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## **Additional Permitted Subscription (APS) Allowance Application & Transfer Process Guidelines**

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### **Process overview**

This process allows investors the choice to select which ISA manager they want to accept their APS allowance based on their requirements and what is offered by their existing ISA manager.

Once any subscription to an APS allowance has been made the APS allowance cannot be transferred, however once subscribed, the investments may be transferred or withdrawn in the usual manner.

This process involves the passing of APS allowance information between ISA managers only at the request of the investor.

There are two allowable scenarios within this process, investors can:

- a) Subscribe their APS allowance with the existing ISA manager (the existing manager holding the ISA of the spouse at death)
- b) Transfer their APS allowance to a new ISA manager (in full and once only), where the deceased held multiple ISAs with their existing ISA manager, one aggregate APS allowance is transferred

Per existing ISA guidance, ISA managers are not obliged to accept any ISA subscriptions or any transfers of APS allowances. ISA managers **must** allow the transfer out of an APS allowance.

Where multiple APS allowances are transferred to a new ISA manager, the manager should amalgamate all transferred allowances into one single APS allowance.

Where an APS allowance is transferred to a new ISA manager already holding an APS allowance for the surviving spouse that has not previously been transferred (i.e. the ISA manager of the deceased spouse), the manager should monitor transferred and existing APS allowances separately. Once an APS allowance subscription has been made to an existing APS allowance, the manager may amalgamate all allowances into one single APS allowance. It is for each provider to decide how to do this in practice.

The ISA manager accepting the APS allowance subscription is responsible for all ID&V checks on the surviving spouse and for the retention of the information and declarations.

The ISA manager transferring the APS allowance must ensure the correct deceased spouse's ISA(s) is identified and should provide the required information to the new ISA manager (any standard and existing requirements for retaining sufficient records in relation to a transfer request will apply).

Where the deceased spouse ISA manager has not been informed of the death prior to an APS allowance transfer request being received, the transfer request should be rejected or pended (to allow for the 30 day clock being stopped). Where the transfer request has been rejected the new ISA manager should ask the surviving spouse or executor to make notification of death to the deceased spouse ISA manager before the APS allowance transfer can be made. Where the transfer request has been pended the deceased spouse ISA manager should ask the surviving spouse or executor to make notification of death

### Guideline contents

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### Subscribe to APS allowance with existing ISA manager - process guidelines

This provides an overview of the APS allowance subscription process where a subscription is made by the surviving spouse to the deceased spouse's ISA manager.

The guidelines should be considered a minimum process as ISA managers may want to include additional steps or requirements per their individual terms and conditions.

The deceased spouse's ISA manager should ensure that the surviving spouse is fully informed of any restrictions before an APS allowance subscription is made (such as, but not limited to, only allowing a one-off APS allowance subscription rather than installments, and where only a one-off APS allowance subscription is allowed that any balance will be lost).

1. Surviving spouse approaches deceased ISA manager to request details of their APS allowance and to make an APS allowance subscription
2. Deceased spouse's ISA manager informs the surviving spouse of their APS allowance following receipt of the required information and declarations per ISA guidance 6A.1
  - a. All ISAs held by the deceased spouse with the ISA manager must be amalgamated into one APS allowance per ISA guidance 6A.2
3. Surviving spouse completes an APS application form (see appendix A) and submits to deceased spouse's ISA manager (now the ISA manager)
  - a. The APS application form may be written or non-written
  - b. The APS application form may be completed on behalf of the surviving spouse by someone else per ISA guidance 5.24 - 5.27
  - c. If the deceased investor details do not match exactly those held by the ISA manager, the ISA manager may use their discretion and judgement to ensure the correct deceased spouse's ISA is identified
4. ISA manager creates a new account (or updates an existing ISA) with APS allowance information
  - a. The ISA may be opened on a provisional basis for 30 days where all required personal information or declarations have not been received per existing ISA guidance
5. APS allowance subscription is made and allocated (may be made in cash or in specie)
  - a. Standard cancellation / withdrawal rights may apply to APS allowance subscriptions per ISA guidance 5.5 – 5.7
  - b. Where an ISA has been opened on a provisional basis, an APS allowance subscription can be provisionally accepted\*
6. Manager records APS allowance subscription and initiates APS allowance monitoring process
7. Manager flags APS allowance subscription received in current tax year for ISA reporting to HMRC
8. Any further APS allowance subscriptions to be accompanied by an APS Additional Subscription Eligibility Declaration Form (see appendix B)
  - a. Further APS allowance subscriptions can be provisionally accepted\* without an APS Additional Subscription Eligibility Declaration Form
  - b. Where those further APS allowance subscriptions are received in a different tax year to the first subscription, the manager must flag the APS allowance subscription as received in the current tax year for ISA reporting to HMRC

