

WHAT IS AN INDIVIDUAL SAVINGS ACCOUNT (“ISA”)?

An ISA is a savings or investment account which allows UK taxpayers to save and earn income tax-free in the UK. The main point of difference from other savings and investments is that ISAs are free from tax (both income and capital gains). Each year, a UK taxpayer can save up to a maximum of £20,000 in their ISA. The UK tax year runs from 6 April.

WHY IS THIS RELEVANT FOR AN SA BASED WEALTH MANAGER OR FINANCIAL INTERMEDIARY?

At Credo, we recognise the role you play with your clients as their trusted adviser regardless of where they live or intend to live. We have seen an increasing trend of South Africans moving to the UK and appreciate that these clients will turn to you for guidance and setting up an ISA. As a UK based firm, Credo has extensive experience in both establishing ISAs as well as providing investment management solutions.

CAN AN ISA BE SET UP FOR CLIENTS WHO CURRENTLY DO NOT HAVE AN ACCOUNT WITH CREDO?

At this stage, no. For Credo to assist with setting up an ISA, the client must have a General Investment Account (either discretionary or execution-only) already open on the platform, which must be linked to you as their Financial Intermediary.

AS A SA REGULATED FIRM, CAN I CONTINUE TO EARN AN ADVICE OR INVESTMENT MANAGEMENT FEE ON AN ISA?

No, unless you are regulated to give advice or provide investment management services in the UK by the Financial Conduct Authority, you are not permitted to charge or earn any ongoing fees. You can continue to earn fees on the client's General Investment Account with Credo.

HOW WILL MY CLIENT BE ONBOARDED BY CREDO?

We will open an ISA account for your client who will be treated as a Private Client on Credo's books. What this means is Credo will fulfil a wider mandate in terms of regulatory responsibilities with your client. These include ensuring the investments are suitable and appropriate for your client as well as several other regulatory obligations. You will be able to view the client's account on MyCredo as per all your other accounts, but you will not have permission to trade on the portfolio. If in the future, you become authorised in the UK, the client relationship will then move back to you, and Credo will no longer treat the client as a direct Private Client.

HOW WILL MY CLIENT'S PORTFOLIO BE MANAGED?

Credo will engage with you to understand your client's investment objectives and risk tolerance. Based on this, we will put forward a portfolio which will comprise of either the [Credo Multi Asset – Select Portfolios](#), or an allocation to one of [Credo's UCITS funds](#). At this stage, we cannot accommodate execution-only portfolios and only Credo asset management solutions are available.

CAN MY CLIENT TRANSFER ASSETS FROM AN EXISTING CREDO ACCOUNT TO THEIR ISA?

Yes, your client can easily transfer assets from their existing Credo General Investment Account to their ISA. This is particularly convenient where on an annual basis, clients wish to utilise their annual ISA allowance.

WHAT ARE THE CHARGES?

Depending on whether your client invests Credo MAP Select, or a Credo fund (or combination of thereof), the fees will differ.

	Credo Multi-Asset Select	Credo Funds
Credo Investment Management	0.8% per annum	Charged within the funds
Credo Platform Fee	0.2% per annum, subject to a minimum of £50	
Credo Trading Fees	Nil	

WHAT IS THE PROCESS?

Your client will complete a Credo Private Client Account Opening Form, as well as an ISA Account Opening Form. Both will require your client's signature. Credo will review the existing due diligence held for your client, and should any additional documentation be required, we will confirm as such. Thereafter, we will engage with you to understand your client's investment objectives, and risk tolerance. Based on this, we will put forward a recommendation on the composition of their ISA portfolio.

IMPORTANT NOTICE

The value of an ISA with Credo can go down as well as up and investors may get back less than they invest. A stocks and shares ISA may not be right for everyone and tax rules may change in the future. As with all investment, capital is at risk. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person or makes any representations as to its accuracy and completeness.