



UK Funds Market Practice Group

ISA Transfers

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1 INTRODUCTION

1.1 Background

- (.1) The UK Funds Market Practice Group (UKFMPG) is a national constituent of the Investment Funds Working Group of the global Securities Market Practice Group (SMPG). The objective of the UKFMPG is to facilitate more efficient processing in the UK investment industry by publishing standards for electronic interactions between financial services organisations. UKFMPG standards are based on the ISO20022 message standard.
- (.2) This market practice standard is part of a broader framework for portfolio transfers and asset re-registration described by UKFMPG Transfers Framework Overview.

1.2 Purpose

- (.1) This document describes the market practice for transferring Individual Savings Accounts (ISAs).
- (.2) It relies on common aspects of portfolio transfers described in the UKFMPG Core Portfolio Transfers document and the two documents should be read in tandem.
- (.3) The technical message definitions for this market practice are given in NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0 usage guidelines on www.swift.com/mystandards.

1.3 Scope

- (.1) This market practice will be of relevance to:
 - Stocks and Shares ISA Plan Managers
 - Cash ISA Plan Managers
 - Platforms and wealth managers
- (.2) This market practice covers the transfer of both Stocks and Shares and Cash ISAs .
- (.3) This market practice covers the process to transfer a customer's ISA between ISA Plan Managers including:
 - Initial exchange of information between the delivering and receiving parties to the transfer
 - Instruction to initiate the transfer of an ISA, including whether to re-register an asset or liquidate it and transfer the cash proceeds
 - Advice to the new ISA Plan Manager of any current years contribution amounts, date of first subscription and the customer's registered address.
 - Advice to the new ISA Plan Manager of cash amounts that are being transferred
 - Associated status and confirmation reporting.
- (.4) This includes cash and in-specie transfer of ISAs with a wide range of assets categorised as:
 - Cash (Un-invested cash holdings within the portfolio)

- Funds (publicly available funds, identified with an ISIN, that are registered with a transfer agent)
- CREST Registered Securities (which may be equities, ETFs or any other asset supported by and registered on CREST other than funds as defined above)
- Other assets (described in unstructured free text and that will not be processed automatically)

(.5) This market practice does not address:

- Transfer of Junior ISAs
- Instructions from the customer to an ISA plan manager
- Opening of accounts
- Instructions to asset managers to liquidate or re-register assets
- Instructions to banks to make cash payments

1.4 Terminology

1.4.1 Roles

(.1) The key roles in the transfer process are:

- **Acquiring Party** - The ISA account administrator (who may be the ISA plan manager or an administrator acting on their behalf) that receives the portfolio, containing one or more assets, either as an account provider to another party or as the ultimate account holder.
- **Ceding Party** - The ISA account administrator that delivers the portfolio, containing one or more assets, to the Acquiring Party.
- **Asset Manager** - The party that is ultimately responsible for the maintenance of the asset register and the liquidation of assets.

1.4.2 Glossary

Acquiring Party	As defined above.
Asset transfer	The transfer of legal ownership of an asset, which may comprise the whole or part of a portfolio, between the Acquiring and Ceding Parties.
Cash transfer	The transfer of cash from asset redemptions or un-invested or residual portfolio cash balances between the Acquiring and Ceding Parties.
Ceding Party	As defined above.
Fund Manager	The party responsible for maintaining the register for funds. For the purposes of this market practice, a Fund Manager may act the role of Asset Manager and, where the customer holds an account with the Fund Manager, the Acquiring or Ceding Party.
ISA Plan Manager	An entity authorised by HMRC to act as a manager of Individual

	Savings Accounts under the Individual Savings Account Regulations 1988 (SI 1988 No.1870). May act as Ceding or Acquiring Party.
Nominee	An entity that holds title to assets on behalf of underlying customers.
Payment advice	Notification from the remitter to recipient of cash that is to be transferred between their respective bank accounts.
Portfolio transfer	The transition of the role of account provider from one party to another.
Redemption	The realisation of an investment fund holding by way of sale to its manager.
Re-registration	The alteration of the fund's unitholder register to reflect the transfer of legal ownership between the Ceding and Acquiring Parties.

