

RBC Europe Limited

Stocks and Shares ISA Terms and Conditions

Effective date: 6 April 2023

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Terms and Conditions

These are the Terms and Conditions for our Individual Savings Account (ISA). This document forms the legal contract between you and RBC Europe Limited.

Please read this together with the RBC Wealth Management Stocks and Shares ISA Information Document and ensure that you understand the content of both before you decide to invest.

RBC Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. RBC Europe Limited is entered on the Financial Services Register with Firm Reference Number 124543. The FCA can be contacted at 12 Endeavour Square, London E20 1JN, and the PRA can be contacted at 20 Moorgate, London EC2R 6DA.

For further details of our Discretionary Investment Management Services, please refer to the RBC Europe Limited Terms of Business for investment and custody services.

1. Definitions

In this document the following words have the meanings set against them below:

References to **“we”**, **“us”** and **“our”** relate to RBC Europe Limited;

References to **“you”**, **“yours”** and **“yourself”** means the person to whom we are providing our services as set out on the application form;

“Cancellation Period” means the period following the creation of your RBC WM ISA whereby you have the opportunity to cancel your RBC WM ISA;

“Discretionary Investment Management Service” means an investment arrangement whereby a designated Investment Manager makes trading decisions without referring to you for every transaction, operating within agreed-upon limits to achieve your stated investment objectives;

“FCA” means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN;

“FCA Rules” means the FCA Handbook of rules and guidance as amended, replaced or supplemented from time-to-time;

“FOS” means the Financial Ombudsman Service;

“FSCS” means the Financial Services Compensation Scheme;

“Fund” means an individual fund or Sub fund which is regulated by the FCA and other FCA-recognised collective investment schemes;

“HMRC” means Her Majesty’s Revenue & Customs;

“ISA” means Individual Savings Account as defined in the ISA Regulations;

“RBC WM ISA” means your RBC Wealth Management Stocks and Shares ISA provided by us;

“ISA Allowance” means the amount that you are able to pay into your RBC WM ISA within a single tax year;

“ISA Regulations” means The Individual Savings Account Regulations 1998, as amended or replaced from time to time, and any other applicable statutes, rules and regulations;

“Information Document” means a document containing information on your RBC WM ISA which we make available to you in accordance with the ISA Regulations;

“Manager” means the manager of an ISA, as approved by HMRC;

“PRA” means the Prudential Regulation Authority;

“Prospectus” means a document describing the current scheme particulars issued by a manager of a Fund that contains details about that Fund;

“Sub fund” means a fund of a fund to which specific assets and liabilities of a fund are allocated and invested in accordance with its own investment objectives;

“Subscription” means any payment you make to your RBC WM ISA that reduces your annual ISA Allowance.

2. The Individual Savings Account (ISA)

2.1 About ISAs

An ISA is an investment which qualifies for exemption from personal taxation under the ISA Regulations. This means you can invest into funds within an ISA and not have any personal liability to tax on any income or capital gains.

You can take out an ISA each tax year provided you are a qualifying individual. There are different types of ISA: Stocks and Shares ISA, Cash ISA, Flexible ISA, Innovation ISA, Lifetime ISA and Junior ISA.

RBC Wealth Management only offers a Stocks and Shares ISA.

A Stocks and Shares ISA should be viewed as a medium to long term investment and held for at least five years. The value of an investment and any income from it is not guaranteed and can go up and down depending on investment performance.

2.2 Stocks and Shares ISA qualification and investment

To qualify for a Stocks and Shares ISA, you must be 18 years of age or over. You must also be resident in the UK for tax purposes. Crown employees and their spouses/civil partners who are not resident in the UK may qualify.

The maximum subscription you can invest in a Stocks and Shares ISA is detailed in the Information Document.

3. The RBC Wealth Management Stocks and Shares ISA

3.1 Our status

We are an ISA Manager authorised by the PRA and regulated by the FCA and PRA and have been approved by the Savings Scheme Office of HMRC to act as an ISA Manager in respect of the management of Stocks and Shares ISAs.

We will manage your RBC WM ISA in accordance with the ISA Regulations, including the applicable rules and regulations of the FCA. We have the right to appoint another company to act as Manager in our place. Any new Manager must also be approved under the ISA Regulations.

We may delegate some or all of the administration of your RBC WM ISA to a third party. Any such third party must be competent (to our satisfaction) to carry out the administration in accordance with the ISA Regulations.

3.2 Ownership of your RBC WM ISA and security

When you invest into your RBC WM ISA, your fund holding will be registered jointly in your name and that of our nominee, 'Guernroy Limited Account'. However, you are and must remain the sole beneficial owner of the shares purchased within your RBC WM ISA. You must not use these shares as security for a loan.

It is not the practice of RBC Europe Limited to issue share certificates.

We must act on your instructions or those of your personal representatives (provided that we are satisfied that such representatives have the authority to provide such instructions on your behalf) in respect of your RBC WM ISA. Subject to this and to any legal or regulatory requirements, our relationship shall be with you and we will not recognise the interest or claim of any other person.

