

Fundsdirect ISA Investor Guide

Key Government Rules Regarding ISAs

ISA Limits

- ▶ The current annual ISA investment allowance is £10,200, of which up to £5,100 can be saved in cash with one provider and the remainder invested either with the same or another provider such as Investment Funds Direct Ltd, which offers a stock and shares ISA;
- ▶ **From 6th April 2010**, the ISA limit increase will apply to all ISA investors aged 18 or over. The cash limit for investors aged 16 and 17 will rise to £5,100.

General Information

- ▶ As the government ruled back on **5th April 2008**, Mini and Maxi ISAs no longer exist, with ISA savers able to invest in two separate ISAs each tax year, a cash ISA and a stocks and shares ISA;
- ▶ To open a Stocks and Shares ISA, savers have to be aged 18 or over and be resident and ordinarily resident in the UK for tax purposes. Crown employees, such as diplomats or members of the armed forces who are working overseas and paid by the Government, are eligible to open an ISA and their spouses or civil partners can also open an ISA;
- ▶ If ISA savers start an ISA in the UK and then go abroad, subscriptions cannot continue into the ISA (unless Crown employee working overseas or the spouse or civil partner of a Crown employee working overseas). However, the ISA can be retained benefiting from tax relief on investments held in the ISA. If/when savers return to the UK, subscriptions can be accepted (subject to the normal annual limits). **If you are, or are considering non-UK residency, please notify Fundsdirect Customer Services at the address below;**
- ▶ Cash may be held in a stocks and shares ISA **only** for the purpose of investing in qualifying investments. It may not be held for the sole purpose of sheltering interest arising on cash deposits from tax.

Should you have any queries regarding this or any other matter, please contact Customer Services on 0845 600 5361 or email customerservices@fundsdirect.co.uk.