



## CTF to JISA Transfer Guidelines

We recommend that CTF/JISA providers adopt the procedures below, devised by representatives of the industry. They are recommendations only and not prescriptive.

The process below is based on the assumption that the CTF registered contact approaches the new JISA provider to effect the transfer. On the rare occasion that the CTF registered contact first approaches his/her existing CTF provider, s/he should be asked to go direct to the new JISA provider.

This guideline is effective for CTF to JISA transfers initiated on or after 6 April 2015, until such time that this guideline is updated.

**Note: the term 'days' refers to working days<sup>1</sup>. If any instruction is received after normal working hours then it is treated as having been received at the following day.**

### Process

Step	Action	Timescale	Max. no. of days
1	<p>New JISA provider asks the CTF registered contact to confirm the request to transfer by completing a CTF to JISA Transfer Authority Form with a wet signature, unless an alternative agreement is in place between CTF/JISA providers.</p> <p>The CTF registered contact must also complete a transfer application/instruction, where required, which is validated by the new JISA provider.</p> <p>New JISA provider forwards the original CTF Transfer Authority Form to the existing CTF provider and confirms in writing the basis on which he/she is willing to accept the transfer (See Transfer</p>	<p>The process starts on the day the new JISA provider receives the CTF Transfer Authority Form from the customer, wherever this is received in the organisation and following any withdrawal period.</p> <p>The new JISA provider has 5 working days to process the CTF registered contact's instruction and send on to the existing CTF provider.</p> <p>First class post or equivalent should be used.</p>	5 <sup>2</sup>

<sup>1</sup> Weekends and national bank holidays are excluded and the calendar which applies for bank holidays should be the calendar in operation where the operations centre is based

<sup>2</sup> Whilst 5 working days is allocated to this step not all of this period will count towards the 30 calendar day timeline for CTF to JISA transfers. This is because the timeline commences on whatever date the providers agree to be the 'date of transfer'. The date of transfer will typically be the day the Cash JISA provider sends the Transfer Authority Form (TAF) to the CTF Provider and as stated in the Transfer acceptance section of the TAF.

	Acceptance section on Model Form below)		
1a	In the post		1
2	<p>The existing CTF provider checks the form has been completed by the CTF registered contact and, if so, proceeds with the transfer request following the relevant guidance depending on how the transfer is to be made:</p> <p>2i) In cash (only cash held) 2ii) In cash (investments to be sold) 2iii) In specie (plus cash balance)</p>	<p>Any difference in the CTF registered contact details must be rectified before the transfer can take place.</p> <p>If the transfer authority form has not been completed by the CTF registered contact, or the details differ from those held by the CTF manager, the transfer request should be rejected by the CTF manager to the JISA manager.</p>	
2i	<p><u>Cash (only cash held)</u> The existing CTF provider sends a CTF Transfer History Form<sup>3</sup> to the new JISA provider accompanied by a cheque for the transfer proceeds.</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p>	<p>The maximum timeframe for actioning Step 2i should be 5 working days, where day 1 is the first day the request is received in the organisation.</p> <p>First class post or equivalent should be used.</p>	5
2ii	<p><u>Cash (investments to be sold)</u> The existing CTF provider places redemption instructions through their normal dealing process for non-cash holdings.</p> <p>The existing CTF provider sends a CTF Transfer History Form<sup>4</sup> to the new JISA provider (if not provided at this stage this may be provided with the final payment).</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p> <p>Multiple payments of sale proceeds may be made dependent on the settlement cycle of the underlying assets.</p> <p>The existing CTF provider must ensure that each payment is accompanied by sufficient</p>	<p>The maximum timeframe for actioning Step 2ii should be 16 working days, where day 1 is the first day the request is received in the organisation; days 2-15 sees portfolio sale instructions initiated and settlement completed; and payment is initiated on day 16 at latest.</p> <p>One payment - The CTF provider should initiate payment no later than the end of the business day following the settlement of all assets being liquidated when one payment is made for the full proceeds of the transfer.</p> <p>Multiple payments – The CTF provider should not unduly delay payments once settlement proceeds have been received for individual liquidations and where</p>	16

<sup>3</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>4</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

