

SIPP Taxable Property Questionnaire

For investments in shares in, or loans to, an unquoted company or other vehicle.

Please return completed form to: EBS Pensions Limited, 5th Floor, 100 Cannon Street, London, EC4N 6EU.

This questionnaire should only be completed and returned to EBS Pensions Limited (EBS) once you (and, where applicable, your Financial Adviser) have read and understood our SIPP Technical Note – “Taxable Property”.

A vehicle means a person or entity (including companies and syndicates) through which your SIPP could hold tangible moveable property or residential property (‘taxable property’).

You will also be required to sign an indemnity confirming that the proposed investment is and will continue to be exempt from the “taxable property” rules at the time it is acquired and while it is held in your SIPP.

1. Your name in full:
2. SIPP name:
3. SIPP reference: (BS.....)
4. Proposed amount to be invested¹: £.....
5. Current net market value of your SIPP fund: £.....
6. Current market value of SIPP’s existing investments in unquoted companies & vehicles: £.....
7. Name of unquoted company / vehicle²:
8. Company / vehicle country of registration:
9. Company / vehicle registration number:
10. If an unquoted company, is it resident in the United Kingdom? YES/NO
If no, in which country / territory is it resident:
11. Is the unquoted company / vehicle a trading concern³: YES/NO
12. If not a trading concern, is it a close company⁴: YES/NO

If yes, the investment is not permitted.

13. If a trading company, please provide the following:

- a) Name of each director of the company and their relationship⁵ with you (if any):

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b) Details of the shareholders, their shareholdings and their relationship with you (if any):

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14.If a trading company, the amount of any borrowing⁶ the company will be undertaking to carry out any of its activities: £.....

15.Nature of business of the company / vehicle:

16.Proposed investment: SHARES / SECURED LOAN / UNSECURED LOAN

17.If shares, name and address of vendor and whether connected with you:

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18. If vendor is a close company are you or anyone connected with you a director of the company: YES/NO

19.If shares,

a) Type:

b) Number to be purchased:

c) Total number of shares issued:

d) Shares to be purchased as a proportion of total issued share capital:

e) Number of shares owned by you personally:

f) Number of shares owned by anyone connected with you:

g) Market value:

h) Date of valuation⁷:

20.If a loan, details of terms⁸:

a) Term:

b) Interest rate:

c) Repayment / interest only:

d) Repayment terms:

21. If a secured loan⁹, details of the security:

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Signed

Date.....

(Print name.....)

Notes:

- 1. Except in the case of secured loans (see note 9), no more than 30% of the net market value of your SIPP fund can be invested, in aggregate, by way of shares in and loans to unquoted companies/vehicles at any time.
- 2. **Please note we will need to carry out satisfactory identity verification checks on the company/vehicle before allowing the investment.**
- 3. "Trading concern" means a company or vehicle whose main activity is the carrying on of a trade, profession or vocation.
- 4. "Close company" is broadly, a company which is under the control of five or fewer participators, or of participators who are directors. It also includes a company, which is not resident in the United Kingdom, but would be a close company if it were resident in the United Kingdom. A full definition is in section 439 of the Corporation Tax Act 2010.
- 5. A connected person includes your spouse or civil partner, a relative of yours or your spouse or civil partner, a partner in a partnership of which you or your spouse or civil partner or a relative are also a partner.

Please indicate where the director or shareholder is one of the following: you, a connected person, a company that you or anyone connected with you control (directly or indirectly), or a trustee of a settlement of which you or anyone connected with you were the settlor (i.e. the person who created the trust).

- 6. The maximum limit of authorised borrowing the SIPP is permitted to undertake is 50% of the net market value of the SIPP assets prior to the borrowing taking place.

HMRC have indicated that borrowing by the company/vehicle, in which the SIPP holds an interest, is unlikely to be taken into account in assessing the SIPP's maximum authorised borrowing limit. But it must be clear that the SIPP is not using the investment in the company/vehicle as a means of circumventing the authorised borrowing limit.

- 7. As indicated in the SIPP Technical Note, if you, or a person connected with you, are selling unquoted shares to the SIPP, we will require written confirmation, addressed to the SIPP trustees, of the current market value of those shares from a suitably qualified independent professional. In the absence of an independent professional valuation, EBS will need to carry out its own due diligence to establish whether the proposed purchase price is the market value. We would therefore require a copy of the company's most recent accounts and copies of any other information on which the purchase price of the shares has been based.

Please note that EBS will charge on a time-spent basis where it needs to carry out its own due diligence appraisal of the market value.

8. The loan terms and conditions must be on an arm's length commercial basis and the loan agreement must be legally enforceable and in a form which is acceptable to EBS.
9. The legal charge will need to be prepared by your solicitor in a form which is acceptable to EBS. Your solicitor will also be required to register the charge against the company to whom the loan has been made at Companies House and/or at the Land Registry if the security is commercial property. Any security must be acceptable to EBS and must not consist, directly or indirectly of taxable property.

EBS may allow more than 30% of the net market value of your SIPP fund to be used where the proposed investment is in the form of a loan to an **unconnected UK limited company or an unconnected UK Limited Liability Partnership, which is a trading concern**. The loan must be secured by way of a first charge, in favour of the SIPP trustees, on an unencumbered commercial property owned by that company and the loan must not exceed 75% of the market value of that commercial property at that time. The market value of the property must be confirmed in writing by an independent professional surveyor. The loan documentation must allow the SIPP Trustees to call in the loan or force the sale of the property at any time, if required, to meet any liabilities (e.g. payment of benefits in the event of the SIPP member's death).