

Bed and Isa

Nucleus platform user guide

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Introduction

This document provides guidance on the Nucleus Bed and Isa process and when it can be used in place of an inter account transfer.

Guide

1.0 What is Bed and Isa?

Bed and Isa is a process that can be used to open a new Isa or top up an existing Isa, by selling assets on the client's General account. The assets are purchased on the Isa on confirmation of the General sale price.



The Isa rules do not permit assets to be transferred in specie between the General and Isa accounts.

1.1 What is an inter account transfer (IAT)?

An IAT is the transfer of cash from a General to Isa account. If cash is not available on the General account, sells have to be placed and fully settled before the transfer can be processed. The client may be out of the market for up to 10 working days as the standard settlement time is T (ordered date) + 5 and time is required to process the transfer instruction and place the buys in the Isa account.

1.1.2 Why Bed and Isa rather than an IAT?

- The Isa subscription can be effected much closer to tax year end date.
- Bed and Isa is a straight through process requiring less paperwork than an IAT.
- The Isa subscription date is the date the sells move to 'ordered' status on the General account.
- Out of market time can be reduced to two days (this could be longer due to dealing cut off times, the inclusion of any flagged assets, non-standard assets or any fund manager issues).

1.2 When must an IAT be instructed instead of Bed and Isa?

1. General to multiple Isa accounts at the same time (when using the same asset(s) for each Isa contribution). See section 1.7.2 for more detail on pending trade restrictions for Bed and Isa.
2. Where an initial fee is required on the Isa contribution amount. See section 1.8 for more detail on requesting fees.
3. When the General and Isa accounts are under different client references (excluding when a joint general account is held by the Isa account holder).
4. When including 100% of the General account cash or closing the General account (as minimum cash balance rules require 0.17% cash balance to remain in an account)
5. Where an individual would like to fund their spouse's Bed and Isa. This must be arranged via an IAT ensuring we get a signed instruction from the spouse agreeing to the transfer.

1.3 Which accounts can Bed and Isa?

A Bed and Isa can only be instructed from a General account in the client's own name to their own Isa, or a joint General account to an Isa account in the name of either of the two named holders. It is not available on General (gross), Pension, Offshore Bond or Onshore Bond accounts.

Type of account	Bed and Isa allowed?
General account – joint names	Yes to each of the joint account holders
	No to another third party
General account – individual	Yes to account holder
	No to spouse/partner/another third party

1.4 Joint General accounts

1.4.1 Can a joint account process two Bed and Isa transactions at the same time?

As the first Bed and Isa instruction will create pending trades, it would not be possible to instruct a second Bed and Isa transaction using the same funds on the General account until these pending trades settle (See pending trades 1.7.2).

There are four options when this occurs:

1. Wait until the first client's trades are confirmed (two working days depending on the trading cut off times) before keying the second clients application using the same funds.
2. Use different funds for each of the two Bed and Isa transactions.
3. Use Bed and Isa for one Isa account and an IAT for the other. Note that the IAT would have to be from cash and may not be invested at the same time as the Bed and Isa application.
4. An IAT for each Isa application.

1.5 What are the capital gains (CG) implications?

CG rules still apply and the Bed and Isa sell transactions have been built into Narrate CG. The sells are treated as a disposal for capital gains purposes.

1.6 What documentation do you need to send Nucleus?

Application type	Documents required	Post or copy form?
General to new Isa	Client declaration (0024 or 0145)	Copy (as existing client on the platform)
	Ad-hoc fee authority (0160) if fee is not included in Declaration	Copy
General to existing Isa (subscription made in the previous tax year)	Ad-hoc fee authority (0160) if an initial fee is being taken.	Copy
General to existing Isa (no subscription made in the previous tax year)	Client declaration (0145)	Copy
	Ad-hoc fee authority (0160) if an initial fee is being taken	Copy
	Online application summary	Copy
	See section 2.2.1 re. Top up restriction.	

 Please note any delay in the receipt of documentation will delay Bed and Isa processing. Any errors or omissions may result in a returned application or delays in investment.

 Where a copy form is permitted, please send via Jira messaging with no requirement for the original to follow by post.

1.7 Before you start

Points to consider when processing Bed and Isa:

1.7.1 New Isa account


Newly created accounts have a pending status. Until the account is activated, it is not available for a new application. A Jira messaging request should be sent to activate the account.

1.7.2 Pending trades

If there are pending trades on the General account, these funds cannot be selected until the trades settle. Different funds can be selected to allow a Bed and Isa application to be processed or wait for the pending trades to settle.

1.7.3 When will trades order in the Isa account?

The buy trades will order when all sell transactions in the General account have priced. This does not affect the subscription date which is set as the date the sells order on the General account.

 Buys cannot be instructed on the Isa until all sells on the General account move to 'ordered' status.

1.8 Fees

As Bed and Isa is a straight through process and Nucleus requires a fee authority before a fee can be paid a fee cannot be selected. Any existing annual advice fee will continue to be applied to the Isa. An additional fee can be arranged by sending a completed Ad-hoc fee authority form (0160) via Jira messaging. Please remember to leave sufficient available cash to allow the fee payment.

2.0 How do you start?

2.1 Where can you select Bed and Isa?

2.1.1 The client hub

Bed and Isa can be instructed from the client hub screen or the wrap and account summary pages:

Select 'apply/top-up' from the client hub.

Search results

(1 of 1) 1 10

Name	Client reference	1st line of address	Postcode	Date of birth	
Black, Ann	1000333333	1 Forth Road	EH99 1HQ	03/04/1956	Apply/Top-up

(1 of 1) 1 10

2.1.2 Wrap summary

Or, if you have already selected the client, select 'top-up/add investment' from the wrap summary.

Top-up/add investment Account detail Tools & reports Download PDF Download CSV

Wrap summary

2.1.3 Account summary


Alternately, select 'top-up/add investment' from the account summary.

Top-up/add investment Trading Account detail Tools & reports Download PDF Download CSV


Isa - N123456

2.2 Open a new Isa account for Bed and Isa

2.2.1 Subscription warning banner

 No subscriptions were received for Isa account N123456 in tax year 2015/2016. The client must complete a new declaration.

If the client did not subscribe to the Isa, either by a lump sum or regular contribution in the previous tax year, there will be a flag on the account meaning no further applications can be made until the client submits an up to date client declaration. As we do not require a wet signature for an existing client, we can accept a copy of the client declaration (0145) via Jira messaging. We will then remove the account restriction.

 Until the restriction is removed, you will be unable to submit your application.

An exception to this rule is when a new Isa is opened. If a subscription is not received in year one, the original declaration will still be valid for contributions received in year two. In this scenario a new declaration would not be required.

2.2.2 New accounts.

Select 'Isa' from the 'new accounts' section and click on 

Application for Ann Black

No subscriptions were received for Isa account N123456 in tax year 2015/2016. The client must complete a new declaration.

Select Account Next

New accounts

Select the account type you wish to open: **General** + Add

Top up

Select the account you wish to top up: **Isa** + Add

Account holder	Give the account a name	Contribution type	Annual Advice Fee	
Ann Black		<input type="checkbox"/> Payments <input type="checkbox"/> Re-register <input type="checkbox"/> Transfer <input type="checkbox"/> Withdrawal <input type="checkbox"/> Bed & Isa	1 %	✕ Remove

Next

2.2.3 Contribution type

A contribution drop down menu appears, select 'Bed and Isa'.

2.2.4 Annual advice fee

Enter the fee amount or percentage.

Click on 'Next'. (Please now refer to section 2.4 to continue with the application.)