	<p>information to identify the payer; the customer; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The final payment for any individual transfer must be accompanied by a notification which identifies the payment as the final instalment. If not already provided, the existing CTF provider sends a CTF Transfer History Form<sup>5</sup> to the new JISA provider with the final payment.</p>	<p>payments are made piecemeal to the JISA provider. Each payment should be sent within the same maximum timescale applying to one payment, unless there is a legitimate reason to defer sending a payment.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the CTF provider recognises that a delay beyond 16 working days is likely to occur, (pended cases excepted<sup>6</sup>) it is their responsibility to notify the new JISA provider and the CTF registered contact of the reasons for the delay and a likely timetable for resolution.</p>	
2iii	<p><u>In specie (plus cash balance)</u></p> <p>The existing CTF provider sends a full list of the investments held in the CTF accompanied by a CTF Transfer History Form<sup>7</sup> to the new JISA provider (if the CTF Transfer History Form is not provided at this stage this may be provided with the final payment).</p> <p>The new JISA provider should review the list of assets held in the CTF to confirm that all investments can be accepted as an in specie transfer.</p> <p>The new JISA provider should contact the CTF provider to arrange the transfer of investments in specie.</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p> <p>Multiple payments of any sale proceeds may be made dependent on the settlement cycle of the underlying assets.</p>	<p>The maximum timeframe for actioning Step 2iii should be 16 working days, where day 1 is the first day the request is received in the organisation; days 2-16 sees in specie transfers completed; and payment for any existing<sup>9</sup> cash balance is initiated on day 5 at latest.</p> <p>Any investments that cannot be accepted by the new JISA provider as an in specie transfer should be identified and the CTF provider instructed to sell those investments to transfer in cash, with payment initiated on day 16 at latest.</p> <p>Where the CTF provider is unable to sell those investments, the new JISA manager may have to state they are unable to accept the transfer.</p> <p>As a child cannot hold both a CTF and a JISA, any investments remaining in the CTF which cannot be transferred or sold within 60</p>	16

<sup>5</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>6</sup> See below for the circumstances in which cases can be pended

<sup>7</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>9</sup> This is cash already held within the CTF at the time the transfer is requested and does not relate to the cash proceeds of any investment sales required to facilitate the transfer which can be transferred later.

	<p>The existing CTF provider must ensure that each payment is accompanied by sufficient information to identify the payer; the customer; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The final payment for any individual transfer must be accompanied by a notification which identifies the payment as the final instalment. If not already provided, the existing CTF provider sends a CTF Transfer History Form<sup>8</sup> to the new JISA provider with the final payment.</p>	<p>days of transfer would require the CTF to remain open and invalidate the JISA which would then have to be closed.</p> <p>One payment - The CTF provider should initiate payment no later than the end of the business day following the settlement of all investments being liquidated (or transferred) when one payment is made for the full proceeds of the transfer</p> <p>Multiple payments – The CTF provider should not unduly delay payments once settlement proceeds have been received for individual liquidations and where payments are made piecemeal to the JISA provider. Each payment should be sent within the same maximum timescale applying to one payment, unless there is a legitimate reason to defer sending a payment.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the CTF provider recognises that a delay beyond 16 working days is likely to occur, (pended cases excepted<sup>10</sup>) it is their responsibility to notify the new JISA provider and the CTF registered contact of the reasons for the delay and a likely timetable for resolution.</p>	
2a	<p>Any residual income payments must be accompanied by sufficient information to identify the payer; the CTF registered contact; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The transfer of funds must not be made by electronic means or bulk payment by cheque unless agreement has been reached</p>		

<sup>8</sup> This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

<sup>10</sup> See below for the circumstances in which cases can be pended

	<p>between providers.</p> <p>With the exception of the CTF registered contact details, where information supplied by the new JISA provider and information held by the existing CTF provider differ, the transfer should go ahead subject to the existing CTF provider being confident of the child's identity (this is to ensure customer protection) having matched the data to a sufficient degree to identify the correct customer and is satisfied which CTF account is to be transferred.</p>		
2b	In the post		1
3	Once a Transfer has been received by the new JISA provider, it should not be rejected without first contacting the existing CTF provider using the contact details on the TISA database.	The new JISA provider should apply the transferred funds to the customer's account within 3 business days of receipt or per client money rules as applicable.	3 <sup>11</sup>
	<b><u>TOTAL DAYS – IN CASH</u></b> <b><u>(cash only held)</u></b>		<b><u>15</u></b>
	<b><u>TOTAL DAYS – IN CASH</u></b> <b><u>(investments to be sold)</u></b>		<b><u>26</u></b>
	<b><u>TOTAL DAYS – IN SPECIE</u></b> <b><u>(plus cash balance)</u></b>		<b><u>26</u></b>

<sup>11</sup> Unless PSR/FSA rules dictate that the money is applied earlier.

## Chase-up Process between steps 1 & 2 if required

If the new JISA provider has not heard anything from the existing CTF provider within 10 working days after sending the CTF Transfer Authority Form, it is the responsibility of the new JISA provider to check the progress.

Providers should use the most appropriate medium of communication in the prevailing circumstances.

## Pending Cases

Cases should be pended where:

- the customer has expressly requested the transfer to take place at some future date, or
- a customer's account has a restriction on it (i.e. notice account / fixed term / maturity / redemption date) where to transfer immediately would cause the customer to incur a financial charge unless the customer has indicated that they are willing to pay the charge. or
- the terms & conditions restrict access and therefore do not permit the transfer to another provider [prior to] [until] a future date.

Transfers cannot be pended due to errors/omissions on the transfer form or where additional information is required from customers or the other provider involved in the transfer.

The day a pended case is actioned (pended) by the existing CTF provider does not count in the timescales for either provider.

The first day the money becomes "free to move" does count towards the timescales for both providers.

The existing CTF provider **MUST** inform the new JISA provider of pending a case in an agreed format. This is assumed to be letter in the absence of any other agreement. This communication must include, **the date on which the case was pended** (which is not counted by either provider) and **the first date the account is free to move**.

