

Purpose

The aim of this document is to demonstrate the circumstances where third party transfers may be allowed.

1. Third Party Cash Payments

Although Credo's default position is that no payments will be made to third parties and subject to its discretion in clause 1.2 below as well as any restrictions imposed by its Custodian, the circumstances in which payments may or will usually be allowed to third parties are as follows:

1.1. Credo will usually allow third party payments, for the following:

- Investments made in the account holder's own account, i.e. investments in financial assets of the type that Credo and/or other financial services firms would usually invest in, i.e.
 - where it is going to be custodied with Credo; or
 - where the investment is through another regulated firm in the UK or in a jurisdiction that Credo regards as being low risk; or
 - where the investment is into a fund (regulated or unregulated) provided the administrator is a regulated entity in the UK or in a jurisdiction that Credo regards as being low risk; or
 - includes transfers to credit institutions, asset management companies or financial services providers where the money paid away continues to be held on behalf of the same investor (including SIPPs, ISAs);
 - Payments made directly related to securities asset servicing and investment services including registrar fees — excluding for example payment of ancillary or adviser fees to introducing IFAs;
- By Journal entry, to effect a payment to another account held with Credo:
 - between spouses
 - between parents (including in-laws) and children
 - between grandparents and grandchildren

provided that Credo has satisfactory KYC to prove the relationship between the parties and has a satisfactory reason for the payment to be made;

- Payments to the nominated parent or guardian from a JISA account where the payment has been approved by HMRC on the basis of an illness claim, provided that Credo has received a copy of the HMRC approval letter;
- Payments to an Attorney under a Power of Attorney (**POA**) registered with the Office of the Public Guardian, provided that Credo has satisfactory KYC on the Attorney(s) and evidence of the POA;
- Fees payable to Solicitors and Accountancy firms, where Credo has been provided with:
 - evidence that the fees have been charged for a service or advice provided by the firm acting under a recognised third-party agreement in relation to the management of the client's securities, investments and/or security transactions; and
 - a copy of the invoice and/or third-party agreement;

- Fees payable to a Financial Intermediary (FI) where Credo has the authority to collect fees on their behalf;
 - Fees payable to the organisations which have the authority to issue Legal Entity Identifiers (LEIs) including the London Stock Exchange, Bloomberg (UK) and Strate (SA) for the registration and provision of an LEI to a client or a FI which applies for the LEI on its behalf;
 - Payments to HMRC and revenue commissioners if these payments are directly connected with a liability related to securities holdings or securities transactions, provided there are sufficient funds in the account for that purpose, i.e. Credo will not accept funds into the account for the purpose only of paying HMRC;
 - From trusts to its beneficiaries, settlor and trustees provided that Credo has satisfactory KYC to prove the relationship between the parties and has received a copy of the relevant resolution confirming the reason for the payment;
 - From a company to its beneficial owner, provided Credo is satisfied with the reason for the payment and has received a copy of the relevant resolution confirming the reason for the payment;
 - Payments relating to the administration of a deceased estate, including solicitors/executors, but not beneficiaries of the estate;
 - Payments to an underlying policy holder (**Policy Holder**) where Credo's client is a Financial Institution (**FinIns**) which is the registered and beneficial holder of the assets in a wrapper/policy and where that FinIns has provided Credo with a payment instruction and the details of the Policy Holder.
- 1.2. Credo retains its discretion to allow or disallow third party payments on a risk sensitive basis in any of the circumstances referred to in clause 1.1 above (and any other situation) and reserves the right to request whatever documentation it may require to satisfy itself as to the reason for the payment and/or the relationship of the parties, which may include requesting a copy of the fund documentation, fact sheet or the like for any investment.

