



YORSIPP

Unlisted Shares Questionnaire / Application

Member Name	Title	Forename(s)	Surname
Member Number			

This form must be completed before Yorsipp Limited will consider allowing investment in Unlisted (Unquoted) UK Shares under a SIPP. Unlisted UK shares are shares in a company incorporated in the UK, which are not listed on either the London Stock Exchange or the London Stock Exchange Alternative Investment Market, or a recognised overseas investment exchange. Unlisted shares can only be held under the Yorsipp 'Full SIPP'. Please see our fee schedule for details of the Full SIPP fees: <http://www.yorsipp.com/products-services/sipp/sipp-fees/>. Unlisted shares are a 'non-standard' asset and are subject to the non-standard asset fee, which is also detailed in the fee schedule.

Company Details

Full Company Name		
Registered Address		
	Postcode	
Company Registration Number		

- Is the company incorporated outside of the UK? Yes No
- Is the company located outside of the UK? Yes No
- Is the company in liquidation or administration? Yes No
- Was the company incorporated less than 2 years ago? Yes No
- Are the trustees of a pension scheme prevented from being shareholders of the company? Yes No
- Is there any obligation to purchase further shares or commit additional funds in the future? Yes No

If yes to any of the above, the share purchase may not proceed

Company Documents

Please supply copies of the following documents to allow us to verify the information above:

- The company's Memorandum and Articles of Association
- Any shareholder's agreement

Investor Type

Is the member any of the following? (see note 1)

- Certified High Net Worth Investor? Yes No
- Certified Sophisticated Investor? Yes No
- Self-Certified Sophisticated Investor? Yes No

If no to all of the above, the share purchase may not proceed

Member Connection and Control

Are you a Controlling Director of the company in which shares are to be purchased, or will you become a Controlling Director as a result of the share purchase? (see note 2) Yes No

If yes, the share purchase may not proceed

Are you connected to or do you have control of the company in which shares are to be purchased, either currently or as a result of the share purchase? (see notes 2, 3 & 4) Yes No

If yes, please provide details

If the member controls, or will control, the company, or if the share purchase would result in Yorsipp (Trustees) Limited controlling the company, either through one member's SIPP, or when combined with one or more other members, the share purchase may not proceed. We may decide not to permit the purchase of shares, depending on the extent of any member connection.

Taxable Property Issues

Does the company own any Taxable Property? (see note 5) Yes No

If yes, does it meet the definition of "Genuinely Diverse Commercial Vehicle"? (see note 6) Yes No

If no, does it meet the criteria for tangible moveable property under the Investment Regulated Pension Schemes (Exception of Tangible Moveable Property) Order 2006? (see note 5) Yes No

We may decide not to permit the purchase of shares, depending on the taxable property position along with the extent of any member connection.

Details of shares to be purchased

Class of share Number of shares

Percentage ownership Expected share price

Is this a new issue of shares or a purchase of existing shares?

Please provide full details of the vendor (for existing shares) and contact details for the person at the company who will deal with the issue or transfer of shares.

How will the purchase be funded?

Please provide the basis on which the shares have been valued together with independent verification that the share price represents market value. (If neither is available Yorsipp Limited can arrange for this to be undertaken – please contact us for full details and costs). Yorsipp Limited will seek an independent valuation of the shares, prior to final approval of the investment. Where a valuation has been prepared by or on behalf of the member, this may be acceptable but Yorsipp Limited may wish to further verify that the valuation is a fair reflection of market value. If the independent valuation does not correspond with the price being asked for the shares, the proposed investment will not be permitted. Any costs involved in having the valuation verified will be charged to the member's SIPP. If the share purchase does not proceed we reserve the right to charge any costs incurred to the member's SIPP, whether this is due to Yorsipp Limited not permitting the investment because the valuation could not be verified, or whether this is due to the member deciding not to proceed.

If the share purchase will result in more than 70% of the SIPP assets being held in non-standard assets, then the purchase may not proceed.

Verification and further checks

The details provided above will be verified by Yorsipp Limited and we will contact you if we find that any aspect of the proposed purchase does not meet our requirements, or if we need further information to allow us to make a decision on whether or not to allow the purchase through the SIPP. Yorsipp Limited may also carry out further checks in relation to the company and its directors, for example credit scoring or director disqualification.