2 PROCESS

2.1 Overview

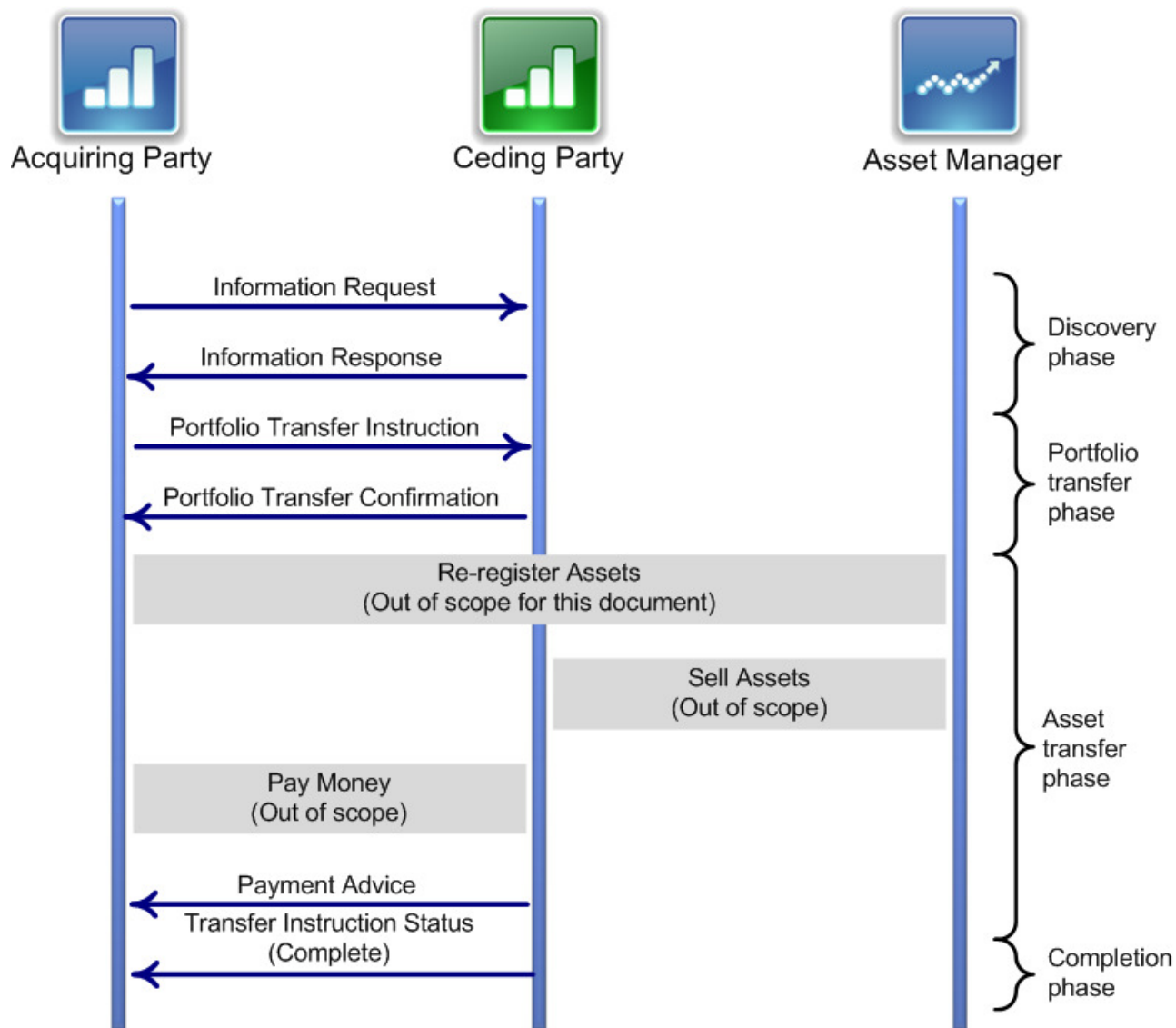


Figure 1 –Process Overview

(.1) In summary, the transfer process comprises the following steps:

- Discovery phase (optional)
 - The Acquiring Party requests details of the customer's account from the Ceding Party, including the ISA tax years to be included
- Portfolio transfer phase
 - The Acquiring Party instructs the Ceding Party to transfer the customer's account
 - The Ceding Party validates the instruction and the account details and confirms back to the Acquiring Party that the account will be

transferred (including details of any ISA year to date contributions where included in the transfer)

