable charge for these services in future. Investment management fees and charges will be due and payable in accordance with the Client Agreement.
- 18.2 The Nominee Company's fees and charges are separate from the investment management fees payable by you to us. For the fees and charges payable to the Nominee Company please see the Nominee Company's schedule which will be provided to you separately

## 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.