

## ▷ Introducing Business to Carey Pensions - Roles & Responsibilities

This document outlines the individual roles and responsibilities of Carey Pensions UK LLP and IFAs (and in some cases the client) through the pension life-cycle. The aim is to ensure excellent client service is delivered and that we and you know what each other are doing to avoid duplicated tasks or each of us thinking a task is being carried out when in fact it has not been carried out at all.

Through this document, 'we' and 'us' refers to Carey Pensions UK LLP and 'you' and 'your' refers to you or your firm as an IFA who introduces business to us. We also refer to the 'client' and 'Scheme Member' - these terms relate to the same person. The 'client' is your client when you are dealing with them or providing advice, and the 'Scheme Member' refers to when we are dealing with your client once they have joined our Scheme.

### Providing Advice

Your Responsibility	Our Responsibility
<ul style="list-style-type: none"> <li>• To evaluate your client's financial circumstances and based on this assess their suitability for what, if any, of the Carey Pension range is appropriate;</li> <li>• To document your recommendation together with suitable alternatives that could have been appropriate and why rejected in favour of the recommended product;</li> <li>• Where a transfer is recommended, all options considered and the advice provided to the client in line with regulatory requirements;</li> <li>• Where contributions are recommended, the client's affordability assessed and the level of contribution based on affordability and current tax considerations;</li> <li>• To provide the necessary documentation to your client about our product you are recommending - this will include, where appropriate, Key Features, personal illustration, Schedule of Fees, Terms &amp; Conditions and product brochures;</li> <li>• To explain to your client our requirement that a minimum balance equal to the annual fee requirement must be retained in the Scheme bank account and also the impact this has on the funds available for investment elsewhere;</li> <li>• To explain that your client has the choice to retain or waive their right to cancel the contract;</li> </ul>	<ul style="list-style-type: none"> <li>• Where asked by you, to provide technical support to you, in particular on HMRC rules relating to pension schemes;</li> <li>• To maintain and provide Key Features, Fee Schedules and other information for you to use with your clients;</li> <li>• To provide, where asked by you, a personalised illustration of benefits;</li> </ul>

<b>Your client joining our Scheme</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• To send a fully completed application form and certified documentation verifying the client’s identity and address;</li> <li>• Where contributions are to be made by an employer and/or a third party, to send certified documentation verifying their identity and address;</li> <li>• To agree with your client and confirm to us in the application form, whether Scheme communications from us will be sent to you for onward transmission to your client, or direct to your client or copies to both you and your client;</li> <li>• Where required, to provide any additional information we require about your client to enable us to join your client to our Scheme;</li> <li>• Where requested, to inform us whether advice has been given and if requested, provide clarification on the advice provided;</li> <li>• To forward the welcome pack to the client;</li> </ul>	<ul style="list-style-type: none"> <li>• We will process your client’s application to join the Scheme;</li> <li>• Open a Scheme bank account with Royal Bank of Scotland (payments into and out of the Scheme will go through this account - subject to a minimum balance requirement equivalent to the annual fees, there is no compulsion to leave funds in excess of this invested in this account);</li> <li>• Both we and the Royal Bank of Scotland will confirm the identity and address of the Scheme Member by relying on the documentation you supply and by carrying out, as appropriate, checks (including electronic checks) against the UK sanction list and politically exposed persons list;</li> <li>• Where any additional information is required, we will contact you, normally by email, to request this additional information;</li> <li>• To send notification of any cancellation rights if Scheme Member has elected to retain these;</li> <li>• Where cancellation rights are retained, we will hold funds in the Scheme bank account until expiry of the cancellation period;</li> <li>• Once the Scheme is established, we will send a welcome pack to you containing the Scheme reference number, what the Scheme Member can expect in terms of ongoing communication;</li> </ul>

