

# Fact Sheet - Order of disposal policy

Fact Sheet | July 2010

**This factsheet is intended for information purposes only. Its contents are not to be used as legal, financial or tax advice. The tax treatment and tax benefits are based on our understanding of current tax legislation.**

## This policy sets out the actions that Suffolk Life will take where it is necessary to raise funds to settle outstanding liabilities of a SIPP plan.

Those liabilities could include (but not exhaustively) product fees and charges, adviser fees, legal and other professional fees, property valuation fees, property maintenance costs, overdrawn bank accounts, outstanding loan repayments, amounts owed to HMRC.

This order of disposal policy will be used where:

- a) contact has been made with the adviser and investor, or just the investor where no adviser exists, in order to agree how cash will be made available within the SIPP plan to cover the outstanding liabilities, but no resolution has been reached; and
- b) 30 days written notice has been given to the adviser and investor, or just investor where no adviser exists, that unless a resolution is reached, we will effect a sale of assets owned by the SIPP plan in order to raise sufficient cash to pay the outstanding liabilities, with no such resolution being reached during that 30 day period.

Assets will then be sold to the extent required to raise sufficient cash to pay the outstanding liabilities, plus all costs of selling the asset as follows:

### Where there is a discretionary investment manager acting

We will instruct the investment manager to dispose of sufficient investments to meet the outstanding liabilities.

### Where there is an advisory investment manager acting

We will instruct the investment manager to assess which investments should be disposed of to meet the outstanding liabilities and we will confirm that the investment manager is to proceed on the basis of that assessment.

Where the investment manager fails to or is unable to provide us with the above information, Suffolk Life shall instruct the investment manager to dispose of such assets as decided by Suffolk Life in accordance with this policy.

### Where there is no discretionary or advisory investment manager acting or where insufficient funds were held by such an investment manager

- 1) The asset(s) most recently acquired that, in our reasonable opinion, has/have the ability to be disposed of and the cash proceeds returned to Suffolk Life within fourteen days of instruction.
- 2) If no assets held meet the criteria in 1) above, then the asset(s) most recently acquired that, in our reasonable opinion, has/have the ability to be disposed of and the cash proceeds returned to Suffolk Life within thirty days of instruction.
- 3) If no assets held meet the criteria in 2) above, then the asset(s) most recently acquired that, in our reasonable opinion, has/have the ability to be disposed off and the cash proceeds returned to Suffolk Life within the shortest timescale.

When ascertaining under the above, which asset(s) should be disposed of, the following practices will be followed.

- a) Where more than one asset was originally acquired on the same day within any individual category of 1 to 3 above, we will, where the information is available, dispose of the asset that was acquired at the latest time during that day. Where that information is not available, the asset to be disposed off will be randomly selected.
- b) In respect of investment funds, we will estimate the number of units that need be sold in order to generate the required sum, the exact number cannot be known in advance due to forward pricing of funds.
- c) We will not sell a holding that requires the whole holding to be sold if this will generate significantly more than required to meet the outstanding liabilities, where the whole or part of another holding can be sold to generate sufficient funds in a reasonable timescale to meet the outstanding liabilities.
- d) We will not sell a holding that will knowingly incur early redemption penalties where the whole or part of another holding can be sold to generate sufficient funds in a reasonable timescale to meet the outstanding liabilities.