*\*Any subscriptions accepted on a provisional basis must be voided where the required documentation or information is not received within 30 days*

### Transfer APS allowance to new ISA manager - process guidelines

This provides an overview of the APS allowance transfer process where an APS allowance is transferred by the surviving spouse to a new ISA manager.

The guidelines should be considered a minimum process as ISA managers may want to include additional steps or requirements per their individual terms and conditions.

The new ISA manager should ensure that the surviving spouse is fully informed of any restrictions before an APS allowance subscription is made (such as, but not limited to, only allowing a one-off APS allowance subscription rather than installments, and where only a one-off APS allowance subscription is allowed that any balance will be lost). In addition the new ISA manager should clearly identify that APS allowance subscriptions can only be made in cash following transfer and also highlight that once transferred, the APS allowance cannot be transferred again regardless of whether any APS subscription has been made.

1. Surviving spouse approaches new ISA manager to make an APS allowance transfer request
2. Surviving spouse completes an APS transfer authority form (see appendix C) and submits to the new ISA manager
  - a. The APS transfer authority form must be written with a wet signature as industry standard (unless there is a bi-lateral agreement in place between the two ISA managers)
  - b. The APS transfer authority form may be completed on behalf of the surviving spouse by someone else per ISA guidance 5.24 - 5.27
3. New ISA manager contacts deceased spouse's ISA manager to request APS allowance transfer (per current ISA transfer process the original transfer request will likely be required by the deceased spouse's ISA manager)
  - a. A 'wet signature' should be sent to the deceased spouse's ISA manager (the new ISA manager will retain an imaged copy of the form)
  - b. If the deceased investor details do not match exactly those held by the ISA manager, the ISA manager may use their discretion and judgement to ensure the correct deceased spouse's ISA is identified
  - c. If unable to identify the deceased investor, the deceased spouse's ISA manager should contact the new ISA manager in the first instance for additional information
4. Deceased spouse ISA manager completes APS allowance transfer declaration (see appendix D)
  - a. All ISAs held by the deceased spouse with the ISA manager must be amalgamated into one APS allowance per ISA guidance 6A.2
5. Deceased spouse's ISA manager records that APS allowance has been transferred (to indicate APS allowance subscriptions cannot be accepted and APS allowance transfers cannot be made)
6. New ISA manager informs surviving spouse of their APS allowance (including any aggregation information)
7. Surviving spouse completes APS application form(s) (see appendix A) and submits to the new ISA manager
  - a. The APS application form may be written or non-written
  - b. The APS application form may be completed on behalf of the surviving spouse by someone else per ISA guidance 5.24 - 5.27
8. ISA manager creates a new account (or updates an existing ISA) with APS allowance information
  - a. The ISA may be opened on a provisional basis for 30 days where all required personal information or declarations have not been received per existing ISA guidance

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9. APS allowance subscription (cash only) is made to the new ISA manager and allocated
  - a. Standard cancellation / withdrawal rights may apply to APS allowance subscriptions per ISA guidance 5.5 – 5.7
  - b. Where an ISA has been opened on a provisional basis, an APS allowance subscription can be provisionally accepted\*
10. Manager records APS allowance subscription and initiates APS allowance monitoring process
11. Manager flags APS allowance subscription received in current tax year for ISA reporting to HMRC
12. Any further APS allowance subscriptions to be accompanied by an APS Additional Subscription Eligibility Declaration Form (see appendix B)
  - a. Further APS allowance subscriptions can be provisionally accepted\* without an APS Additional Subscription Eligibility Declaration Form
  - b. Where those further APS allowance subscriptions are received in a different tax year to the first subscription, the manager must flag the APS allowance subscription as received in the current tax year for ISA reporting to HMRC

