

Suffolk Life demystifies *in specie* share contributions for advisers

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In its latest, highly popular, Talking Points bulletin, Suffolk Life, one of the UK's leading providers and administrators of SIPPs, explains to advisers their recommended approach for dealing with clients' *in specie* share contributions. Advisers will find the bulletin particularly useful, as Suffolk Life predicts that these types of contributions will continue to increase - particularly as the market becomes more aware and comfortable with the processes involved.

As a snapshot to the bulletin, below is an outline of the recommended approach for dealing with *in specie* share contributions:-

- » Specific details the administrator will need to know to accept an *in specie* contribution of shares e.g. approximate value of the contribution, personal or employer, stock description etc
- » The administrator will need confirmation that the SIPP has an account in place with an investment manager for the transaction to take place
- » A date will need to be agreed with all parties for the *in specie* share contribution to be made
- » Following the contribution, the administrator will need confirmation from the investment manager of the exact value of the assets contributed and that the stamp duty has been accounted for
- » As the SIPP now holds the assets, any tax claim can be processed. However, it should be remembered that all relevant limits on tax relief still apply.

John Moret, Director of Sales and Marketing, said: " This bulletin is a must read for advisers wanting to clearly understand the process involved for dealing with clients' *in specie* share contributions. With the prohibition of connected party transactions gone, the attraction of holding assets they already own within a tax efficient wrapper of a SIPP should be clear to the clients. Less obvious though, are the intricacies of the process which is clearly explained and supplemented with FAQs within the bulletin to make it even easier. While this is based on our approach, we would expect other administrators' requirements to be similar."

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About Suffolk Life

Suffolk Life is one of the UK's leading providers and administrators of specialist pension products, primarily Self Invested Personal Pensions (SIPPs). It has set up over 7,500 SIPPs with aggregated assets in excess of £1.5 billion. Suffolk Life has acquired properties for over 1,500 policyholders.

Established in 1971 and based in Ipswich, Suffolk Life employs over 125 people and has built an enviable reputation based on its expertise and knowledge of the SIPP market.

This has been recognised through numerous awards including:-

Best SIPP Provider - Professional Adviser 2006

Best SIPP Provider - Professional Pensions 2006 & 2005

Best SIPP Product- Moneyfacts 2005

Best Buy - Investors Chronicle 2005

Pensions Management award for Technology, Admin and Service

Pensions Management Admin & Service awards for 3 years running (commended 2005)

Further details are available by visiting the Suffolk Life website: www.suffolklife.co.uk