Select Account Next

New accounts

Select the account type you wish to open: **Isa** + Add

Isa

Account holder	Give the account a name	Contribution type	Other account holder(s)	Annual Advice Fee	
Ann Black	Isa	<input type="checkbox"/> Payments <input type="checkbox"/> Re-register <input type="checkbox"/> Transfer <input type="checkbox"/> Withdrawal <input checked="" type="checkbox"/> Bed & Isa		0 %	✕ Remove

2.3 Top up an existing Isa

2.3.1 Top up menu

Select the Isa account from the top up menu option.

New accounts

Select the account type you wish to open: **General** + Add

Top up

Select the account you wish to top up: **Isa - N123456** + Add

Next

2.3.2 Contribution type

Select 'Bed & Isa' from the 'contribution type' section.

2.3.3 Annual advice fee

(please refer to 1.8 Fees)

Click on 'Next'.

Top up

Select the account you wish to top up: General - N123457 + Add

Isa - N123456

Account holder	Give the account a name	Contribution type	Annual Advice Fee	
Ann Black	<input type="text" value="Isa"/>	<input type="checkbox"/> Payments <input type="checkbox"/> Re-register <input type="checkbox"/> Transfer <input type="checkbox"/> Withdrawal <input checked="" type="checkbox"/> Bed & Isa	<input type="text" value="1.9"/> %	✕ Remove

Next

2.4 How to instruct the sell on the General account

There are various options to sell assets for Bed and Isa.

Application for Ann Black

Payments, Withdrawal and Fees

Back Next

Bed & Isa

Isa - Isa - N123456

Payer	Amount	General Account	Initial fee	
Ann Clark	<input type="text" value="0.00"/>	General - N123457	<input type="text" value="0"/> %	✕

+ Add a Bed & Isa

From

General - N118649

Bed & Isa options

Model portfolio	Allocation method	Amount			
Cautious Portfolio B	Pro-rata	<input type="text"/> £	Allocate assets	Bed & Isa Max	✕ Clear asset values

Certificate selection method Oldest First Withdrawal method Amount

Assets

Asset	Price £	Available units	Value £	Percentage	Units	Est. amount £	Exclude
Cash Account General (Cash General)	£1.000000	1,220.480000	GBP1,220.48	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>
Cash Deposit (CashDeposit) ↑	£1.000000	581.110000	GBP581.11	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="£0.00"/>	<input type="checkbox"/>
Baillie Gifford Japanese B Inc (GB0006010945)	£12.580000	14.913000	GBP187.61	<input type="text" value="0.00"/>	<input type="text" value="0.000"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>
Barclays FTSE Autocall November 2014 Edition (XS1113707027) ↑	£1.149300	376.000000	GBP432.14	<input type="text" value="0.00"/>	<input type="text" value="0"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>
BlackRock CIF Corporate Bond Tracker D Acc (GB00B84DSW83)	£1.471000	330.956000	GBP486.84	<input type="text" value="0.00"/>	<input type="text" value="0.000"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>
BlackRock European Dynamic FD Inc (GB00BCZRNM23)	£1.350000	203.974000	GBP275.36	<input type="text" value="0.00"/>	<input type="text" value="0.000"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>
CF Lindell Train UK Equity Acc (GB00B18B9X76)	£3.334300	39.708000	GBP132.40	<input type="text" value="0.00"/>	<input type="text" value="0.000"/>	<input type="text" value="0.00"/>	<input type="checkbox"/>

2.4.1 Account selection

Select the required General account from the drop down menu in the Isa section.

2.4.2 What sell options are available from the General account for Bed and Isa?

Choose from the following three options:

1. Select 'Bed and Isa Max' and the system will automatically calculate the maximum remaining subscription. Choose how the assets will be sold by selecting from the 'Allocation method' (refer to 2.4.7 Bed and Isa Max and 2.4.4 Allocation method for more detail).
2. Enter a specific 'Amount' (or percentage) from the 'allocation method' menu, select to sell by either 'Model portfolio splits' or 'Pro-rata.' (refer to 2.4.4 Allocation method and 2.4.5 Amount).
3. Enter a specific 'Amount' (or percentage), select a 'Withdrawal method' of either 'Amount, Percentage or Units' and manually allocate assets to sell from the 'Assets' list. (Refer to 2.4.5 Amount and 2.4.8 Withdrawal method).

