

## INDIVIDUAL SAVINGS ACCOUNTS

### ISA and JISA TERMS AND CONDITIONS

#### DEFINITIONS

“ISA”	means an Individual Savings Account taken out by an investor and managed in accordance with the ISA regulations and these terms and conditions.
“JISA”	means Junior ISA, a type of ISA held in the name of a child and managed in accordance with the ISA regulations and these terms and conditions.
“NISA”	means ‘New’ ISA. All ISAs automatically became New ISAs following comprehensive rule changes introduced by HMRC on July 1 2014.
“Flexible ISA”	means an ISA whose terms and conditions allow the withdrawal and replacement of cash, without the replacement counting towards the annual subscription, following rule changes introduced by HMRC on April 6 2016. The Farley & Thompson ISA is a Flexible ISA.
“Investor”	means the individual who has taken out an ISA/JISA.
“Manager”	means Farley & Thompson.
“Portfolio”	means cash and investments comprised in the ISA/JISA.
“Regulations”	means the Individual Savings Account Regulations 1998 as amended or re-enacted from time to time.
“FCA”	means The Financial Conduct Authority.
“HMRC”	means HM Revenue & Customs.
“He”	means either he or she.

#### INTRODUCTION

- The Manager is a member of the London Stock Exchange and regulated by the FCA in the conduct of its investment business, including acting as manager of ISAs/JISAs, and is approved by HMRC as an ISA/JISA Manager under the Regulations.
- The Investor is required by the Regulations to be a qualifying individual fulfilling the requirements set out in the relevant application form. He must complete such an application form in order to participate in the ISA/JISA, and must comply with the conditions imposed by the Regulations.
- The initial ISA/JISA application will remain valid for subscriptions made in this and consecutive tax years. If you do not make a subscription in any tax year a fresh application must be made.
- You may not subscribe to ISAs/JISAs in total more than the annual limit in any one tax year.
- The Manager will satisfy himself that any person to whom he delegates any of his functions or responsibilities under the terms agreed with the Investor is competent to carry out those functions and responsibilities.

#### INVESTMENTS AND CASH

- The Manager will invest money from time to time held in the Portfolio as specified by the Investor and will vary such investments as required by the Investor, all investments being subject to approval by the Manager.
- Uninvested cash will be held in a designated sterling deposit account by the Manager and where the balance exceeds £1,000 for one month the Investor will be entitled to interest monthly at 1% below the base rate of Lloyds Bank plc. Interest earned in a stocks and shares component of an ISA/JISA is credited gross.
- Where partly paid shares are held in the Portfolio the Manager may sell such number thereof as may be necessary to pay any calls or instalments due on the balance.
- If any investment in the Portfolio is the subject of a take-over or other offer or scheme of arrangement, the Manager shall be at liberty to take such action as he considers appropriate, including the power to sell any investments.

#### DIVIDENDS

- The Manager will collect dividends and other distributions or benefits due in respect of the Portfolio. Where scrip dividends are available as an alternative to cash, the Manager will accept the cash offer.
- The Investor authorises the Manager to claim from HMRC all tax credits on dividends and other distributions for credit to the Portfolio.

## CUSTODY

- All investments held shall be in the beneficial ownership of the Investor and may not be used as security for a loan.
- All investments shall be registered in the name of Sidehurst Limited, a nominee company controlled by Farley & Thompson.

## CHARGES

- There is no initial charge for establishing the ISA/JISA. Normal dealing and transaction costs will apply and annually on the anniversary of the last business day of the calendar month in which the ISA/JISA was commenced, the portfolio will be valued at official mid-market prices and a charge will be levied on that value. Full details can be found on our Schedule of fees and commissions. VAT is payable on all fees.
- The Manager will be entitled to vary the charges by giving the Investor a minimum of three months' notice.

## STATEMENTS AND INFORMATION

- The Manager will provide the Investor with a statement after twelve months made up to the last business day in the calendar month in which the anniversary falls showing details of all cash movements effected for the Portfolio.
- The Manager will provide the Investor with a valuation of the securities contained in the Portfolio prepared on the date referred to in the preceding paragraph (1) and calculated on the basis of official mid-market prices.
- Subsequent statements and valuations referred to in the two preceding paragraphs (1) and (2) will be provided to the Investor annually.
- If the Investor so elects the Manager will supply a copy of the Annual Report and Accounts issued by every company in respect of shares held in the Portfolio, at a cost of £15 plus VAT per holding.
- If the Investor so elects the Manager must arrange for the Investor to be able to attend shareholder meetings, to vote and to receive in addition to the documents referred to in the preceding paragraph (4) any other information issued to shareholders, securities holders or unit holders, at a cost of £50 plus VAT per holding.