Stamp Duty

Purchase of unlisted shares will attract stamp duty of 0.5% payable within 30 days.

Shareholder Agreements

Where a shareholders agreement is in place or required Yorsipp will require legal advice on entering into such agreement. The agreement must not contain any clauses which would prejudice the trustee's position or lead to a tax charge.

Voting

There will be occasions where the SIPP trustees will be asked to vote. Yorsipp will take guidance from the member, however as trustees we will not vote where there are tax implications. This could result in our going against the member's wishes.

Declaration

I hereby instruct Yorsipp Limited on behalf of Yorsipp (Trustees) Limited to purchase unquoted shares in the company detailed above. The shares will be held in the name of Yorsipp (Trustees) Limited as sole trustee.

I have read the attached explanatory notes and understand the terms on which I can purchase the above shares.

I have taken financial advice which is relevant to my own personal situation.

The information provided, to the best of my knowledge, is true and not misleading. Any false declaration may result in prosecution.

Should value shifting, an indirect benefit or financial gain occur to me or a party connected to me then a tax charge may arise.

I understand that this type of asset, held within my SIPP, may be illiquid.

The liability of Yorsipp (Trustees) Limited shall be limited at all times to the value of the assets held by the SIPP.

Signature

Date

Notes

1. Investor Type

A Certified High Net Worth Investor is an individual who meets the FCA requirements that can be found here:
<https://www.handbook.fca.org.uk/handbook/COBS/4/12.html#DES582>

A Certified Sophisticated Investor is an individual who meets the FCA requirements that can be found here:
<https://www.handbook.fca.org.uk/handbook/COBS/4/12.html#DES583>

A Self-Certified Sophisticated Investor is an individual who meets the FCA requirements that can be found here:
<https://www.handbook.fca.org.uk/handbook/COBS/4/12.html#DES586>

2. Connected

The definition of a connected person is found in Section 1122 of the Corporation Tax Act 2010. Broadly this is:

- An individual's wife or husband or civil partner or their relatives.
- A person in his capacity as a trustee of a settlement or who is connected with any individual who is a settlor.
- A company is connected with another company if the same person(s) or someone connected to them has control of both. (See below for the definition of control.)
- Any two persons acting together to control a company shall be treated as connected.

3. Control

"Control" has the meaning given by section 1124 of the Corporation Tax Act 2010.

A person(s) shall be taken to have control of a company if by shareholding or voting powers (or under its articles of association) the affairs of that company are conducted in accordance with his wishes.

"Controlling Director" means a Director to whom paragraph (b) of section 452 of the Corporation Tax Act 2010 applies. This is broadly a director who directly or indirectly controls 20% of the ordinary share capital.

Control may also be exercised through associated persons.

To control a company would require control, whether directly or indirectly, of sufficient shares with voting rights to pass any resolutions.

4. Associated Person

An individual need not be a shareholder to control a company but can do so by association with others.

The term "associated person" in relation to the pension scheme means:

- Any member of the pension scheme.
- Any person connected with such a member.
- Any arrangement (under that or another pension scheme) relating to a member of the pension scheme.
- Any arrangement (under that or another pension scheme) relating to a person connected to such a member.

5. Taxable Property

Taxable Property includes residential property and most tangible moveable property. Tangible moveable property is property that can be touched and is moveable, such as art and antiques, but also includes plant and machinery. Investment grade bullion is not classed as Taxable Property, despite being tangible movable property. Property that is not physical, such as intellectual property is not tangible moveable property.

If a purchase of unquoted shares results in the SIPP holding Taxable Property (directly or indirectly), the financial consequences are severe. There are one-off tax charges on acquisition of the shares, annual tax charges on income received from the investment and further tax charges on disposal. Any tax charges incurred would be paid from the SIPP.

The member is responsible for notifying Yorsipp Limited of any change in circumstances that may result in the investment being classed as Taxable Property, or holding Taxable Property (directly or indirectly).