<b>Contributions (not in-specie)</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• To ensure payment representing contributions are made to us from, or on behalf of, your client - this can be a combination of a personal, employer or third-party cheque or electronic bank payment in respect of single contributions or completed standing order in respect of regular contributions;</li> <li>• To ensure that the application form is completed correctly and that it is clear as to who is making the contribution and whether the contribution is being made net of basic rate tax;</li> <li>• To keep a record and supply us with a copy as to the source of funds used for the contributions;</li> <li>• To keep us informed of any changes to the pattern of contributions;</li> </ul>	<ul style="list-style-type: none"> <li>• To apply the contribution to the Scheme bank account;</li> <li>• Where applicable, process the tax relief claim and apply the tax relief to the Scheme bank account when received;</li> <li>• If your client decides to exercise their cancellation rights, we will refund any contributions made (less any tax relief claimed on their behalf) and return any tax relief to HMRC;</li> </ul>
<b>In-specie contributions</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• To ensure that the application form is completed correctly and that it is clear as to who is making the contribution and whether the contribution is being made net of basic rate tax;</li> <li>• You will supply us with a list of the assets that are proposed as part of the in-specie contribution;</li> <li>• To explain to your client the process involved with an in-specie contribution, in particular that a creation of a debt is created within the Scheme which is to be settled by the contribution of assets and that should there be any shortfall in the assets contributed and the debt created (for example through a downward market valuation) your client would need to meet the shortfall through a further contribution;</li> <li>• To obtain signatures on the relevant forms required to support this process;</li> </ul>	<ul style="list-style-type: none"> <li>• We will agree the level of debt to be satisfied by the contribution of assets and oversee the process including providing the stock transfer forms where applicable and the relevant 'quarter up' valuation in the case of quoted shares;</li> <li>• If property is the asset being used, we will work with your client to ensure a professional valuation is obtained and legal advisers are appointed on behalf of the Scheme to ensure the legal process supporting the change of title is satisfied;</li> <li>• Where applicable, process the tax relief claim and apply the tax relief to the Scheme bank account when received;</li> </ul>

<b>Transfers-in</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• To provide us with details of the Scheme to be transferred either by way of the initial application form or a written request from the Scheme Member;</li> <li>• To check, as far as possible, that by making the transfer, no tax charges are likely to be incurred;</li> <li>• To forward any documents that need signing to the client and if sent back to you, return them to us;</li> <li>• Where the client exercises their right to cancel the transfer and the transferring Scheme refuses to take back the transfer (or on the same terms that applied before the transfer), you will advise your client on an alternative arrangement for their transferred funds;</li> </ul>	<ul style="list-style-type: none"> <li>• To send the transfer request forms to the transferring Scheme and process the transfer, signing any discharge forms as required;</li> <li>• Where the Scheme Member’s signature is required, we will send the form to you in order to forward to your client;</li> <li>• To issue chaser letters to the transferring Scheme as appropriate;</li> <li>• Where an in-specie transfer is being made, ensure as far as possible that the Scheme assets are unlikely to give rise to a tax charge;</li> <li>• To apply the transfer funds (where not an in-specie transfer) to the Scheme bank account and send confirmation to you when the transfer funds are received;</li> <li>• To send notification of any cancellation rights that may apply;</li> <li>• Where the Scheme Member invokes cancellation rights, we will transfer the funds to an alternative arrangement advised by you;</li> </ul>