- Asset transfer phase
 - The Ceding Party issues re-registration instructions to the asset manager for the relevant assets in the customer's account (out of scope for this document)
 - The Ceding Party issues redemption instructions to the asset manager for the relevant assets in the customer's account (out of scope for this market practice)
 - The Ceding Party makes a cash payment to the Acquiring Party using its preferred payment method (out of scope for this market practice)
 - The Ceding Party sends a payment advice to the Acquiring Party
- Completion phase
 - The Ceding Party advises the Acquiring Party that the transfer is complete

2.2 Message Processing

2.2.1 Message Sequence

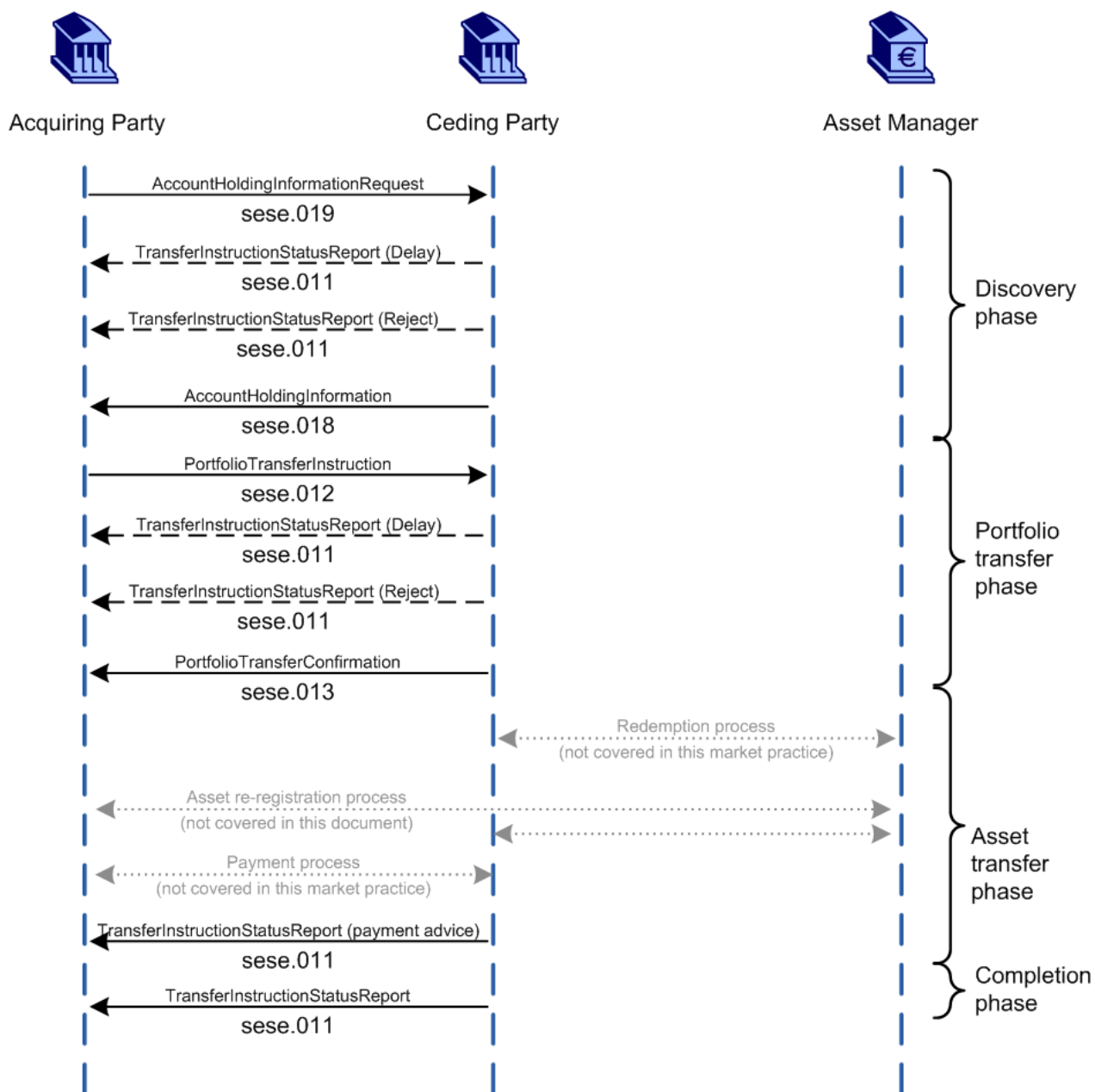


Figure 2 – Message Sequence

2.2.2 Message Validation

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) The market practice version text for each message is shown below NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0