*\*Any subscriptions accepted on a provisional basis must be voided where the required documentation or information is not received within 30 days*

### General

- First class post or equivalent should be used (unless there is an agreement in place between the ISA managers that would provide a better service, such as by electronic means).
- Managers may combine the APS allowance transfer authority form and application forms.
  - It should be noted that this may lead to additional burden on the surviving spouse to identify APS allowances before transfer if this is required.
  - Subscriptions may be accepted on a provisional basis before the APS allowance information is received from the deceased spouse's ISA manager however it should be noted that any subscriptions accepted on a provisional basis may need to be voided or excess removed should the APS allowance be lower than the provisional APS allowance subscriptions received.
  - Consideration should be given to what information would be sent to the deceased spouse's ISA manager on the transfer request and any potential breach of data protection.
  - Where managers offer more than one product that may be used for an APS allowance subscription (e.g. Cash and Stocks & Shares ISAs), a combined form may not be practical as multiple application forms may be required.

### Cancellation of transfer

The surviving spouse may request to cancel a transfer of an APS allowance while it is in the process of being transferred.

Where a transfer cancellation request is received, the ISA managers should speak to each other to determine the stage of the transfer and whether there is the willingness or ability to cancel the transfer. It should be noted that where the transfer process has been initiated (i.e. the transfer request has been sent by the new ISA manager) neither party is obliged to cancel the transfer and may insist on completion of the transfer process.

It is not possible to cancel a transfer of an APS allowance where the transfer is complete (i.e. the deceased spouse's ISA manager has sent the APS allowance transfer declaration).

### Template forms explanatory notes

This section aims to provide details of where each template form should be used.

All template application and transfer forms provided are for guidance only and ISA managers may adapt as required. The template forms as shown meet all requirements under the ISA regulations and any adaptations should be reviewed by the ISA manager to ensure their adherence to regulations and guidance.

#### APS Application Form template (appendix A)

- Completed by the surviving spouse and submitted to the ISA manager accepting the APS allowance subscription
- Used for initial APS allowance subscription and account opening
  - May be adapted where manager does not offer in-specie subscriptions
  - Declaration and authority should be adapted for Cash or Stocks & Shares ISAs as appropriate
- Where managers offer APS allowance subscriptions in instalments, the wording at the APS allowance subscription information section may be amended
- May be made in writing or not in writing

#### APS Additional Subscription Eligibility Declaration Form template (appendix B)

- Completed by the surviving spouse and submitted to the existing ISA manager that has received the initial APS allowance subscription
- Used for further APS allowance subscriptions (those received after the initial APS allowance subscription and account opening)
  - May be adapted where manager does not offer in-specie subscriptions
- May be made in writing or not in writing

#### APS Transfer Authority Form template (appendix C)

- Completed by the surviving spouse and submitted to the new ISA manager
- Used for APS allowance transfers
- May only be made in writing as industry standard (unless there is a bi-lateral agreement in place between the two ISA managers)
- May be combined with APS application form to create a transfer application to allow subscriptions and transfer under one combined form (see general notes on Transfer APS allowance to new ISA manager - process guidelines)
  - Where a transfer application is used, declaration and acceptance sections may be adapted to use past rather than future tense regarding subscriptions to be made

#### APS Allowance Transfer Declaration template (appendix D)

- Completed by the deceased spouse's ISA manager and submitted to the new ISA manager
- Should be sent by post in written form unless there is an alternative agreement between the transferring ISA managers
- Should include the information required at section 6A.3(ii) of the ISA guidance as minimum

### **Appendix A - APS Application Form template (to be amended as appropriate for Cash/S&S)**

#### **Investor Details**

Investor full name: \_\_\_\_\_  
Investor permanent residential address: \_\_\_\_\_  
Investor date of birth: \_\_\_\_\_  
Investor national insurance number: \_\_\_\_\_ or confirmation that the investor does not have one: \_\_\_