<b>Scheme Investments</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• Where your client seeks advice, to provide fully documented advice to your client on the suitability of the Scheme investments, taking account of their financial objectives and attitude to investment risk;</li> <li>• To ensure you have the correct FSA authorisation to provide the investment advice;</li> <li>• To provide fully completed application forms where applicable;</li> <li>• To ensure that any supplementary forms issued by us or the the proposed investment provider are completed by the client and returned to us;</li> <li>• To inform us of any connected party transactions ;</li> <li>• To provide any additional information requested by us to enable the investment approval process to be completed;</li> <li>• To ensure there are sufficient cleared funds within the Scheme bank account for the investment;</li> <li>• To communicate with your client when the investment process is complete;</li> <li>• To review, as agreed with the client, the investments made;</li> <li>• Where switches or disposals are to be made on your advice, you will document that advice and forward to us clear instructions, together with any appropriate forms, signed by your client, detailing what investment changes are to be made;</li> <li>• To explain to your client our requirement that a minimum balance equal to the annual fee requirement must be retained in the Scheme bank account and also the impact this has on the funds available for investment elsewhere;</li> </ul>	<ul style="list-style-type: none"> <li>• To provide, where asked by you, information on the tax or other implications on the Scheme of investments proposed;</li> <li>• Where considered appropriate by us, as directed by the Trustees, to analyse and request further information as required, in order to approve the investment (approval in this context means assessing whether any potential tax charge could be incurred by holding the proposed investment within the Scheme or where holding the investment would not be in the best interests of the Scheme);</li> <li>• To reserve the right to decline investments where it is felt a tax charge could apply or for any other reason which we will tell you about;</li> <li>• Where investments are made, to arrange countersignature by the corporate Trustees and to supply as requested, identity and address verification on behalf of the Trustees;</li> <li>• To arrange payment from the Scheme bank account to the investment provider;</li> <li>• To hold securely, as Scheme Trustees, any documents of title relevant to the investment and to provide confirmation to you where this is the case;</li> <li>• To confirm to you when the investment is completed;</li> <li>• To pay any fees (on production of an invoice from you) that is to be paid to you, subject to the written agreement of the Scheme Member;</li> <li>• When instructed to do so and upon receipt of appropriately signed instructions and/or forms, we will arrange the disposal, switch or other changes to existing Scheme investments, subject to our approval process mentioned previously;</li> </ul>

Property Investment - Buying a Property	
Your Responsibility	Our Responsibility
<ul style="list-style-type: none"> <li>You, or your client, will inform us of the proposed property to be purchased through the completion of our Property Questionnaire;</li> <li>Where the proposed property investment is to proceed, you or your client will inform us if you or they wish to nominate the professional advisers to be used, or whether you or the client would like us to nominate the advisers to be used - these advisers are likely to include legal advisers for the conveyancing and a surveyor to carry out the valuation;</li> <li>If the property is to be financed through the Scheme borrowing funds, the lender should be nominated and the terms agreed, by you or your client;</li> <li>You, or your client, must ensure that there are sufficient funds available in the Scheme to complete the purchase, including VAT where applicable;</li> <li>Where applicable, your client will be responsible for arranging tenants;</li> </ul>	<ul style="list-style-type: none"> <li>Upon receipt of the completed Property Questionnaire, we inform you whether in principle, and subject to the legal process, professional valuation and environmental searches, whether we consider the property to be an allowable Scheme investment;</li> <li>If requested, we will provide technical information to you and your client on the Scheme property purchase process and the requirements that need to be met in order to avoid tax charges;</li> <li>Subject to our approval, we will appoint yours or the client's nominated professional advisers on behalf of the Trustees;</li> <li>Where an environmental survey is required we will organise this on behalf of the Scheme;</li> <li>If you or the client wish us to nominate professional advisers, we will do so, confirming to you and the Scheme Member their details and the likely fees to be charged by them;</li> <li>We will consider any request for the Scheme to finance property purchase/development and ensure that any borrowing complies with HMRC rules; and subject to our approval, will arrange for the Trustees to enter into the loan agreement;</li> <li>We will liaise with the legal advisers throughout the property purchase and will use this process to ensure there are no environmental issues, restrictive covenants or other impediments that concern the Trustees (for example, that could lead to a tax charge arising or affect the value of the property or impose unreasonable conditions on the Trustees);</li> <li>We will ensure the Scheme Trustees' interest is reflected in the title of the property and that the title documents contain a suitable limited liability clause;</li> <li>We will arrange payment at the appropriate times from the Scheme bank account to the solicitors in respect of the deposit and completion monies;</li> <li>Where VAT is to apply, we will register the Scheme for VAT purposes and, upon production of a VAT receipt, will reclaim the VAT paid at the next quarter's VAT return date;</li> </ul>

<b>Property Investment - Lease Arrangements</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>Your client will be responsible for finding tenants;</li> <li>If your client, or client's business, is to be the tenant, they are responsible for paying the full market rent stated in the lease, when due;</li> <li>When the rent review is due, or when a lease is renewed, you or your client will need to nominate a professional valuer (or we can nominate a valuer if required) to agree the new rent;</li> <li>In the event of there being no tenant, your client will be responsible for maintaining the property to a reasonable standard in order that the property can be marketed to find new tenants;</li> </ul>	<ul style="list-style-type: none"> <li>We will ensure that any lease meets the requirements of the Scheme Trustees (i.e. market rent on fully repairing and insuring terms) and contains a suitable limited liability clause;</li> <li>We will ensure rental invoices are issued to the tenants and that payment is made, chasing where necessary, keeping the Scheme Member informed throughout this process;</li> <li>Where applicable, we will arrange for the quarterly VAT return to be submitted to HMRC;</li> <li>When the rent review is due or when a lease is renewed, we will instruct a valuer to assess the new rent, arrange for the new rent to be incorporated into the lease and arrange for this to be collected from the tenant;</li> <li>When the lease is due to expire we will confirm to the Scheme Member that the lease is due for renewal;</li> <li>We will appoint solicitors, nominated either by your client or by us, to arrange the drafting of a new lease;</li> </ul>
<b>Property Investment - General</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>You or your client will complete the insurance details of our Property Questionnaire;</li> <li>You or your client should ensure that sufficient funds are maintained in the Scheme bank account to meet payments as they become due;</li> <li>Where development work is to be undertaken, you or your client should discuss the plans with us to assist with the Trustee approval process;</li> <li>You or your client will nominate architects, contractors and other advisers to assist with the development work - these will need to be approved and appointed by the Trustees;</li> <li>Where further information is required from us on any aspect related to the property, you or your client will supply this;</li> </ul>	<ul style="list-style-type: none"> <li>We can arrange to insure the property under a block policy arranged by us (this can be recharged to the tenant as part of the lease arrangement);</li> <li>Where approved by the Trustees, we will pay invoices related to the property, from the Scheme bank account;</li> <li>We will, as directed by the Trustees, consider and approve as appropriate, any development works proposed;</li> <li>We will approve and appoint as appropriate any architects, contractors or other advisers, confirming our decision in each case;</li> </ul>

<b>Property Investment - Selling the Property</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• You or the client will inform us of the decision to sell the property;</li> <li>• Your client will be responsible for marketing the property and finding a buyer at a fair market price;</li> <li>• You or your client can nominate the solicitor subject to our approval, to be used for the sale, or we can nominate a solicitor;</li> <li>• You or your client will nominate other professional advisers to assist with the sale process including, where applicable, valuer and estate agent;</li> </ul>	<ul style="list-style-type: none"> <li>• We can provide technical support or information relevant to the sale of the property, in particular any pension related HMRC issues;</li> <li>• We can appoint the solicitors, and liaise with them during the sale process;</li> <li>• We will arrange for legal documents to be signed on behalf of the Trustees;</li> <li>• We will ensure the sale proceeds are paid into the Scheme bank account upon completion and where applicable, that any loan connected to the property is repaid;</li> <li>• Where VAT is included in the sale price, we will arrange for payment of the VAT from the Scheme bank account at the next available quarterly VAT return;</li> <li>• We will update our records to reflect the sale of the property and ensure any insurance as part of a block policy is cancelled;</li> </ul>