Exchange	ISO Message	Version
Information Request	AccountHoldingInformationRequestV02 (sese.019.001.02)	'NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0'
Information Response	AccountHoldingInformationV03 (sese.018.001.03)	'NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0'
Portfolio Transfer Instruction	PortfolioTransferInstructionV04 (sese.012.001.04)	'NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0'
Portfolio Transfer Confirmation	PortfolioTransferInstructionV04 (sese.013.001.04)	'NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0'
Delay	TransferInstructionStatusReportV03 (sese.011.001.03)	'NMPG-GB-IF-Core-Portfolio-Transfers-V3.0'
Rejection	TransferInstructionStatusReportV03 (sese.011.001.03)	'NMPG-GB-IF-Core-Portfolio-Transfers-V3.0'
Payment Advice	TransferInstructionStatusReportV03 (sese.011.001.03)	'NMPG-GB-IF-Core-Portfolio-Transfers-V3.0'
Transfer Complete	TransferInstructionStatusReportV03 (sese.011.001.03)	'NMPG-GB-IF-Core-Portfolio-Transfers-V3.0'

Figure 3 – Market Practice Versions

2.3 Process Steps

2.3.1 Discovery Phase

2.3.1.1 Send Information Request

- (1) The Acquiring Party may optionally issue an Information Request to the Ceding Party before instructing the transfer.
- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) For ISAs the Information Request may be issued for:
 - The current tax year's ISA subscriptions only
 - All previous tax years' ISA subscriptions only
 - Both current and previous tax years' ISA subscriptions

- (.3) For ISAs, the National Insurance number is a mandatory data item.

2.3.1.2 Process Information Request

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (.2) The Ceding Party validates the scope of the ISA transfer as described below.

Request	Customer holds	Outcome
Both	Current only	Process
Both	Previous only	Process
Both	Both	Process
Current only	Current only	Process
Previous only	Previous only	Process
Previous	Current	Reject
Current	Previous	Reject

Figure 4 – Transfer Scope

- (.3) Where the current year ISA is being transferred, the Ceding Party must provide the date the 1st contribution was made in this tax year, plus the total amount of subscriptions made in this tax year.
- (.4) Some ISA administration systems are unable to distinguish between the assets attributable to specific plan years. In the event that the current plan year is to be either transferred on its own or left behind, the Ceding Party will need to determine the value of the portfolio (principal invested or current value) to transfer, and assets or proportion of assets that are attributable to that value.
- (.5) Where a Ceding Party receives an information request with regard to both current and past year holdings, but the investor holds only one or the other, the request should be processed and information returned on what the investor actually holds (current or past years).
- (.6) The Ceding Party must provide an estimated transfer value in respect of any ISA Information Responses being sent.

2.3.2 Portfolio Transfer Phase

2.3.2.1 Send Portfolio Transfer Instruction

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) For ISAs, the scope of the Portfolio Transfer Instruction may be as described for the Information Request above.

2.3.2.2 Process Transfer Instruction

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) The Ceding Party validates the transfer scope as described above for the Information Request above.
- (3) Where a Ceding Party receives an instruction to transfer both current and past year holdings, but the investor holds only one or the other, the instruction should be processed for whichever years (current or past) the investor actually holds.
- (4) The Ceding Party provides an estimated transfer value as described above for the Information Request.
- (5) Where the current tax year is included in the transfer, the Ceding scheme provides updated information relating to the customer's current tax year subscriptions as described above for the Information Request.
- (6) All address details held for the ISA registered address should be included in the Portfolio Transfer Confirmation message by the Ceding Party. On receiving the Portfolio Transfer Confirmation message, the acquiring party should only validate that at least one of the address fields is completed.

