



UK Electronic Transfers and Re-Registrations Group

GIA Transfers

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Investment funds national constituent of the Securities Market Practice Group
www.smpg.info

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1 INTRODUCTION

1.1 Background

- (1) The UK Funds Market Practice Group (UKFMPG) is a national constituent of the Investment Funds Working Group of the global Securities Market Practice Group (SMPG). The objective of the UKFMPG is to facilitate more efficient processing in the UK investment industry by publishing standards for electronic interactions between financial services organisations. UKFMPG standards are based on the ISO20022 message standard.
- (2) This market practice standard is part of a broader framework for portfolio transfers and asset re-registration described by UKFMPG Transfers Framework Overview.

1.2 Purpose

- (1) This document describes the market practice for transferring General Investment Accounts (GIAs).
- (2) It relies on common aspects of portfolio transfers described in the UKFMPG Core Portfolio Transfers document and the two documents should be read in tandem.
- (3) The technical message definitions for this market practice are given in NMPG-GB-IF-GIA-Transfers-V3.0 usage guidelines on www.swift.com/mystandards.

1.3 Scope

- (1) This market practice will be of relevance to:
 - Platforms and wealth managers
 - Fund managers and transfer agents
 - Financial institution investors and investment administrators
- (2) This market practice covers the transfer of General Investment Account (GIAs).
- (3) This market practice covers the process to transfer a General Investment Account including:
 - Initial exchange of information between the Acquiring Party and the Ceding Party
 - Instruction to initiate the transfer of a GIA, including whether to re-register an asset or liquidate it and transfer the cash proceeds
 - Advice to the Acquiring Party of cash amounts that are being transferred
 - Associated status and confirmation reporting.
- (4) This includes cash and in-specie transfer of GIA with a wide range of assets categorised as:
 - Cash (Un-invested cash holdings within the portfolio)
 - Funds (publicly available funds, identified with an ISIN, that are registered with a transfer agent)
 - CREST Registered Securities (which may be equities, ETFs or any other asset supported by and registered on CREST other than funds as defined above)

- Other assets (described in unstructured free text and that will not be processed automatically)

(.5) This market practice does not address:

- Instructions from the customer to account administrators
- Opening of investment accounts
- Instructions to asset managers to liquidate assets
- Instructions to banks to make cash payments

1.4 Terminology

1.4.1 Roles

(.1) The key roles in the GIA transfer process as described by this document are:

- Acquiring Party - The account administrator that receives the portfolio, containing one or more assets.
- Ceding Party - The account administrator that delivers the portfolio, containing one or more assets, to the Acquiring Party.
- Asset Manager - The party that is ultimately responsible for the maintenance of the asset register and the liquidation of assets.

1.4.2 Glossary

| | |
|--------------------|---|
| Acquiring Party | As defined above. |
| Asset Manager | As defined above. |
| Asset transfer | The transfer of legal ownership of an asset, which may comprise the whole or part of a portfolio, between the acquiring and ceding parties. |
| Cash transfer | The transfer of cash from asset redemptions or un-invested or residual portfolio cash balances between the acquiring and ceding parties. |
| Ceding Party | As defined above. |
| GIA | A General Investment Account holding any combination of assets not within any tax wrapper (e.g. an ISA or a pension) |
| Nominee | An entity that holds title to assets on behalf of underlying customers. |
| Fund Manager | The party responsible for maintaining the register for funds. For the purposes of this market practice, a Fund Manager may act the role of Asset Manager and, where the customer holds an account with the Fund Manager, the Acquiring or Ceding Party. |
| Payment advice | Notification from the remitter to recipient of cash that is to be transferred between their respective bank accounts. |
| Portfolio transfer | The transition of the role of account provider from one party to another. |

| | |
|-----------------|---|
| Redemption | The realisation of an investment fund holding by way of sale to its manager. |
| Re-registration | The alteration of the fund's unitholder register to reflect the transfer of legal ownership between the Ceding Party and Acquiring Party. |
| Transfer Agent | A party acting on behalf of the Fund Manager to maintain the register of holdings (and who, for the purposes of this market practice, might act in any of the roles that a Fund Manager might perform). |

2 PROCESS

2.1 Overview

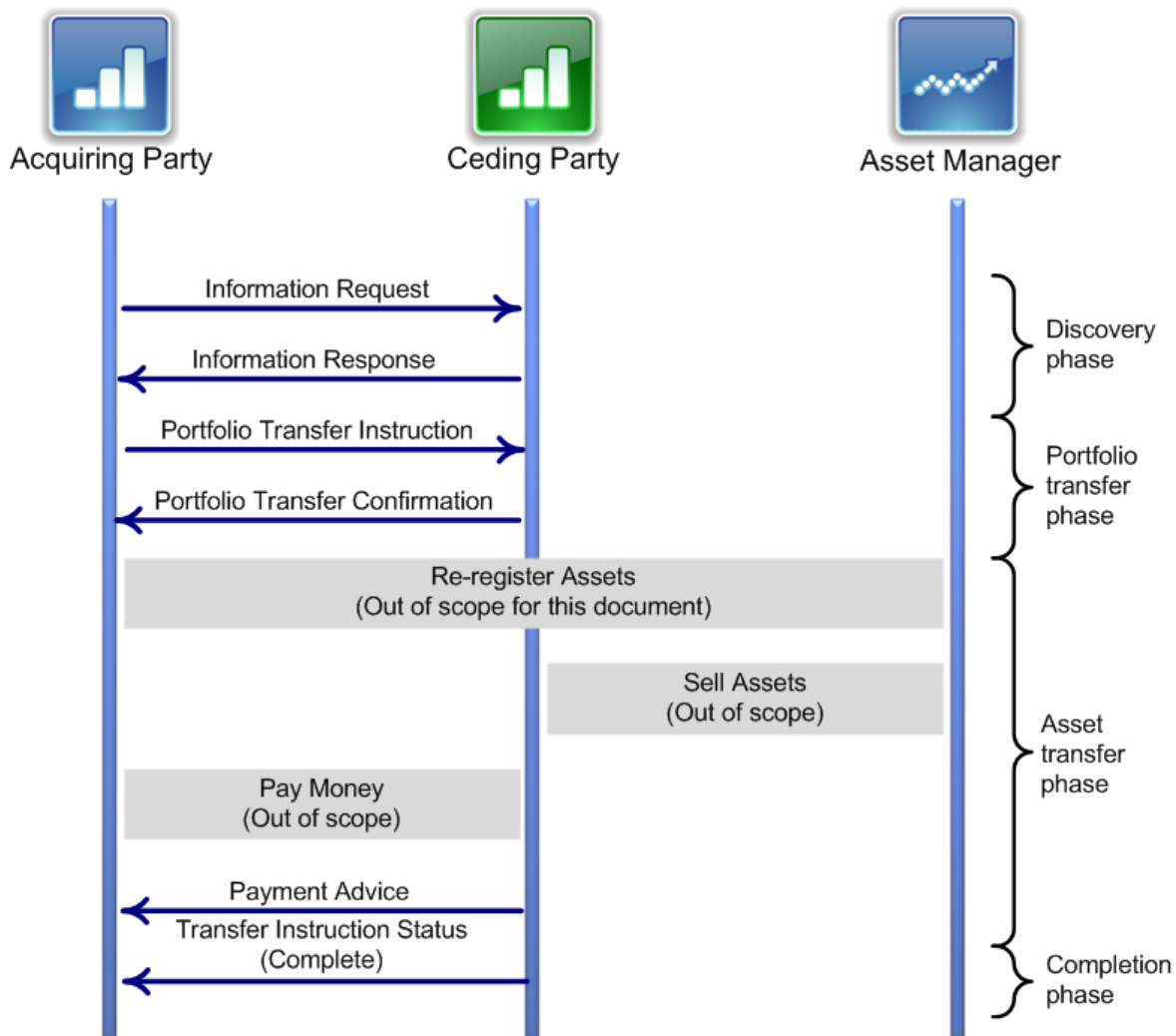


Figure 1 – Process Overview

(.1) In summary, the transfer process comprises the following steps:

- Discovery phase (optional)
 - The Acquiring Party requests details of the customer's account from the Ceding Party
- Portfolio transfer phase
 - The Acquiring Party instructs the Ceding Party to transfer the customer's account
 - The Ceding Party validates the instruction and the account details and confirms back to the Acquiring Party that the account will be transferred

- Asset transfer phase
 - The Ceding Party issues re-registration instructions to the asset manager for the relevant assets in the customer's account (out of scope for this document)
 - The Ceding Party issues redemption instructions to the asset manager for the relevant assets in the customer's account (out of scope for this market practice)
 - The Ceding Party makes a cash payment to the Acquiring Party using its preferred payment method (out of scope for this market practice)
 - The Ceding Party sends a payment advice to the Acquiring Party
- Completion phase
 - The Ceding Party advises the Acquiring Party that the transfer is complete Data

2.2 Message Processing

2.2.1 Message Sequence

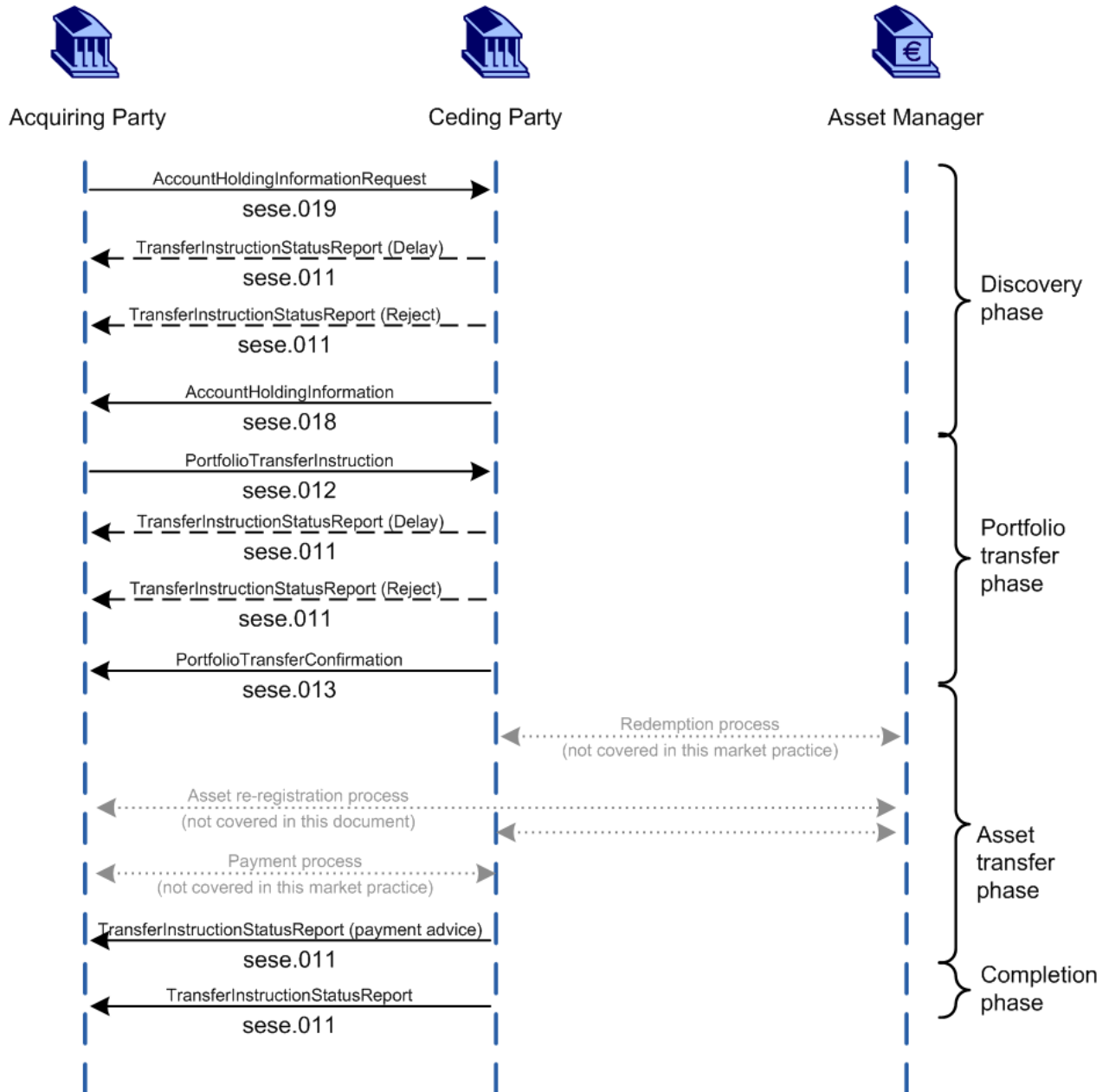


Figure 2 – Message Sequence

2.2.2 Message Validation

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

(2) The market practice version text for each message is shown below

| Exchange | ISO Message | Version |
|---------------------------------|--|---------------------------------|
| Information Request | AccountHoldingInformationRequestV02 (sese.019.001.02) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Information Response | AccountHoldingInformationV03 (sese.018.001.03) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Portfolio Transfer Instruction | PortfolioTransferInstructionV04 (sese.012.001.04) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Portfolio Transfer Confirmation | PortfolioTransferInstructionV04 (sese.013.001.04) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Delay | TransferInstructionStatusReportV03 (sese.011.001.03) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Rejection | TransferInstructionStatusReportV03 (sese.011.001.03) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Payment Advice | TransferInstructionStatusReportV03 (sese.011.001.03) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |
| Transfer Complete | TransferInstructionStatusReportV03 (sese.011.001.03) | 'NMPG-GB-IF-GIA-Transfers-V3.0' |

Figure 3 – Market Practice Versions

2.3 Process Steps

2.3.1 Discovery Phase

2.3.1.1 Send Information Request

- (1) The Acquiring Party may optionally issue an Information Request to the Ceding Party before instructing the transfer.
- (2) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

2.3.1.2 Process Information Request

