

Unlisted Securities Form Guidance

Quick actions:

Document reference H112G

This document provides guidance on how you should complete H112 Unlisted Securities Form. There are also a number of appendices to this document:

- Appendix I provides details of our own restrictions on investments in unlisted securities.
- Appendix II provides a glossary of key terms.
- Appendix III provides a list of the supplemental documents we will require before we will be able to permit the investment to proceed.

1. Member details

Forename(s)	Your first name and any middle names.
Surname	Your last name.
Date of birth	Your date of birth in the format DD/MM/YY.
Hornbuckle plan number	Your plan number is an 8-character alpha-numeric reference that we quote on our correspondence. The plan number will either start "DW" followed by six numbers (e.g. DW123456), or with six letters followed by two numbers (e.g. ABCDEF01).
Email	Your preferred contact email address. We will use your email address to send you information relating to the administration of your plan, so you should avoid using a work email address or another address likely to be accessed by someone else.

2. Company details

This section of the form requires you to provide information about the company issuing the unlisted securities you want to hold in your Hornbuckle plan.

Company name	The full name of the issuing company.
Registered address	The company's registered address as it appears on the relevant registry of companies (if applicable).
Postcode	The company's postcode if in the UK, or otherwise the company's ZIP code, etc.
Country of incorporation	The country in which the issuing company is incorporated.
Company number	The registration number of the company in the relevant registry of companies (if applicable).
Main business activity	Description of the company's main business activity ("trading company" is insufficient).
Contact name	The name of a person we can contact at the company about the transaction.
Tel No	Contact telephone number of that person.
Email	Contact email address of that person.

3. Investment details

This section of the form requires you to provide information about the investment you wish to make in the company, including details about investments you hold in the company outside your Hornbuckle plan and what connection (if any) you have with the company apart from that of an arm's length investor.

Please select from the list below the type of security you want to invest in	Select the type of investment from the list provided. If none of the options describes the investment accurately, write a short description in the space provided.
ISIN	The International Securities Identification Number (ISIN) of the securities, if applicable.
Country of issue	The country in which the securities have been issued.
Quantity	The number of securities you want to hold in your Hornbuckle plan.
Price per security (indicative)	The price per security (e.g. price per share) that your Hornbuckle plan will pay. If the price of the securities is likely to change before the date of acquisition, please give the latest indicative price.
Total consideration (indicative)	The total cost to your Hornbuckle plan of acquiring the securities. If the price of the securities is likely to change before the date of acquisition, so the amount payable is uncertain, please give an indicative value.
What percentage of the company's issued share capital / debt does your investment represent?	It is important for us to establish the size of your interest in the company as a proportion of the company's total share capital, debt, assets, etc. You should provide the percentage of the company's share capital, debt, etc. represented by your investment. For example, if the company has issued 1 million shares in total, and you want your plan to hold 10,000 shares, you should enter 1%. If your investment represents less than 1%, check the box on the form to indicate this.
What percentage of the company's issued share capital / debt is already owned by you and anyone connected to you?	It is important for us to establish the size of your interest in the company as a proportion of the company's total share capital, debt, assets, etc. You should provide the percentage of the company's share capital, debt, etc. represented by any investment already held by you or anyone connected to you. For example, if the company has issued 1 million shares in total, and you and your partner together hold 10,000 shares, you should enter 1%. If the total amount held by you and any connected persons is less than 1%, check the box on the form to indicate this.
Are you now, or have you ever been a director of the company?	Select "yes" if you are or have ever been a director of the issuing company. This includes anyone exercising the function of a director, even if given a different title.
Are you now, or have you ever been an employee of the company?	Select "yes" if you are or have ever been an employee of the issuing company.
Do you have any other connection with the company except that of an arm's length investor?	Select "yes" if you have any connection with the issuing company other than that of an arm's length investor. You should provide details in the space provided.

3. Investment details cont

The next part of this section only applies to fixed interest securities e.g. preference shares and loan notes. If the securities you want your Hornbuckle plan to hold are not fixed interest securities you can leave this section blank and proceed to section 4.

Maturity date	The date on which the securities are due to mature.
Annual interest rate	The amount of interest payable on the securities annually.
Frequency of payments	The frequency of interest payments. If the interest is not paid annually, quarterly or monthly, provide details in the space provided.
Security	Short description of the security for the investment (if applicable). For example, the investment might be secured on certain assets of the issuing company.

4. Transaction details

There are a number of ways your Hornbuckle plan could come to hold an investment. This section asks you to select the type of transaction applicable to this investment.

Purchase from the issuing company	Select this option if the securities represent a new issue from the company, and you want your Hornbuckle plan to participate in the issue of shares, bonds, etc.
Purchase from you or a connected person	Select this option if the securities have already been issued, and you intend that your Hornbuckle plan will purchase them from you or someone connected to you.
Purchase from an unconnected person	Select this option if the securities have already been issued, and you intend that your Hornbuckle plan will purchase them from someone who is not connected to you.
In specie contribution	Select this option if the ownership of the securities will be transferred to your Hornbuckle plan as part of an in specie contribution. You will also need to complete a copy of the relevant contribution form.
In specie transfer	Select this option if the securities are held in another pension plan, and you want to transfer them to your Hornbuckle plan. You will also need to complete a copy of H105 Transfer Form.
Vendor contact details	The contact details of the person or organisation from whom the securities are being purchased (if applicable).

5. Member declarations

You should read this section carefully, as it requires your confirmation that your investment will meet certain restrictions, and also acknowledges the terms on which your investment will be made.

You should sign and date this section where indicated.

6. Adviser details

This section of the form should be completed by your financial adviser. The guidance in this section is addressed to your adviser.

Adviser name	The full name of the member's appointed financial adviser as it appears on the financial services register.
Firm name	The name of the adviser firm as it appears on the financial services register. If the firm is using a trading name, write the trading name as it appears on the financial services register. If the firm is an appointed representative of another regulated firm, write the name of the appointed representative (not the name of the principal firm).
Firm FCA reference	The FCA reference number of the firm.

6. Adviser details cont.

<p>Have you provided a personal recommendation to the plan member in relation to their investment in the company named in section 2 of this form?</p>	<p>Select “yes” if you have provided a personal recommendation to the member.</p> <p>Select “no” if you have not provided a personal recommendation i.e. if you have transacted the investment on an execution only basis.</p>
<p>If “no”, have you established that the plan member is a “certified sophisticated investor” as defined in COBS 4.12.7R?</p>	<p>If you have selected “no” in answer to the previous question, you should confirm whether or not you have established that the member is a “certified sophisticated investor”.</p> <p>If “yes” you should attach a completed copy of H119 Member Certification Form.</p> <p>If “no” we will be unable to permit the member’s investment request.</p>
<p>Have you agreed with the plan member that we should pay you a fee from the SIPP plan?</p>	<p>In order to facilitate the payment of an adviser charge from the SIPP plan, we will require a completed H108 Adviser Charging Form providing details of the payment(s).</p>

Appendix I – Investment restrictions

We allow our members to use their SIPP plans to invest in unlisted securities, subject to certain restrictions:

- A Hornbuckle SIPP plan cannot hold 20% or more of the shares (or other securities) issued by the company in question. This limit applies to securities held directly by the plan and those held by the scheme member and any connected person(s).
- Where a Hornbuckle SIPP plan holds any non-standard investments (including unlisted securities) at least 10% of the value of the plan should be held in the form of cash or other standard investments.
- In addition, no more than 50% of a Hornbuckle SIPP plan can be held in unlisted securities.
- The issuing company must be based, and the securities must be issued, within the European Economic Area (EEA) or the Channel Islands.
- If an unlisted security is issued in certificated form, the certificate will be held by Hornbuckle Mitchell Trustees Limited. The cost of this service is set out in the Fee Schedule for our schemes.

We will undertake a due diligence process to establish that our conditions are met before permitting an investment to proceed.

This process is not intended to, and will not, verify or validate the suitability of the proposed investment to your personal circumstances.

Appendix II – Glossary of terms

<p>Trade, profession or vocation</p>	<p>The term “trading” is not defined in HMRC legislation, but means a company carrying on a business activity (as opposed to, for example, a holding company that does not itself engage in any trade).</p>
<p>Control (For fuller details refer to sections 450-2 of the Corporation Tax Act 2010)</p>	<p>“Control” means having the ability to exercise or acquire (either directly or indirectly) control over a company’s affairs. This usually means acquiring the greater part of the company’s share capital or voting rights, or an entitlement to the greater part of dividend payments or distribution of assets if the company were wound-up.</p> <p>Control in this sense can be exercised by a person (including a pension scheme or another company) acting alone or together with their “associates”.</p> <p>“Associates” may include connected persons (see definition below), or persons who are unconnected other than in relation to the control of the company. For example, directors (whether or not they are connected persons) will, if able to act together to control the company, be treated as associated with one another.</p> <p>The control of a company is governed by reference to its Articles of Association.</p>

Appendix II – Glossary of terms cont

<p>Controlling director (For fuller details refer to section 452 of the Corporation Tax Act 2010)</p>	<p>A “director” is a person in accordance with whose directions or instructions the directors of a company are accustomed to act.</p> <p>A “controlling director” is a director, or a person who is a manager or otherwise concerned in the management of a company’s trade or business, and who is either the beneficial owner of, or directly or indirectly able to control, at least 20% of the ordinary share capital of the company.</p> <p>For this purpose, the shares of the individual are taken together with those owned by connected persons.</p>
<p>Connected persons (For fuller details refer to Section 993 of the Income Tax Act 2007)</p>	<p>Persons “connected” to a scheme member include close family members, any company the member (or someone connected to them) has control of and any trust (including pension schemes) where the member (or someone connected to them) is the settlor of the trust.</p>

Appendix III – Supplemental documents

This appendix sets out some of the documents we will require in order to establish whether or not we can permit a given investment.

<p>Valuation</p>	<p>For all applications we require evidence that the securities are being purchased at “market value”. Ordinarily evidence should be provided in the form of a valuation provided by an accountant or another suitably qualified individual.</p> <p>The valuation should clearly state the following:</p> <ul style="list-style-type: none"> • The date of the valuation (this must ordinarily be within the last three months); • That the valuation represents a “market value” for the purposes of section 272 of the Taxation of Chargeable Gains Act 1992; • The basis of the valuation (to include any relevant qualifications or assumptions); • The name of the person carrying out the valuation; and • Confirmation that the valuer has no conflict of interest in providing the valuation. <p>The valuation should be addressed to Hornbuckle Mitchell Trustees Limited.</p> <p>In certain circumstances we may be able to accept evidence of market value other than in the above form. For example, if the securities are being purchased as part of a subscription offer, a subscription offer letter and evidence of multiple arm’s length investments being made on the same terms may be sufficient. In these circumstances, we may also require evidence that the securities are to be or have been bought at the price quoted.</p>
<p>Offering memorandum (or equivalent)</p>	<p>Where the securities are part of a new issue by the company being offered to a number of investors please provide a copy of the offering document / letter and all relevant information provided to prospective investors. We will also need to see any shareholders’ agreement or legal documentation relating to the investment (i.e. in the case of a loan note we will need to see the instrument creating and laying out the terms of the loan, creating any security etc.).</p>
<p>Certificate of Incorporation</p>	<p>A copy should be provided in all cases.</p>
<p>Articles of Association</p>	<p>This will be required for evidence of “control”, as defined in appendix II above.</p>
<p>Business plan</p>	<p>Required for newly trading companies.</p>
<p>Latest audited accounts or financial statements</p>	<p>Unaudited accounts are not acceptable.</p>
<p>Stock Transfer form</p>	<p>This is required where the plan will be purchasing securities that are already in issue, as opposed to participating in a new issue of securities.</p>

Get in touch

Tel: 0844 728 9090 Fax: 0845 125 6700
 clientservicing@hornbuckle.co.uk
 www.hornbuckle.co.uk

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