

Modular ISA

Permitted Investments List

(For Modular ISAs applied for on or after 16 October 2014)

Important notes

- This document details the permissible investments for the Modular ISA. This information is based on our current understanding of HM Revenue & Customs (HMRC) guidelines for ISAs and our own policies, both of which may be subject to change in the future. Please ensure that you always source this document from our website www.jameshay.co.uk in order to access the most up-to-date information.

For information relating to the purchase of these investments, please refer to the [Modular iPlan Technical Guide](#).

- The investment types named in this document are the allowable holdings within the Modular ISA. Their inclusion on the list does not mean that we endorse or recommend these investments, and returns on your investments are not guaranteed.
- We are not regulated to provide investment advice and we will not assess whether any investment is appropriate for you. You are responsible, in conjunction with your financial adviser, for choosing investments that are suitable for your individual circumstances, and for ensuring they are permitted to be held within the product.
- We reserve the right to decline making an investment if the investment provider will not provide us with suitable monthly reconciliation data, or for any other reason we deem appropriate.
- The Modular ISA is split into two investment modules: Core investments and the Whole of Market module. Any cash held in the ISA product bank account, units or shares in funds held on our Investment Centre, and any investments held by a panel stockbroker are considered to be core investments.

All other permissible investments will be held in the Whole of Market module.

Please note that, due to HMRC reporting requirements, we are unable to offer access to investment managers and stockbrokers not on our panel.

- Any investment types detailed in this document that are traded on a stock exchange must be purchased and held by a panel stockbroker on behalf of your product. If you are unsure which investment types this applies to, please contact us.
- You are not permitted to use the product to acquire shares from a connected party unless the transaction relates to a transfer from an HMRC approved share scheme that is specifically allowed under regulations.
- The ISA is not able to lend money to any person, organisation or company.
- For information on how we hold money and investments, and how protections under UK regulations will apply, please refer to the [How your Money and Investments are held within James Hay Products](#) document, available on our website.
- If you are unsure whether a particular investment is permitted, please contact us via secure message, call us on 03455 212 414 or write to us at Dunn's House, St Paul's Road, Salisbury, SP2 7BF.

Permitted investments

Shares	<p>Shares that are issued by a company that is incorporated anywhere in the world, and that are either listed on the official list of an HMRC recognised stock exchange, or admitted to trading on any market of a recognised stock exchange in the UK or in the European Economic Area (EEA).</p> <p>For a list of current HMRC recognised stock exchanges, please visit www.gov.uk/guidance/recognised-stock-exchanges. For shares in qualifying Investment Trusts, please see the separate section below.</p>
Securities	<p>Securities issued by a company that is incorporated anywhere in the world, and that satisfy at least one of the following conditions:</p> <ul style="list-style-type: none"> • The securities are listed on the official list of a recognised stock exchange • The shares in the company issuing the securities are so listed • The company issuing the securities is a 75% subsidiary of a company whose shares are so listed • The securities are admitted to trading on a recognised stock exchange in the UK or the EEA • The shares in the company issuing the securities are so admitted to trading • The company issuing the securities is a 75% subsidiary of a company whose shares are so admitted to trading. <p>Securities include loans, loan stocks (secured or unsecured), debentures and eurobonds.</p>
Government Securities	This includes gilts and gilt strips, plus government securities issued by or on behalf of a government of the UK, or the government of any EEA State, and their strips.
Core Capital Deferred Shares (CCDS)	Core Capital Deferred Shares (as defined in the Building Societies (Core Capital Deferred Shares) Regulations SI 460/2013) issued by a UK Building Society.
Units or shares in a UK UCITS	A UK UCITS is a collective investment scheme authorised under section 31(1)(a) of the FSMA 2000 that complies with the requirements to be a UCITS scheme for the purposes of the Collective Investment Schemes Sourcebook. Collective Investment Scheme is as defined by section 235 of the FSMA 2000. Please note that a Qualified Investor Scheme (QIS) does not qualify as an investment for an ISA.
Units or shares in a recognised UCITS	A recognised UCITS is a collective investment scheme that is constituted in an EEA state and is a recognised scheme for the purposes of Part 17 of FSMA.
Units or shares in qualifying Non-UCITS Retail Scheme (NURS) ¹	A NURS is either a collective investment scheme to which Collective Investment Schemes Sourcebook 5.1, 5.4 and 5.6 apply, or a non-UK scheme that is a recognised scheme for the purposes of Part 17 of FSMA that would be such a scheme if it were a UK scheme. In addition, the NURS must allow for redemptions at least fortnightly.
Shares in qualifying Investment Trusts	An Investment Trust is as defined in section 1158 of the Corporation Tax Act 2010. The shares in the Investment Trust must be listed on the Official List of the London Stock Exchange.
Shares emerging from Schedule 3 SAYE Option Schemes or Schedule 2 Share Incentive Plans	Shares acquired by employees which have emerged from a Schedule 3 SAYE option scheme or a Schedule 2 Share Incentive Plan are qualifying investments for stocks and shares ISAs. The shares must be listed on a recognised stock exchange to be held in a James Hay ISA.
Units in collective investment schemes specified as stakeholder products	The collective investment scheme must be specified as a stakeholder product under regulation 5 of the FSMA 2000 (Stakeholder Products) Regulations 2004.
Depository Interests ¹	UK regulation requires securities to be electronically settled in CREST. For companies registered outside the UK, this is achieved through a depository interest mechanism. The Depository Interest is effectively an electronic 'wrapper' around the ordinary share, to facilitate securities to be held electronically rather than in paper form. A company applies for Depository Interests representing ordinary shares to be admitted to CREST with effect from its admission to the market. For further information on the criteria for Depository Interests to be held in the ISA, please contact us.
Depository Receipts ¹	Depository Receipts are a type of security and should not be confused with Depository Interests. A Depository Receipt can be held in an ISA providing the underlying shares represented by the Depository Receipt are in the beneficial ownership of the holder and are themselves ISA-qualifying. For further information on the criteria for Depository Receipts to be held in the ISA, please contact us.
Cash	Please note that there are currently no fixed term cash deposit accounts available within the ISA. Any cash must be held in sterling in the ISA product bank account.