Where a customer's account is free to move within just a few days of the transfer request being received by the existing CTF provider, the provider has discretion not to pend the case but to simply process the case when it is free to move, so long as they still complete the transfer out within the 16 working days requirement (with no days permitted as pended). This is to remove the need for costly and time-consuming communication between organisations for cases that can be completed within 16 working days, even though the funds may not be free to move for a day or so.

It is at the individual provider's discretion as to whether they notify customers that their transfer has been pended. However, it is recommended that the existing CTF provider informs the customer, except where the customer has specifically stated that they do not want the transfer to take place before a certain date or event.

## Data Security

Providers should liaise with one another to establish secure transfer channels in accordance with their obligations under the Data Protection Act.

## Resolution

TISA maintains two secure databases containing the contact details of CTF/JISA providers. These databases are for access only by other CTF/JISA providers for the purpose of resolving and escalating protracted transfer issues. All CTF/JISA providers should keep their contact details up to date **at all times** on both databases to support the correct direction of transfers and other communications between providers. Contact details should include telephone, e-mail and address and office working hours, for telephone contact in particular.

The TISA databases should also be populated with contact details of where to refer Transfer Out / Transfer In correspondence – as this can distinguish between where providers want the initial request correspondence to be directed (e.g. central address or branch) and any ongoing correspondence.

Providers should inform TISA of a change in contact details at least 2 working days prior to this change becoming effective via the following e-mail address - [isatransfers@tisa.uk.com](mailto:isatransfers@tisa.uk.com)

## Transfers that cannot be accepted

Where the new JISA provider is only willing to accept a transfer by a given date and funds are received after this date the new provider may choose to make contact with the customer to consider possible alternatives to returning the funds. The new provider would retain the right to repatriate the funds if no alternative solution can be agreed.

If the new JISA provider is unable to accommodate the transfer then the existing CTF provider should use one of the following remedies:

- reinstate the original CTF subject to market price movements and product restrictions, or
- offer another CTF product to the customer and effect an internal transfer, or
- allow the customer to transfer to another CTF or JISA provider.

## Case Abandonment

A case can only be abandoned where the customer is the primary cause for the delay. Cases where the existing CTF provider is the primary cause for delay would not be abandoned and the new JISA provider would continue to pursue the case through the cross-industry chaser and resolution procedures.

A case can be abandoned 2 months post the expiry of the initial 26 working day transfer timescale.

On abandoning a case the new provider must inform the customer that they have abandoned the case citing a reason.

Providers should review what action to take where funds are received post case abandonment, they can accept, decline or contact the customer to arrange a new account for the funds to be put in (if for example the previous product is no longer available).

Ends

April 2015





- Your existing CTF provider may need you to give them specific information before the transfer can go ahead.

If you are not sure what conditions apply please check with your existing CTF provider before completing this form.

If the transfer from the CTF is not successful, any JISA that has been opened on a provisional basis to accept the transfer will be invalid, and any subscriptions to the provisional JISA will be returned. The CTF status will remain intact.

### **Information about how the CTF should be transferred**

Please tick one of the following options to indicate how you wish to transfer this CTF:

**1. In cash**

(Existing investments will be sold and transferred in cash)

OR

**2. In cash and investments**

(Where possible the existing investments will be transferred however please note depending on terms and conditions some investments may need to be sold and transferred in cash)

*Please check your transfer request is permitted under the terms and conditions of your existing CTF provider prior to submitting the form. Please note that you may be contacted by your existing ISA provider to agree how the transfer of investments will be undertaken.*

### **Transfer declaration and authority – to be completed by the CTF Registered Contact**

I declare that I am the registered contact for the CTF and I have parental responsibility for the child

I authorise my existing CTF provider as specified above to transfer the CTF (unique reference number above) to [new JISA provider].

I authorise my existing CTF provider to provide [new JISA provider] with any information, written or non-written, concerning the CTF and to accept any instruction from them relating to the CTF being transferred.

Where I must give notice to close or transfer part of the existing CTF, or the existing CTF contains an investment which is designed and intended to be held for full term and has yet to reach redemption, I instruct my existing CTF provider to either: (tick the appropriate box)

1. wait for the full notice period to end, or wait until redemption (whichever is relevant) before going ahead with this transfer;

OR

2. depending on the terms and conditions, carry out the transfer as soon as possible – I accept any consequential loss of income, capital or charges that may be applied.

I authorise [new JISA provider]:

- to hold the child's subscriptions, investments, interest, dividends and any other rights or proceeds in respect of those investments and cash, and

- to make on behalf of the child any claims to relief from tax in respect of JISA investments.

I agree to the JISA terms and conditions.

Signed: ..... Date: .....

**Transfer acceptance (your new JISA provider fills this part in)**

We [new JISA provider] are willing to accept this CTF to JISA transfer in line with the Registered Contact's instructions above, as long as the following conditions are met:

We must receive all the transfer proceeds no later than   .

For the purposes of the transfer of the CTF under the CTF/JISA regulations, the date shown below will be the transfer date.

Date:

Name of new JISA provider: