

ADDITIONAL PERMITTED SUBSCRIPTION (APS) FREQUENTLY ASKED QUESTIONS

SEVEN 
Investment Management

FAQ // APRIL 2016

WHAT IS AN ADDITIONAL PERMITTED SUBSCRIPTION (APS)?

An Additional Permitted Subscription (APS) allows a surviving spouse or civil partner to make additional subscriptions to an ISA, in addition to their annual ISA limit. An APS becomes available to you from the date of death of your spouse or civil partner.

WHAT IS AN APS ALLOWANCE?

The APS allowance is the value of your spouse or civil partner's ISA as at the date of their death. It is an additional allowance independent of your normal annual ISA allowance. It is not dependent on inheriting the actual money or investments held within the ISA. Where the deceased held multiple ISAs with different ISA managers there will be a separate APS allowance with each ISA manager. When completing the 7IM APS Allowance Application form please ensure that you provide details of all ISAs held by the deceased as at the date of their death. If you are unsure how to complete the form please speak to your 7IM Relationship Manager or Financial Advisor.

WHO CAN APPLY FOR AN APS ALLOWANCE?

The surviving spouse or civil partner of an ISA holder who died on or after 3 December 2014.

WHO IS ELIGIBLE TO MAKE APS SUBSCRIPTIONS?

The surviving spouse or civil partner may make subscriptions up to the value of the deceased's ISA subscriptions.

You need to be married or in a civil partnership with the ISA holder and living together at the time of death. You cannot use the APS if you were separated under a court order or a Deed of Separation.

If you are a non-UK resident, you are generally not eligible to apply to subscribe for an ISA. However, you can open an ISA in order to use the APS.

HOW CAN I USE MY APS ALLOWANCE?

The ISA assets (cash, stock and shares) held by your deceased spouse or civil partner is separate from the APS allowance. You can contribute any cash you already hold or inherit to fund your APS subscription.

HOW DO I SUBSCRIBE TO MY APS ALLOWANCE?

In order to subscribe to any APS allowance with 7IM you must complete a 7IM APS Allowance Application form and a 7IM Subscription Information form. You will also need to complete the 7IM Subscription Information form each time you wish to make an additional subscription to your APS allowance.

Please be aware that 7IM will not process your subscription request until we have confirmed your APS allowance.

If you wish to transfer an APS allowance to 7IM, please see "How do I transfer my APS allowance to 7IM?" below.

CAN I TRANSFER MY APS ALLOWANCE TO 7IM?

If your spouse or civil partner held ISAs with other ISA managers, you can transfer this allowance to 7IM, provided that you have not made any subscriptions under this allowance before the transfer. Also please note the APS can only be transferred ONCE.

Once you transfer your allowance to 7IM we only be able to accept subscriptions under this allowance in cash.

HOW DO I TRANSFER MY APS ALLOWANCE TO 7IM?

Please complete a 7IM APS Transfer Authority form and submit this with your 7IM APS Allowance Form.

CAN I USE MY DECEASED SPOUSE OR CIVIL PARTNER'S ISA TO SUBSCRIBE TO MY APS ALLOWANCE?

Yes, You can transfer any cash or (non-cash) investments from an ISA held by the deceased with 7IM. In order to do this 7IM will need to see a copy of the deceased's grant of probate. Please be aware (non-cash) investments may only be transferred if they were held by the deceased as at the date of their death.

You can also transfer cash from an ISA held by the deceased with an external ISA manager. To do this you will also need to complete a 7IM APS Transfer Authority Form. Please be aware that 7IM will not process your subscription request until we have confirmed your APS allowance.

HOW DOES THE APS ALLOWANCE AFFECT MY ANNUAL ISA ALLOWANCE?

It does not, the ISA and APS allowances are separate. You may subscribe to both your ISA and APS allowance.

DO I ONLY HAVE ONE APS ALLOWANCE?

You are eligible to apply for separate APS allowances with each of the ISA managers with which your deceased spouse or civil partner held an ISA. Multiple ISAs held with the same manager will be consolidated to form a single APS allowance.

DO I HAVE TO INHERIT THE ISA ASSETS TO BE ABLE TO USE THE APS ALLOWANCE?

No, the APS allowance is treated separately to your deceased spouse or civil partner's assets. The value of your deceased spouse or civil partner's ISA subscriptions determine your APS allowance.

If your spouse or civil partner held ISAs with several ISA managers, you can transfer each allowance to 7IM or another ISA manager.

HOW DO I FIND THE VALUE OF MY APS ALLOWANCE?

If your spouse or civil partner had an ISA with 7IM you can contact your 7IM Relationship Manager or Financial Adviser. Otherwise, please contact the current ISA manager of the deceased for a probate valuation.

DO I HAVE TO OPEN A 7IM ISA TO USE MY APS ALLOWANCE?

No, you can just open an APS account however, you will be required to complete an Investment Account opening form if you do not currently have a General Investment Account with 7IM.

DO I HAVE TO USE MY APS IN THE SAME TAX YEAR OF THE DEATH OF MY SPOUSE OR CIVIL PARTNER?

No, but the following time limits apply:

- a. for in specie subscriptions, these can only be made within 180 days of beneficial ownership to the assets passing to you (if your spouse or civil partner died in the period beginning 3 December 2014 and ending 5 April 2015, this is treated as occurring on 6 April 2015, or the actual date of distribution, whichever is later); and
- b. for cash subscriptions, these can only be made within three years from the date of your spouse or civil partner's date of death, or if later, 180 days of the completion of the administration of the estate (if your spouse or civil partner died in the period beginning 3 December 2014 and ending 5 April 2015, the deceased is treated as dying on 6 April 2015).

After which, any unused subscription will lapse.

WHO SHOULD I CONTACT TO GET AN APS ALLOWANCE APPLICATION FORM?

Your 7IM Relationship Manager or Financial Adviser will be able provide you with an application pack.

I'VE INHERITED MY SPOUSE OR CIVIL PARTNER'S EXISTING 7IM ISA (NON-CASH) INVESTMENTS AND I WANT TO TRANSFER THEM IN SPECIE INTO MY ISA TO USE MY APS ALLOWANCE, BUT THEY'VE CHANGED IN VALUE SINCE MY SPOUSE OR CIVIL PARTNER'S DEATH. AT WHAT VALUE WILL THEY BE TRANSFERRED?

The APS allowance is set at the value of the ISA(s), held by your spouse or civil partner, on the date of their death. If the value of the ISA (non-cash) investments falls between the date of death and in specie transfer, you will be able to make additional cash subscriptions to use the remaining allowance. If the value of the ISA (non-cash) investments have risen, you will only be permitted to complete an in specie transfer up to the value of your APS allowance.

I'VE INHERITED MY SPOUSE OR CIVIL PARTNER'S EXISTING ISA (NON-CASH) INVESTMENTS WHICH WERE HELD BY ANOTHER ISA MANAGER, CAN I TRANSFER THEM IN-SPECIE TO MAKE AN APS IF MY APS ALLOWANCE HAS BEEN TRANSFERRED TO 7IM?

No, an in specie subscription is not available if you decide to make subscriptions to 7IM where 7IM did not hold the ISA of the deceased. An APS allowance can only be transferred where no subscriptions have been made under the APS allowance, this means that in specie subscriptions can only be done where the APS is held with the same ISA manager as the deceased's ISA.