¹ Please note these investment types could be 'Complex Products' and if so, we will only allow you to invest in them if you have received financial advice. Please see the Complex Products section for more information.

Non-permitted investments

Please note that this list is not exhaustive and does not cover all non-permissible investment types for the Modular ISA. If you are unsure about the permissibility of a certain investment, please contact us.

Residential or commercial property (UK or overseas)	Premium bonds	Investment manager accounts (other than a panel stockbroker)
Indirect investment in residential property with a majority shareholding/control	Loans	National Savings and Investments products (NS&I)
Property limited liability partnerships	US mutual funds	Cash panel deposit accounts
Tangible, moveable property (such as art or antiques)	Land banking (as defined by the FCA)	Investment grade gold bullion
Intellectual property	Crowdfunding	Second hand/traded endowment policies
Residential ground rents	Wasting assets	Futures and Options (as defined by the FCA)
Direct holdings in commodities (such as precious metals)	Direct investment in cryptocurrency, cryptoasset derivatives and cryptoasset exchange traded notes	Contracts for Difference (CFD)

Complex Products

We will only allow you to invest in Complex Products if you have received advice from a regulated financial adviser in respect of the proposed investment.

Under regulations, there is no definition of Complex Products. However, the regulations define Non-Complex Products as follows:

- Units/shares in a UCITS qualifying Collective Investment Scheme;
- Shares, bonds and other forms of securitised debt admitted to trading on a trading venue;
- Structured deposits;
- Money market instruments; and
- Other products that meet certain criteria, including:
 - having frequent opportunities to trade at publicly available prices,

- do not involve potential liability that exceeds the original investment,
- do not include exit charges that have the effect of making the investment illiquid, and
- where adequate comprehensive information on the investment is publicly available and likely to be readily understood by the average retail client.

Complex Products are therefore anything that is outside of this definition of Non-Complex Products. Specifically, Complex Products are investments involving derivatives or where the opportunity to sell is infrequent.

If you are investing without having received financial advice and are unsure if your proposed investment is a Complex Product, please ask the investment provider.

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

James Hay Partnership is the trading name of James Hay Partnership Management Limited (JHPM) (registered in England number 02538532); James Hay Services Limited (JHS) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371). JHS has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH. JHPM, IPS, JHAC, JHPT, JHWM, JHWNC, PAL, SarumTL, IPS Plc, and UPT have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. (3/21)