2.3.3 Asset Transfer Phase

2.3.3.1 Initiate Asset Transfer

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

2.3.3.2 Process Payments

- (2) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

2.3.4 Completion Phase

2.3.4.1 Send Transfer Complete

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

3 DATA

3.1 Data Definitions

- (1) The common data for portfolio transfers is described in the UKFMPG Portfolio Transfers market practice document.
- (2) The tables below describe the additional data required for ISA transfers

Data Item	Sub Data Item	Description / Notes
Primary Individual Investor	National Insurance Number	Redefine as per ISA rules (dummy number of XX999999X)
ISA Type		Specifies the type of ISA held by the Ceding Party, one of Stocks & Shares or Cash
Ceding Party Account	Sort Code	Additional optional ceding party account field for use where appropriate with a Cash ISA transfer. The sort code should be specified as 6 digits without hyphens or spaces.
Current years indicator		Indicates whether current years subscriptions are to be included within the account ISA transfer Either the current years indicator, the previous years indicator or both must be set to true
Previous years indicator		Indicates whether all previous years subscriptions are to be included within the ISA transfer Either the current years indicator, the previous years indicator or both must be set to true
Date of first subscription		Where current years subscriptions are being transferred, indicates the date within the current tax year on which the first subscription was made by the investor within their ISA. (Where the current year is not being transferred, a default value of 01/01/1900 can be inserted here.)
Subscriptions year to date		Where the current years subscriptions are being transferred, indicates the total subscriptions that have been made in the current tax year. Due to flexible ISA subscriptions, it will be valid to transfer current year subscriptions with a valid date of

		<p>first subscription and a subscriptions year to date value of 0.00.</p> <p>The amount should be provided in GBP to 2 decimal places of accuracy.</p> <p>(Where the current year is not being transferred, the date of first subscription should be set to 01/01/1900 and the subscriptions year to date should be set to 0.0.)</p>
Estimated transfer value		<p>Provides an estimated value of all assets being transferred in respect</p> <p>The value should be provided in GBP to 2 decimal places of accuracy</p>
Registered DOB		Provides the registered date of birth held on file by the Ceding Party for the individual investor of the ISA
Structured Address		Provides address details in a structured format
	Building Number	The building number of the address
	Street Name	The street name of the address
	Town Name	The post town of the address
	Country Sub Division	The country sub division of the address
	Post Code	<p>The postcode of the registered address</p> <p>Postcode is mandatory for any UK address</p> <p>Standard postcodes must include a space (e.g AB12 3CD) but the format is not constrained by a regular expression so that BFPO and other non-standard formats may be used</p>
	Country	The country of the address, specified using an ISO 3166, Alpha-2 code
Unstructured Address		Provides address details in an unstructured format
	Address Line 1	The mandatory first line of the address
	Address Line 2	The optional second line of the address
	Address Line 3	The optional third line of the address

	Address Line 4	The optional fourth line of the address
	Address Line 5	The optional fifth line of the address
Registered Address		Provides the registered address details held on file by the Ceding Party for the individual investor of the ISA The address can be either in a structured or unstructured format.
	<i>As Structured address details</i>	Either structured or unstructured address details may be specified but not both.
	<i>As Unstructured address details</i>	Either structured or unstructured address details may be specified but not both.
Market Practice Version		Defines the market practice version used for any portfolio message sent. The market practice version value should be specified as 'NMPG-GB-IF-ISA-Portfolio-Transfers-V3.0' for all ISA specific portfolio messages

Figure 5 – Data Definitions

3.2 ISO Message Data

- (.1) The following tables defines the usage of the above data items within the various ISO messages used by this market practice.
- (.2) Each cell is defined as follows:

Mandatory	M (1:1)	The item must be present
Optional	O (0:*)	The item may be present
Conditional	C (0:1)	The item may be present but is conditional on another data item Notes against the relevant data definition will specify the conditional rules
Not Present	X	The item must not be present
Bounds	(n:n)	The numbers in parenthesis indicate the lower and upper bound for the number of occurrences of the data item in a particular message, where * indicates that there is no upper bound.

Figure 6 – Message Data Key

- (.3) Sub data items are encoded and bound indicated within the context of their parent data item. If the parent data item is not included, sub data items should be ignored.

Field	Information Request	Information Response	Portfolio Transfer Instruction	Portfolio Transfer Confirmation
Acquiring Party	M (1:1)	M (1:1)	M (1:1)	M (1:1)