## FLEXIBLE ISA WITHDRAWALS

- The Investor may withdraw and replace monies from the ISA without the replacement counting towards the annual subscription provided that the withdrawal and repayment are made in the same tax year.
- The Flexible facility only covers cash withdrawals.
- The Manager will restrict the Flexible facility to one withdrawal per annum, with a minimum withdrawal amount of £25,000.
- If the Investor has already made a subscription in the current tax year the Flexible withdrawal is first treated as coming from the current year's allowance and the surplus from previous years. When replacing the money the rules are reversed – replenishing previous years' first and, if all is replaced, then the current year. **The withdrawal must be replaced in whole, or in part, in the same tax year it is taken out. Any balance not replaced cannot be carried forward to a subsequent year.**
- The Flexible ISA facility is not transferable. That means if the Investor withdraws money but does not replace it the repayment cannot be made to a new provider.
- A regular or ad hoc payment of income does not count as a Flexible withdrawal.
- A capital withdrawal of less than £25,000 does not count as a Flexible withdrawal.
- Fees charged to the ISA do not count as a Flexible withdrawal.
- A Junior ISA cannot be a Flexible ISA.
- The Investor is responsible for keeping track of subscriptions and withdrawals. He can ask the ISA Manager to confirm what the remaining ISA allowance is but the Manager will not be aware of any money paid into ISAs held with another ISA Manager.
- The repayment of a Flexible withdrawal is to be made in round £000's.
- A Flexible withdrawal will attract an administrative charge of £100 plus VAT; the account may also be subject to a pro rata annual management fee.

## **OTHER WITHDRAWALS, TERMINATION AND TRANSFERS**

- The Investor has the right to withdraw their investments, the income, or the proceeds from the sale of investments by request to the Manager.
- At the request of the Investor, an ISA/JISA, with all rights and obligations of the parties to it, may be transferred to another ISA/JISA manager by giving thirty days written notice.
- The Manager reserves the right not to accept transfers from another manager.
- As the Flexible ISA facility is not transferable, the Manager may refuse the transfer of an ISA that is currently subject to a Flexible withdrawal.
- Either party may terminate an ISA by giving thirty days written notice whereupon the Manager shall transfer the Portfolio to the Investor.
- A JISA may only be closed if a terminal illness claim has been accepted, on death of the child, where the child reaches his/her 18th birthday, on direct instructions from HMRC or when a £nil balance arises.
- If the value of the ISA portfolio falls below £10,000 we reserve the right to close the ISA or charge a minimum fee of £75 per annum.
- The exemptions from tax cease on the death of the Investor. The Portfolio shall be retained by the Manager in a non-ISA nominee account pending instructions from the personal representatives of the Deceased.
- On termination Farley & Thompson will levy a closing administrative charge of £100 plus VAT per account; this is in addition to any outstanding pro rata annual management fee.

## **GENERAL**

- The Manager shall notify the Investor if by reason of any failure to satisfy the provisions of the ISA/JISA Regulations an ISA/JISA has or will become void.
- The application form, queries, notices and instructions concerning the ISA/JISA should be submitted to Farley & Thompson, Pine Grange, Bath Road, Bournemouth, BH1 2NU.

## **ADDITIONAL PERMITTED SUBSCRIPTION (APS) ALLOWANCE**

- The Manager is able to support requests for ISA Additional Permitted Subscriptions. Full details can be found on the APS information sheet (available on request or online at [www.farleyandthompson.co.uk](http://www.farleyandthompson.co.uk))

## **COMPLAINTS AND COMPENSATION**

- If you have a complaint about the firm or its services you should address it in the first instance to:  
The Compliance Officer  
Farley & Thompson  
Pine Grange  
Bath Road  
Bournemouth  
BH1 2NU.

If you are dissatisfied with the firm's response you may contact the Financial Ombudsman Service. A copy of the firm's complaints procedure is available upon request.

- We take part in the Financial Services Compensation Scheme (FSCS) which can pay compensation if a firm is unable, or is likely to be unable to pay claims against it. If you would like information about this scheme, please contact the FSCS direct or seek further information online at [www.fscs.org.uk](http://www.fscs.org.uk)