#### **Details of the Deceased**

Deceased full name: \_\_\_\_\_  
Permanent residential address of the deceased at their date of death: \_\_\_\_\_  
Deceased date of birth: \_\_\_\_\_  
Deceased national insurance number (if known): \_\_\_\_\_  
Date of death: \_\_\_\_\_  
Date of marriage or civil partnership between the investor and the deceased: \_\_\_\_\_  
Deceased existing ISA account number(s): \_\_\_\_\_  
*Please note if multiple ISAs were held by the deceased with the ISA manager their value will be combined to form one APS allowance*

#### **APS Allowance Subscription Information**

I (the investor) wish to subscribe £\_\_\_\_\_ from my APS allowance in respect of the deceased and wish to make my subscription to a **Stocks & Shares / Cash ISA**:

- **In cash**, Or;
- Where the APS allowance has not been transferred, **in specie** (by the transfer of existing ISA investments that have remained with the ISA manager or his nominee) to the above amount or value as at date of death if lower

**Please be aware that once a subscription to an APS allowance has been made, any future subscriptions under that APS allowance MUST be made to this ISA manager and be accompanied by an APS Subscription Eligibility Declaration.**

**Not all ISA managers allow for multiple subscriptions to an APS allowance and where only a one-off APS allowance subscription is allowed any unused balance will be lost.**

#### **APS Eligibility Declaration**

This section must be completed to confirm the investor named on this application is eligible to make an additional permitted subscription to an ISA in respect of the deceased named on this application.

##### **I (the investor) declare that:**

- I am the surviving spouse / civil partner of the deceased
- I was living with the deceased within the meaning of Section 1011 of the Income Tax Act 2007 at the date of the deceased's death (we were not separated under a court order, under a deed of separation, or in circumstances where the marriage or civil partnership had broken down)
- the subscription is made under the provisions of regulation 5DDA of the ISA regulations (additional permitted subscription)
- the subscription is being made
  - in the case of 'in specie' subscriptions, within 180 days of beneficial ownership passing to me (where the deceased died in the period beginning with 3 December 2014 and ending on 5 April 2015, this is treated as occurring on either 6 April 2015, or, the actual date of distribution, which ever is the later), and
  - in the case of cash subscriptions, within 3 years of the date of death, or if later, 180 days of the completion of the administration of the estate (where the deceased died in the period beginning with 3 December 2014 and ending on 5 April 2015, the deceased is treated as dying on 6 April 2015).
- I am aged 16 years of age or over [cash ISA] or, I am aged 18 years of age or over [stocks & shares ISA]
- All subscriptions made, and to be made, belong to me

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**I authorise [ISA manager's name]**

- to hold my cash subscription, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash

**or**

- if the ISA is a cash ISA invested in a deposit account, to hold my cash subscriptions and any interest earned on those subscriptions

**or**

- where the ISA manager is an insurer-manager to hold my cash subscription, any other proceeds in respect of my ISA investments and any other cash;

**and**

- to make on my behalf any claims to relief from tax in respect of ISA investments.

**I agree to the ISA terms and conditions.**

I declare that this APS application form has been completed to the best of my knowledge and belief.

Signed ..... Date .....



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### **Appendix B - APS Additional Subscription Eligibility Declaration Form template (to be amended as appropriate for Cash/S&S)**

#### **Investor Details**

Investor full name: \_\_\_\_\_

Investor permanent residential address: \_\_\_\_\_

Investor account number: \_\_\_\_\_

#### **Details of the Deceased**

Deceased full name: \_\_\_\_\_

#### **APS Allowance Subscription Information**

I (the investor) wish to subscribe an additional £\_\_\_\_\_ from my APS allowance in respect of the deceased and wish to make my subscription to a **Stocks & Shares / Cash ISA**:

- **In cash, Or;**
- Where the APS allowance has not been transferred, **in specie** (by the transfer of existing ISA investments that have remained with the ISA manager or his nominee) to the above amount or value as at date of death if lower

#### **APS Subscription Eligibility Declaration**

**I (the investor) declare that:**

- the subscription is made under the provisions of regulation 5DDA of the ISA regulations (additional permitted subscription)
- the subscription is being made
  - in the case of 'in specie' subscriptions, within 180 days of beneficial ownership passing to me (where the deceased died in the period beginning with 3 December 2014 and ending on 5 April 2015, this is treated as occurring on either 6 April 2015, or, the actual date of distribution, which ever is the later), and
  - in the case of cash subscriptions, within 3 years of the date of death, or if later, 180 days of the completion of the administration of the estate (where the deceased died in the period beginning with 3 December 2014 and ending on 5 April 2015, the deceased is treated as dying on 6 April 2015).
- All subscriptions made, and to be made, belong to me

**I agree to the ISA terms and conditions.**

I declare that this APS application form has been completed to the best of my knowledge and belief.