As a holder of an RBC Wealth Management Stocks and Shares ISA you are entitled to attend any Fund shareholder meetings, to vote and receive any other information issued to shareholders. You are also entitled to receive a copy of the annual report and accounts issued by every Fund, company or other concern in respect of shares, securities or units which are directly held in your RBC WM ISA. If you would like to exercise any of these rights, please contact your Relationship Manager.

We reserve the right to request additional information or proof of identity, or any other relevant information in order for us to comply with any applicable money laundering regulations. We also reserve the right to refuse to carry out any transaction in respect of your RBC WM ISA, if we are not satisfied that the transaction is legal and permitted by the ISA Regulations.

You authorise us to provide to HMRC any information it reasonably requests and to make claims, conduct appeals and agree the tax position in respect of your RBC WM ISA.

3.3 Your right to change your mind

Once your RBC WM ISA has been opened, you have the right to change your mind and cancel the agreement within a period of 14 calendar days (known as the Cancellation Period). The Cancellation Period starts from the day that you receive confirmation (in writing) of your RBC WM ISA opening.

If you have transferred an ISA to us from another ISA Manager and you decide to cancel during the Cancellation Period, you will have three options:

- The RBC WM ISA can be closed and the proceeds returned to you; or
- The RBC WM ISA can be transferred back to the original ISA Manager, although the original ISA Manager may not accept it; or
- The RBC WM ISA can be transferred to another ISA Manager

If you have subscribed directly into your new RBC WM ISA with RBC Europe Limited and you decide to cancel during the Cancellation Period, your RBC WM ISA will be closed and payment returned to you.

Payment amounts returned in respect of a cancellation of your RBC WM ISA will depend on daily stock market price fluctuations. If your investment has fallen in value, you will not receive the amount you originally invested.

If you are in doubt as to whether an RBC WM ISA is suitable, please contact your Relationship Manager. Further information on the Cancellation Period is included within the Information Document.

3.4 Transfer of an ISA

a) Transferring an existing ISA to us

We will accept the transfer of your existing ISA from another ISA Manager in cash. Transfers will only be accepted from an account in your own name.

You will need to complete a Transfer Authority Form and return this to us with your signed written instructions. We will then contact the ISA Manager on the Transfer Authority Form and arrange for the transfer to be completed.

A Transfer Authority Form can be provided to you by your Relationship Manager on request.

If you have a Stocks and Shares ISA or a Cash ISA, you can transfer it into the RBC Wealth Management Stocks and Shares ISA. The minimum amount that we will accept is included within the Information Document.

Upon receipt of the transferred funds from your previous ISA Manager we will invest the amount transferred in accordance with your investment risk profile.

We will not charge for arranging the transfer. However the previous ISA Manager may apply a charge for exiting your agreement with them.

If you transfer an existing Cash ISA into a Stocks and Shares ISA, you cannot transfer it back to a Cash ISA at a later stage.

b) Transferring your RBC Wealth Management Stocks and Shares ISA to another ISA Manager

You may request that your RBC WM ISA be transferred to another ISA Manager. We will only accept transfer requests from the ISA Manager that you wish to transfer to. Any transfer will be carried out in accordance with the ISA Regulations relating to transfers and will be carried out within the time stipulated in the transfer request, such period not to exceed 30 days from the transfer instruction.

Following receipt of a transfer instruction we will sell all the investments held in your RBC WM ISA and pay the proceeds to your chosen ISA Manager.

Fund holdings will be sold in accordance with the Prospectus for the Fund you are transferring from. This may involve the Authorised Corporate Director / Trustee of the Fund applying a dilution adjustment, charging a dilution levy or making a deduction of Stamp Duty Reserve Tax which could reduce the amount to be transferred.

3.5 Payments and Subscriptions

There are limits on the Subscriptions that you can make into your RBC WM ISA in each tax year.

Amounts that you invest into your RBC WM ISA will be used to purchase investments that align to your designated investment risk profile. Minimum and maximum payment amounts are disclosed in the Information Document.

If you change your mind and exercise your cancellation rights in accordance with section 3.3, your ISA Subscription will not count towards your ISA Allowance in that tax year. You will then be free to make a subscription with another ISA Manager in that tax year, once we have closed your RBC Wealth Management Stocks and Shares ISA.

A request to sell investments and/or close your RBC WM ISA other than by exercising your cancellation rights (even if received within the Cancellation Period) will be treated as a normal request to sell investments. This means that the Subscriptions made into your RBC WM ISA in the current tax year will still count towards your ISA Allowance. You may not be able to make any payments into a Stocks and Shares ISA with us or any other ISA Manager until the following tax year.

3.6 Interest on cash balances

We will endeavour to purchase investments using all monies available. Interest is not calculated and paid on any cash balances within your RBC WM ISA.

3.7 Charges

A discretionary investment management fee of up to 1.15% p.a. plus VAT will be charged quarterly in arrears and calculated as a percentage of the average net asset value of your RBC WM ISA throughout the quarter.

The individual Funds in which your RBC WM ISA is invested may bear additional costs such as fund manager, custodian and administration fees, which are charged to the Fund directly.