Exclude assets- Refer to 2.4.9 if you would like to exclude any assets from your selection.

2.4.3 Initial fee

(See section 1.8)

2.4.4 Allocation method

Choose from the following menu:

Model portfolio splits

The disinvestment will be instructed as per the weightings of the model portfolio linked to the General account.

Pro-rata

The disinvestment will be instructed as per the weightings of the account as it stands at the trading point.



Neither model portfolio splits nor pro-rata carry out any other portfolio realignment.

2.4.5 Amount

Enter a monetary amount or percentage of the portfolio you wish to sell.

2.4.6 Allocate assets

Select this after selecting your allocation method and amount to create a fund list for review.

2.4.7 Bed & Isa Max

Select 'Bed and Isa Max' and the system will automatically calculate the maximum amount the client has left for the current tax year to subscribe.

Please note, Bed and Isa Max is a monetary transaction, so the system will restrict any more than 80% of a fund being sold as an amount.

Any closed or suspended assets will be excluded from sell down.

If you require more than 80% of a fund to be sold, refer to 2.4.2 points two and three.

Example 1

General account valuation	£20,000
Maximum remaining subscription	£20,000
Bed & Isa Max will sell	£16,000 (80% of each asset including cash)
Proceeds to be invested in the Isa	£16,000

Example 2

General account valuation	£30,000
Maximum left of subscription allowance to pay:	£20,000
Bed & Isa Max will sell	£20,000 (despite Bed & Isa Max selling 80% of each asset, there was sufficient in the account to meet the maximum subscription amount).
Proceeds to be invested in the Isa	£20,000

2.4.8 Withdrawal method

Select either 'Amount, Percentage or Units' and then manually allocate assets from the 'Assets list'.

Amount – If selling by amount this will only allow you to proceed when the value is less than 80% of the asset holding. Where the required sell value is more than 80% select sell by a percentage.

Percentage – It is possible to sell more than 80% of an individual asset holding however at least 0.17% cash must remain in the General account to satisfy minimum cash requirements.

Units – If you are unable to sell by value and selling by percentage does not total the required amount, it is possible to enter the number of units to be sold to ensure the Isa subscription value is reached. You may need to enter amounts first to establish the number of units to be sold.

2.4.9 Exclude assets

Exclude any assets from disinvestment by ticking the box in the exclude column.

2.4.10 Flagged assets

We would recommend these are excluded in the General account sell as these funds could have a minimum trade value or be monthly traded which would delay the Isa subscription date and potentially miss the current tax year.

Click 'Next to move onto asset selection.

2.5 How to instruct the buy on the Isa account

Set the asset selection for the Isa account.

The investment can be in line with a model portfolio or an allocation of individual assets.

2.5.1 Model portfolio allocation

If the Isa has a model portfolio aligned (see below), the funds will auto allocate in the 'Bed & Isa' column ready for investment.

2.5.2 Model portfolio search

When searching for model portfolios use the exact portfolio name convention or alternately use % for a wildcard search. This is extremely useful if you are unsure of the full model portfolio name. For the model portfolio detailed below enter Model portfolio ca% and a list of possible matches appear for you to select.



The Reports tab has a 'funds' report and also the 'model portfolios and accounts report' or 'model portfolio asset allocation' reports are useful when searching model names. Information can also be taken from the model portfolio self-service tool.

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Asset Selection

Please allocate the percentage of each asset that you would like to add to each account. The overall percentage allocation must equal 100, and there must be at least a 2% cash allocation for each account.