Ceding Party	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Portfolio Transfer Reference	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor - Surname	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor - Forename	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor - Date of Birth	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor - NINO	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Primary Individual Investor - Address Post Code	C (0:1)	C (0:1)	C (0:1)	C (0:1)
Primary Individual Investor - Address Country	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Ceding Party Account	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Ceding Party Account - Account Identification	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Ceding Party Account – Sort Code	O (0:1)	O (0:1)	O (0:1)	O (0:1)
Ceding Party Account - Account Designation	O (0:1)	O (0:1)	O (0:1)	O (0:1)
Partial Discovery Indicator	X	M (1:1)	X	X
Cash Transfer Indicator	X	O (0:1)	O (0:1)	O (0:1)
Transfer Assets	C (0:*)	C (1:*)	C(1:*)	C(1:*)
Preferred Payment Details	X	X	O (0:1)	O (0:1)
Preferred Payment Details - Sort Code	X	X	C (0:1)	C (0:1)
Preferred Payment Details - Account Number	X	X	C (0:1)	C (0:1)
Preferred Payment Details – BIC	X	X	C (0:1)	C (0:1)
Preferred Payment Details – IBAN	X	X	C (0:1)	C (0:1)
Preferred Payment Details - Payment Reference	X	X	O (0:1)	O (0:1)
Portfolio Confirmation Reference	X	X	X	M (1:1)
Portfolio Transfer Date	X	X	X	M (1:1)
ISA Type	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Current Years Indicator	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Previous Years Indicator	M (1:1)	M (1:1)	M (1:1)	M (1:1)
Date of First subscription	X	C (0:1)	X	C (0:1)
Subscriptions Year To Date	X	C (0:1)	X	C (0:1)
Estimated Transfer Value	X	M (1:1)	X	M (1:1)
Registered DOB	X	X	X	C (0:1)
Registered Address (Unstructured)	X	X	X	C (0:1)
Registered Address (Unstructured) - Address Line 1	X	X	X	M (1:1)
Registered Address (Unstructured) - Address Line 2	X	X	X	O (0:1)
Registered Address (Unstructured) - Address Line 3	X	X	X	O (0:1)
Registered Address (Unstructured) - Address Line 4	X	X	X	O (0:1)
Registered Address (Unstructured) - Address Line 5	X	X	X	O (0:1)
Registered Address (Unstructured) - Post Code	X	X	X	M (1:1)
Registered Address (Unstructured) - Country	X	X	X	M (1:1)
Registered Address (Structured)	X	X	X	C (0:1)
Registered Address (Structured) - Building Number	X	X	X	O (0:1)
Registered Address (Structured) - Street Name	X	X	X	M (1:1)
Registered Address (Structured) - Town Name	X	X	X	M (1:1)

Registered Address (Structured) - Country Sub Division	X	X	X	O (0:1)
Registered Address (Structured) – Post Code	X	X	X	M (1:1)
Registered Address (Structured) - Country	X	X	X	M (1:1)