Where a portfolio is initiated or terminated within the calendar quarter, we shall be entitled to charge a proportionate part of any fees for the relevant period including the initiation date or the termination date as relevant.

Details of the agreed fee rate will be confirmed in writing prior to the opening of the RBC WM ISA.

If you are an existing client of RBC Europe Limited with an investment account in your own name, the fees will be automatically collected from your investment account.

If you do not hold an account in your own name with RBC Europe Limited, you will be advised of the annual fee and will need to remit funds to your RBC WM ISA to cover the charges. This will not affect your ISA subscription.

You agree that we have discretion, and acknowledge that we reserve the power, to realise the assets of the RBC WM ISA in order to settle any outstanding fees. This is in accordance with the RBC Europe Limited Terms of Business for investment and custody services.

3.8 Switching

A change to your investment risk profile will result in a change to the investments held in your RBC WM ISA to reflect your new investment risk profile.

Please note that the associated charges with the new portfolio in your RBC WM ISA may be different to the charges associated with the portfolio that you have switched your investment from.

A switch between Funds within your RBC WM ISA will not be subject to Capital Gains Tax (CGT).

3.9 Amending the terms of, withdrawing from or closing your RBC WM ISA

a) Changes to Terms and Conditions

We may at any stage need to make changes to details included within these Terms and Conditions:

- In order to comply with legislation and regulatory requirements;
- To protect existing RBC WM ISA holders;
- To conduct our business in a prudent manner; or
- To ensure efficient administration of your RBC WM ISA

We will give you at least 30 days advance notice of any changes to these Terms and Conditions. If you are not satisfied with the proposed change please speak to your Relationship Manager for further details.

If after speaking to your Relationship Manager you are still unhappy with the change, you can close your RBC WM ISA by withdrawing your assets or transferring to another ISA Manager.

b) Withdrawals

Following receipt of a withdrawal instruction from you, the relevant investments in your RBC WM ISA will be sold in accordance with your instructions and the proceeds shall be paid to you, within the time stipulated in the withdrawal instruction, such period not to exceed 30 days from the withdrawal instruction.

If your withdrawal instruction relates to selling the total value of investments held in your RBC WM ISA, we will close your RBC WM ISA and send the final balance to you.

We allow for 10 business days from the point at which we receive your withdrawal instruction to making the payment to you.

c) Invalid ISA

We will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, your RBC WM ISA has, or will, become void. In addition, you may be notified directly by HMRC if it appears that your RBC WM ISA is invalid. Alternatively we may notify you that you should contact HMRC, if we identify issues with your RBC WM ISA where the ISA Regulations may not be satisfied.

In each case, we will not take any action or make any changes to your RBC WM ISA until we receive full instruction from HMRC.

If HMRC instruct us that payments must be removed from your RBC WM ISA, we will do this by removing the investments that these payments have purchased. We will sell the investments purchased with the invalid payments and send the proceeds to you.

Your RBC WM ISA can also lose its tax exempt status if the ISA Regulations are not satisfied. If this happens your Relationship Manager will contact you. The investments within your RBC WM ISA will be sold and the balance will be paid to you. We may have to deduct monies that are due to HMRC on your behalf before paying you the final balance.

d) In the event of your death

Your RBC WM ISA will retain its tax exempt status for a period of up to three years after your death. Your RBC WM ISA will form part of your estate for the purposes of the calculation of any inheritance tax which is payable.

We will continue to hold your investments until we receive official instructions from your legal representatives (provided that we are satisfied that they have the authority to provide such instructions).

A spouse/civil partner can inherit the ISA holdings of a deceased spouse on their death. This would mean that the ISA of the deceased spouse would not need to be unravelled at that time.

3.10 Taxation

There will be no personal liability to UK Income Tax on any income your RBC WM ISA produces. In addition, there is no Capital Gains Tax to pay when you transfer your RBC WM ISA to another ISA Manager.

The value to an investor of the tax benefits of an ISA will depend on personal circumstances, which may change.

These Terms and Conditions have been prepared in accordance with the taxation legislation in force at the time of preparation. Tax legislation may be subject to change.

3.11 Complaints

You should contact your Relationship Manager immediately if you are dissatisfied in any way with any aspect of our services. You can also at any time contact our Compliance Officer at RBC Europe Limited at 100 Bishopsgate, London, EC2N 4AA. Full details of our complaints policy are available on request.

A complaint can be made in writing, by telephone, by fax, by email or in person. Your complaint will be handled in accordance with FCA Rules and our complaints policy. We treat any complaint very seriously and aim to resolve a complaint fairly and promptly. We hope to resolve all complaints amicably. However, if you are unhappy with how we deal with your complaint you may also be able to direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further information is available on request and from www.financial-ombudsman.org.uk or contact the FOS on 0800 023 4567 or 0300 123 9123.

3.12 Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and circumstances of the claim. Most types of investment business are covered up to a maximum limit of £85,000. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please call us on 020 7653 4000 or contact your Relationship Manager, refer to the FSCS website at www.fscs.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100. Please note only compensation related queries should be directed to the FSCS.