Signed ..... Date .....

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### Appendix C - APS Transfer Authority Form template (to be amended as appropriate for Cash/S&S)

#### Investor Details

Investor full name: \_\_\_\_\_  
Investor permanent residential address: \_\_\_\_\_  
Investor date of birth: \_\_\_\_\_  
Investor national insurance number: \_\_\_\_\_ or confirmation that the investor does not have one: \_\_\_\_

#### Details of the Deceased

Deceased full name: \_\_\_\_\_  
Permanent residential address of the deceased at their date of death: \_\_\_\_\_  
Deceased date of birth: \_\_\_\_\_  
Deceased national insurance number (if known): \_\_\_\_\_  
Date of death: \_\_\_\_\_  
Date of marriage or civil partnership between the investor and the deceased: \_\_\_\_\_  
Deceased existing ISA account number(s): \_\_\_\_\_  
*Please note if multiple ISAs were held by the deceased with the ISA manager their value will be combined to form one APS allowance*

#### APS Allowance Transfer Information

Name of deceased ISA manager: \_\_\_\_\_  
Address of deceased ISA manager: \_\_\_\_\_  
**Please be aware that an APS allowance can only be transferred once and only where no subscriptions have been made under that APS allowance. Once transferred subscriptions may only be made in cash.**

#### APS Eligibility Declaration

This section must be completed to confirm the investor named on this authority is eligible to transfer an additional permitted subscription allowance in respect of the deceased named on this authority.

##### I (the investor) declare that:

- I am the surviving spouse / civil partner of the deceased
- I was living with the deceased within the meaning of Section 1011 of the Income Tax Act 2007 at the date of the deceased's death (we were not separated under a court order, under a deed of separation, or in circumstances where the marriage or civil partnership had broken down)
- I have not subscribed to and will not subscribe to the additional permitted subscription allowance with the existing ISA provider of the deceased in respect of the deceased named on this application
- I intend to make an additional permitted subscription application to [new ISA manager's name]

**I authorise** the existing ISA provider of the deceased as specified above to provide [new ISA manager] with any information, written or non-written, concerning the APS allowance and former ISA in respect of the myself (the investor) and the deceased and to accept any instruction from them relating to the APS allowance being transferred.

I declare that this APS transfer application form has been completed to the best of my knowledge and belief.

Signed ..... Date .....

#### Transfer Acceptance

We [new ISA manager] are willing to accept this APS allowance transfer in line with the investors instructions above. We confirm that, subject to relevant checks, we are willing to accept an additional permitted subscription application from the investor.

Name of new ISA manager: \_\_\_\_\_

***Appendix D - APS Allowance Transfer Declaration template***

**Investor Details**

Investor full name: \_\_\_\_\_

Investor date of birth: \_\_\_\_\_

Investor national insurance number: \_\_\_\_\_

**Details of the Deceased**

Deceased full name: \_\_\_\_\_

Permanent residential address of the deceased at their date of death: \_\_\_\_\_

Deceased date of birth: \_\_\_\_\_

Deceased national insurance number (if known): \_\_\_\_\_

Date of death: \_\_\_\_\_

Deceased ISA account number(s): \_\_\_\_\_

Aggregated value of APS allowances in respect of ISAs held by the deceased at their date of death (APS value):  
£ \_\_\_\_\_

Notes to aggregation (if relevant) \_\_\_\_\_  
\_\_\_\_\_

I declare the information to be correct and confirm that the APS allowance transferred has not previously been subscribed to or transferred from or to another provider and that I [ISA manager] will not accept such subscriptions and will not transfer this APS allowance to another provider in the future.

Date of completion of declaration: \_\_\_\_\_