

# 2011/12 ISAs

**For financial adviser use only**

Your clients are able to invest via an ISA using their 2011/12 allowance. Whether your clients are looking for a stocks and shares ISA or a cash ISA, we have a Plan to suit them.

To help your clients make the most of their existing ISAs, we can assist by managing ISA transfers. We can also help you to co-ordinate client mailings.

## ISA 2011/12 allowances

### Stocks and shares ISA

For 2011/12, all clients can invest using their stocks and shares ISA allowance (up to £10,680, subject to our minimum investment of £1,500).

In each tax year your client may only subscribe to one stocks and shares ISA.

### Cash ISA

For 2011/12, all clients can invest using their cash ISA allowance (up to £5,340, subject to our minimum investment of £1,500).

In each tax year your client may only subscribe to one cash ISA.

continued overleaf...

## Your questions answered

- Q.** What are your client's ISA investment options?
- A.** Your client is able to invest in one cash ISA and/or one stocks and shares ISA in each tax year subject to the annual ISA investment allowance.

For 2011/12, the annual ISA investment allowance is £10,680 per tax year. Up to £5,340 of that allowance can be saved in a cash ISA with one provider. The remainder of the £10,680 can be invested in a stocks and shares ISA with either the same or another provider.

- Q.** How much can my client transfer from their cash ISA to a stocks and shares ISA?

- A.** Your client can transfer some or all of their money that they have saved in previous tax years without affecting their annual ISA investment allowance.

Savers are also able to transfer money saved in the current tax year. Such transfers must be the whole amount saved in that tax year in that cash ISA up to the day of the transfer.

The transferred current year subscriptions will be treated as if they had been made to the stocks and shares ISA.

Therefore if your client wished to transfer their current year subscriptions from a cash ISA to a stocks and shares ISA they must not have already made a current year subscription to another stocks and shares ISA.

These transfers are subject to the terms and conditions of your ISA providers.

- Q.** My client has transferred their 2011/12 cash subscription to a stocks and shares ISA, can they make any further payments to their ISA this tax year?

- A.** Yes, provided they have not already used up their 2011/12 annual ISA investment allowance of £10,680.

When they transfer their current year cash ISA to a stocks and shares ISA it is as if that cash ISA had never existed. Any money they saved up to the date of transfer will be treated as if they had invested that money directly to the stocks and shares ISA.

For example, if they had saved £2,000 in a cash ISA and then transferred it to a stocks and shares ISA they would be able to make further investments totalling £8,680 in the year. They could either invest all of the £8,680 in a stocks and shares ISA or your client could save up to £5,340 in a cash ISA or a combination of both, subject to the annual subscription limit of £10,680.

**Q.** Can my client transfer their stocks and shares ISA to another stocks and shares ISA?

**A.** Yes, they can transfer some or all of their previous years' subscriptions without affecting their current year annual ISA subscriptions.

They are also able to transfer current year subscriptions. Such transfers must be for the whole amount subscribed in that year. They will be able to make further subscriptions in their new stocks and shares ISA up to the full remaining balance of their £10,680 annual 2011/12 ISA investment allowance including up to £5,340 in a cash ISA.

**Q.** Can my client transfer the monies they have invested in their stocks and shares ISA to a cash ISA?

**A.** No, the ISA rules allow the transfer of monies saved in a cash ISA to a stocks and shares ISA but not vice versa

Clients are advised to seek their own independent tax advice.

**This communication is meant to be read only by financial advisers.**

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