<b>Benefits from the SIPP</b>	
<b>Your Responsibility</b>	<b>Our Responsibility</b>
<ul style="list-style-type: none"> <li>• To advise your client on their retirement options, including annuity purchase and drawdown, both at their normal retirement date (if before age 75) and at age 75, in each case setting out the advantages, disadvantages and risks associated with each option;</li> <li>• To inform us of the retirement option to be taken by your client;</li> <li>• To send a fully completed unsecured income/drawdown application with proof of age if not already established;</li> <li>• To ensure your client has sufficient liquid funds to meet any income requirements;</li> <li>• To forward any client communications sent by us to you, to the client;</li> <li>• Where a Scheme Member dies, to confirm this has happened and provide a death certificate;</li> <li>• Where applicable, provide confirmation that you have been appointed to act on behalf of the personal representatives of the deceased Member;</li> <li>• Assuming the above point is confirmed, to tell us how the death benefits are to be paid and to whom;</li> <li>• To advise us if the Lifetime Allowance is likely to be exceeded;</li> </ul>	<ul style="list-style-type: none"> <li>• To provide information, if requested, on the income limits and amount of lump sum that can be paid from the Scheme;</li> <li>• To provide illustrations of benefits and key features for taking benefits;</li> <li>• To process the application, value the Scheme and check, as far as we are able, that the Lifetime Allowance has not been exceeded;</li> <li>• Issue notification of the right to cancel to the Scheme Member;</li> <li>• Provided there are sufficient funds, pay the pension commencement lump sum and, where applicable, pension benefits;</li> <li>• Where income is paid, establish the required payroll arrangements, deducting tax from the income and providing the appropriate tax forms;</li> <li>• To carry out the necessary income reviews as they arise (five yearly before 75, annually thereafter) and send notification of the revised income amounts;</li> <li>• Within six months of the Scheme Member's 75th birthday send a communication outlining the choices to be made at 75 with an estimation of the revised income limits based on the value of the fund at the time;</li> <li>• Where alternatively secured pension is taken, carry out a further Lifetime Allowance test;</li> <li>• Subject to Trustee approval, to pay out death benefits as instructed by the adviser and/or legal advisers to the deceased's estate within two years of the date of death;</li> </ul>

Communicating with Clients	
Your Responsibility	Our Responsibility
<ul style="list-style-type: none"> <li>You will let us know where your client’s details change in order that we can amend our records;</li> <li>To agree with your client and confirm to us in the application form, whether Scheme communications from us will be sent to you for onward transmission to your client, or direct to your client or copies to both you and your client;</li> <li>To ensure that your client retains sufficient funds in the Scheme bank account to meet fees and any other expected payments;</li> </ul>	<ul style="list-style-type: none"> <li>We will provide an annual valuation and transaction statement in line with the communication process advised to us;</li> <li>We will let your client know about our fees and will usually expect sufficient funds to be retained in the Scheme bank account, however if requested, we may give them the opportunity to pay these the directly from their fund or from the client direct;</li> <li>Prior to the Scheme Members nominated retirement age, we will also provide an illustration of benefits at retirement, based on the valuation;</li> <li>To issue other other confirmations and updates in line with our service standards;</li> </ul>

### ▷ Declaration on behalf of the introducing IFA Firm

We undertake that for the duration of introducing clients to Carey Pension UK LLP we will remain correctly and appropriately authorised in line with the Financial Services & Markets Act 2000. We further undertake to notify you in the event of our authorisation being suspended or withdrawn, or any other changes or events that could prejudice the appropriate authorisation of either our firm or individuals within the firm. Where this occurs we understand that Carey Pensions UK LLP reserve the right to cease all agreements with us and may be unable to accept business from us or the individuals within our firm.

Both you and we agree to co-operate with any proper UK regulator, including providing information, if asked to do so.

When acting on behalf of your client, you agree to operate in line with the roles and responsibilities outlined above as well as abiding by the FSA’s Treating Customers Fairly principles.

Where you require us to pay fees to you from the Scheme, we will only do so on the written authority of the Scheme Member and you undertake to abide by this requirement.

Signed on behalf of the introducing IFA

Name

Date