2. Third Party Receipts

Although Credo's default position is that no receipts will be accepted from third parties and subject to its discretion in clause 2.2 below as well as any restrictions imposed by its Custodian, the circumstances in which receipts from third parties may or will usually be allowed are as follows:

2.1. Credo will usually allow third party receipts in the following circumstances:

- Receipts from a credit institution, asset-management firm or financial services provider where the investment is held on behalf of the same Investor(s) **and** the receipts are directly related to securities asset servicing and/or investment services

- Receipts from beneficial owners of the account i.e. from a shareholder of a company, provided Credo is satisfied with the reason for the payment and has received a copy of the relevant resolution confirming the reason for the receipt
- By Journal entry, to effect a receipt from another account held at Credo:
 - between spouses
 - between parents (including in-laws) and children
 - between grandparents and grandchildren
 - provided that Credo has satisfactory KYC to prove the relationship between the parties and has a satisfactory reason for the receipt;
- Receipts from the nominated parent or guardian into a JISA account;
- Receipts from an Attorney under a POA registered with the Office of the Public Guardian, provided that Credo has satisfactory KYC on the Attorney(s) and evidence of the POA;
- Receipts from a FI, where the FI is transferring funds from the account that it holds for its underlying client (**UC**) into the UC's account at Credo; provided that it is for the purpose of an investment, and where:
 - the funds are pooled, the UC can be identified; or
 - the transferred funds are from the FI's segregated account, the relationship between the UC and the FI has been established
- Receipts to a Policy Holder who is Credo's client, from a FinIns which is the registered and beneficial holder of the assets in a wrapper/policy and where the receipt is from the wrapper/policy held by the FinIns on behalf of the Policy Holder
- Receipts into a trust from a verified beneficial owner of the trust, bearing in mind that any beneficiary who makes a donation into a trust, becomes a settlor as a result of such donation and will have to provide Credo with full KYC.

2.2. Credo retains its discretion to allow or disallow third party receipts on a risk sensitive basis in any of the circumstances referred to in clause 2.1 above (and any other situation) and reserves the right to request whatever documentation it may require to satisfy itself as to the reason for the receipt and/or the relationship of the parties.

3. Third Party Stock Transfers

Although Credo's default position is that no stock transfers will be made to third parties, the circumstances in which Credo may, subject to its discretion referred to in clause 3.4 below, as well as any restrictions imposed by its Custodian, allow third party transfers (but only of uncertificated/dematerialised stock), are as follows:

3.1. If no consideration is being paid/received on the transfer (i.e. it is a donation/gift):

- Transfers:
 - between spouses
 - between parents (including in-laws) and children
 - between grandparents and grandchildren
 - between siblings
 - to a charity
 - provided Credo have KYC on the transferor and transferee, we have a satisfactory reason for the transfer and satisfactory proof of the relationship between the parties and a copy of the transferee's custody statement for the account to which the stock is going to be transferred and in the case of a charity, we have satisfactory proof that it is a registered and recognised charity and that its objective is acceptable to us;
- Transfers within a structure i.e. from a corporate to its sole shareholder which is a trust; provided Credo is satisfied with the reason for the transfer and has received a copy of the relevant resolution confirming the reason for the transfer;
- To immediate natural beneficiaries of trusts and corporates in circumstances where the trust/corporate is a small entity and has been set up for the benefit of one or more natural persons, provided that we have received a copy of the relevant resolution confirming the reason for the transfer and any such transfer is being made to a custody account:
 - in the UK; or
 - in the jurisdiction in which the transferee is resident; or
 - in a jurisdiction, that Credo regards as being low risk.

3.2. If consideration is being paid/received on the transfer:

The same rules as those set out in clause 3.1 above shall apply, but additionally where our client is the recipient of a stock transfer (i.e. it is the transferee), the transferee shall be required to have/deposit funds with Credo to the value of any stamp duty (or other applicable tax) liability payable on the transfer, whether imposed in the UK or any foreign jurisdiction. Until there is sufficient cash in the transferee's account to pay the stamp duty liability, we will not accept delivery of the stock. Where necessary, we may seek legal advice regarding the transferee's liability for stamp duty arising from any proposed transfer (e.g. a cross-jurisdictional transfer) and any costs arising from such advice shall be borne by the transferee and until there is sufficient cash in the transferee's account to reimburse us for such costs, we will not accept delivery of the stock.

3.3. In addition to the scenarios referred to in clauses 3.1 and 3.2 above, Credo may accept stock transfers into a trust from a verified settlor of the trust, bearing in mind that any beneficiary who makes a donation into a trust becomes a settlor as a result of such donation and will have to provide us with full KYC.

We retain our discretion to allow or disallow third party stock transfers (and stock receipts) on a risk sensitive basis in any of the circumstances referred to in clauses 3.1 – 3.3 above and we reserve the right to request whatever documentation we require to satisfy us as to the reason for the transfer and/or the relationship of the parties.