



Consultation on Structured Products



leading on tax incentivised savings

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TISA




leading on
tax incentivised
savings

ISA Qualification

- Structured Products!**



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Structured Products

1. Structured Deposits
2. Structured Investments


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Qualifying Investments *Cash ISA*

8.1 +



1) Structured Deposits

ISA Regulations


- Share or deposit account with
 - a building society
 - a bank
 - a relevant European institution

with interest credited **gross**


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Qualifying Investments *Cash ISA*

8.1 + 

Deposit - FSA definition *(summary)*

An investment offered by an FSA authorised deposit taker where there is a promise to return the original capital, with or without interest, either on demand or at a later agreed date

Interest


For ISA qualification purposes, the specific T&Cs of the product as to how interest is allocated *(eg. Dependant on the performance of the FTSE 100)* does not impact on the ISA regulations in any way

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Qualifying Investments *S&S ISA*

8.1 + 

2) Structured Investments

ISA Regulations

Important

- No specific ISA category that covers Structured Investments ie. they are not:
 - Shares
 - Securities
 - Authorised funds etc etc.

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Qualifying Investments *Stocks & Shares ISA*

7.8 +

either

- the **securities** *or*
- the **shares of the company** issuing the securities

are officially listed on an HMRC **recognised stock exchange**

*Securities **DON'T** qualify if the **holder** has the option to **redeem** within the first 5 years **BUT** are OK if the issuing company has the option to redeem within the first 5 years (eg. **Kick Out Plans**)*
HMRC ISA Bulletin 21

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