Indirect holding of Taxable Property does not incur tax charges in two situations:

- i) Where the investment is a Genuinely Diverse Commercial Vehicle (see below for the definition of this).
- ii) Where it falls under the Investment Regulated Pension Schemes (Exception of Tangible Moveable Property) Order 2006. The criteria are:
 - The market value of the asset must not be greater than £6,000.
 - The interest in the asset is held indirectly by the pension scheme.
 - The asset is held solely for the purposes of the administration or management of the vehicle that holds it directly.
 - Neither a scheme member, nor anyone connected to a scheme member personally occupies or has use of the asset.

6. Genuinely Diverse Commercial Vehicle

There are three types of Genuinely Diverse Commercial Vehicle:

- i) UK Real Estate Investment Trusts (UK REIT)

The pension scheme must not directly or indirectly hold an interest in the UK REIT:

- for the purposes of enabling a member of the pension scheme or a connected person of a member to occupy or use the property.

- which together with a connected person, exceeds any one of the following limits: 10% or more of the share capital or issued share capital of the vehicle; 10% or more of the voting rights in the vehicle; a right to receive 10% or more of the income of the vehicle; such an interest in the vehicle as gives an entitlement to 10% or more of the amounts distributed on a distribution in relation to the vehicle; such an interest in the vehicle as gives an entitlement to 10% or more of the assets of the vehicle on a winding up or in any other circumstances; such an interest in the vehicle as gives rise to income and gains derived from a specific property.

ii) Trading concerns

These are vehicles that are arm's length trading vehicles. There are four conditions to be met:

- the vehicle's main activity is the carrying on of a trade, profession or vocation.
- the pension scheme either alone or together with associated persons does not have control of the vehicle.
- neither a pension scheme member nor a person connected to such a member is a controlling director of the vehicle or any other vehicle which holds an interest in the vehicle directly or indirectly.
- the pension scheme does not directly or indirectly hold an interest in the vehicle for the purposes of enabling a pension scheme member or a connected person of such a member to occupy or use the property.

iii) Other investment vehicles that meet the following conditions

If a vehicle meets certain conditions, where the pension scheme and associates, directly or indirectly own 10% or less and there is no right to have private use of any Taxable Property they will not be subject to a tax charge.

The vehicle must meet three conditions:

Condition 1

The total value of the assets held directly by the vehicle is at least £1 million, or the vehicle holds at least three assets directly which are residential property, and in either of these cases no asset held directly by the vehicle which is Taxable Property has a value which exceeds 40% of the total value of the assets held directly.

Condition 2

If the vehicle is a company:

- it is resident in the United Kingdom and is not a close company, or
- it is not resident in the United Kingdom and would not be a close company if it were resident in the United Kingdom

Condition 3

The vehicle does not have as its main purpose, or one of its main purposes, the direct or indirect holding of an animal(s) used for sporting purposes.

The pension scheme must not directly or indirectly hold an interest in the vehicle:

- for the purposes of enabling a member of the pension scheme or a connected person of a member to occupy or use the property.
- which together with a connected person, exceeds any one of the following limits: 10% or more of the share capital or issued share capital of the vehicle; 10% or more of the voting rights in the vehicle; a right to receive 10% or more of the income of the vehicle; such an interest in the vehicle as gives an entitlement to 10% or more of the amounts distributed on a distribution in relation to the vehicle; such an interest in the vehicle as gives an entitlement to 10% or more of the assets of the vehicle on a winding up or in any other circumstances; such an interest in the vehicle as gives rise to income and gains derived from a specific property.

These notes are based on our understanding of the legal position as at September 2016 and are intended for information only and do not constitute advice and should not be relied upon. They are a high level summary only, of what is a very complex subject, in particular the possible Taxable Property implications.

Yorsipp Limited or Yorsipp (Trustees) Limited does not give financial advice. We strongly advise you seek professional advice prior to making any decisions.



YORSIPP

T 0141 772 3365

E info@yorsipp.com

W www.yorsipp.com

Yorsipp is a trading style of Yorsipp Limited (05743279) and its subsidiaries Astute Pension Trustees Limited (08696449) and Primetime Trustees Limited (09716098) along with its associated company Yorsipp (Trustees) Limited (04242849), all registered at c/o Calvert Dawson Limited, 288 Oxford Road, Gomersal, Cleckheaton BD19 4PY.

Yorsipp Limited is authorised and regulated by the Financial Conduct Authority (464198).

All calls are recorded for quality, monitoring, training and fact verification purposes.