Figure 7 – Message Data

4 EXAMPLE TRANSFER SCENARIOS

4.1 Stocks and Shares ISA Transfers

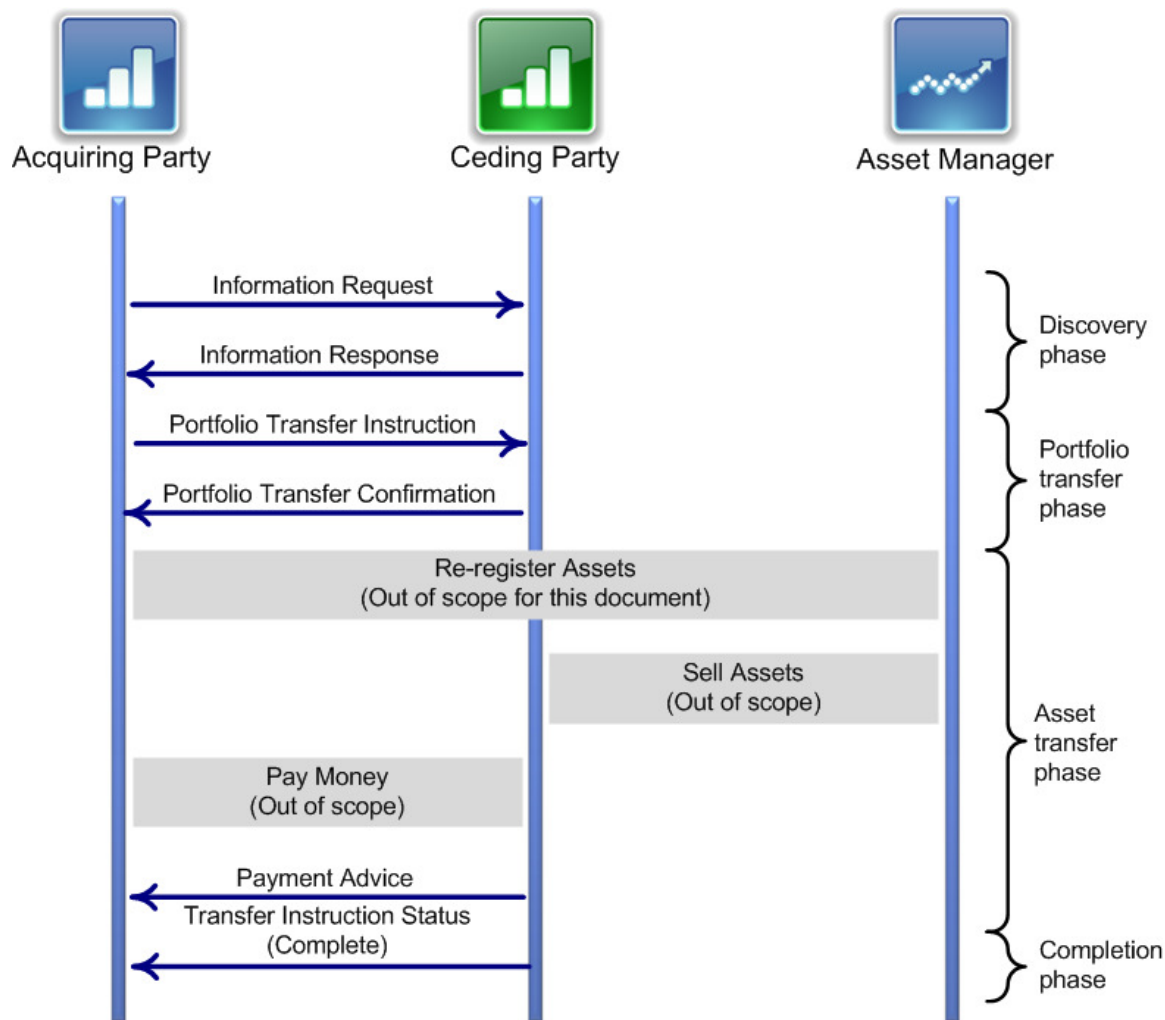


Figure 8 – Stocks and Shares ISA Transfer

- (.1) This scenario concerns the transfer of a Stocks and Shares ISA containing some assets to be transferred in-specie and some to be redeemed and transferred in cash. The ISA is transferred between two nominees holding the assets on behalf of the customer.
- (.2) The same scenario applies for a Cash ISA containing money market or other funds that qualify to be held within a Cash ISA.
- (.3) Where the ISA comprises funds only and the account is held with the fund manager, then the fund manager will perform the roles of both the Ceding Party and the Asset Manager.

4.2 Cash ISA Transfer

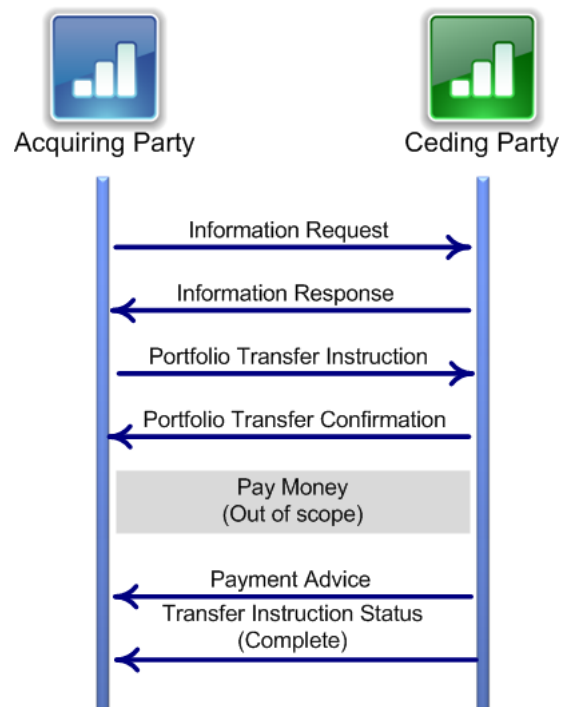


Figure 9 – Cash ISA Transfer

- (.1) For bank deposit Cash ISAs holding only cash there will be no asset redemption or asset transfer exchanges. The cash held will simply be paid to the Acquiring Party.

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