Isa - Isa - N123456

Asset search Name/ISIN/SEDOL Only listed securities

Model portfolio search Name

Show allocation in %

Asset name	Lumpsum	Regular	Transfer	Bed & Isa	Nat. income	Action
Cash	<input type="text"/>	<input type="text"/>	<input type="text"/>	15.14	<input type="checkbox"/>	
Baillie Gifford Japanese B Inc (GB0006010945)	<input type="text"/>	<input type="text"/>	<input type="text"/>	2.23	<input type="checkbox"/>	
BlackRock CIF Corporate Bond Tracker D Acc (GB00B84DSW83)	<input type="text"/>	<input type="text"/>	<input type="text"/>	5.83	<input type="checkbox"/>	
BlackRock European Dynamic FD Inc (GB00BCZRN23)	<input type="text"/>	<input type="text"/>	<input type="text"/>	3.36	<input type="checkbox"/>	
CF Lindsell Train UK Equity Acc (GB00B18B9X76)	<input type="text"/>	<input type="text"/>	<input type="text"/>	1.58	<input type="checkbox"/>	
CF Miton UK Multi Cap Inc B I Inc (GB00B4M24M14)	<input type="text"/>	<input type="text"/>	<input type="text"/>	2.21	<input type="checkbox"/>	

2.5.3 Invest without a model portfolio

Individual assets can be added to the investment list instead of using a model portfolio.

2.5.4 Search for an asset

You can search by Isin or using a wildcard search by entering the start of a name then the percentage symbol e.g. Blackrock 100%.

Isa - Isa - N123456

Asset search Name/ISIN/SEDOL Only listed securities

Model portfolio search Name

Show allocation in %

Click to add the asset to your selection.

Asset search results

(1 of 1)

Asset	Action
BlackRock 100 UK Equity Tracker D Acc (GB00B7W4GQ69)	

(1 of 1)

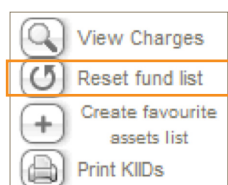
OK

2.5.5 View charges, create a favourite assets list and print KIIDs

These options can be selected and viewed here.

2.5.6 Change the asset allocation

Click 'reset funds' list to delete assets selected so far.



Click 'Next' to review the application summary.

2.6 Application summary

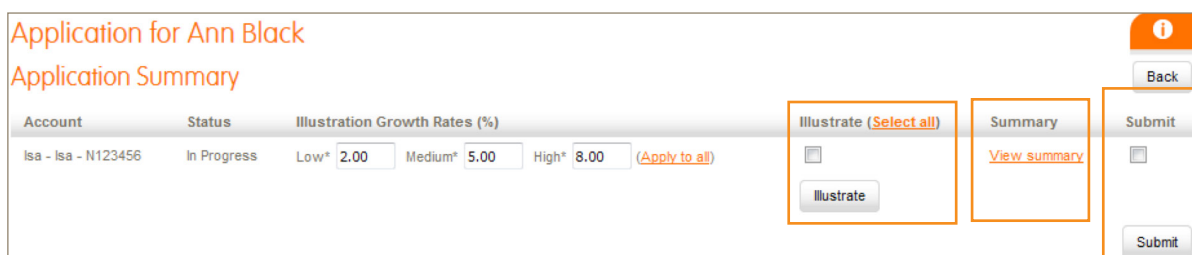
This is your final opportunity to view the summary, illustrate, check and amend the growth rates before submitting the application.

2.6.1 Make changes

If there are any aspects you would like to change, select 'Back' and revisit the screen.

2.6.2 Submit

Tick the box in the 'Submit' column and click on the "Submit" box to complete the application.



3.0 Documentation

Please refer to section 1.6 for clarity on documentation requirements. All documentation should be fully completed, dated and signed before submission. Any errors or omissions may result in a returned application or delays in investment.

Where Nucleus can accept a copy form (i.e. not requiring an original signature) this can be attached to Jira messaging.

4.0 Further guidance

Please refer watch our video 'How to key on a Bed and Isa' which is available from the platform library. Should you have any questions regarding Bed and Isa or any aspect of client servicing please contact your regional client relations manager.