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) The Ceding Party will indicate in the Information Response whether the assets in the portfolio are held on the Asset Manager's register by a nominee on behalf of the customer or in the customer's own name (where the Ceding Party is the Asset Manager).

2.3.2 Portfolio Transfer Phase

2.3.2.1 Send Portfolio Transfer Instruction

- (1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (2) Portfolio Transfer Instructions must only be sent for GIAs held in the name of a nominee. GIA's where assets are held with the Asset Manager in the customer's own name must be

transferred directly with the Asset Manager using mechanisms outside of this market practice. See section 4 for further details.

2.3.2.2 Process Transfer Instruction

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.
- (.2) The Ceding Party should reject the transfer request if the assets held within the GIA are held in the customer's own name.

2.3.3 Asset Transfer Phase

2.3.3.1 Initiate Asset Transfer

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

2.3.3.2 Process Payments

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

2.3.4 Transfer Completion Phase

2.3.4.1 Complete Transfer

- (.1) See the common processing steps described in UKFMPG Portfolio Transfers market practice document.

3 DATA

3.1 Data Definitions

- (1) The common data for portfolio transfers is described in the UKFMPG Portfolio Transfers market practice document.
- (2) The tables below describe the additional data required for GIA transfers

| Data Item | Sub Data Item | Description / Notes |
|--------------------------------|---------------|---|
| Asset Ownership | | Defines whether assets are held in own name or nominee (using the values “own name” or “nominee” respectively) |
| Market Practice Version | | Defines the market practice version used for any portfolio message sent. For any GIA-specific portfolio message the market practice version value should be specified as ‘NMPG-GB-IF-GIA-Transfers-V3.0’ |

Figure 4 – Data Definitions

3.2 ISO Message Data

- (1) The following table defines the usage of the data items and conditions specific to GIA within the various ISO messages used by this market practice.
- (2) Each cell is defined as follows:

| | | |
|-------------|-------|---|
| Mandatory | M | The item must be present |
| Optional | O | The item may be present |
| Conditional | C | The item may be present but is conditional on another data item Notes against the relevant data definition will specify the conditional rules |
| Not Present | X | The item must not be present |
| Bounds | (n:n) | The numbers in parenthesis indicate the lower and upper bound for the number of occurrences of the data item in a particular message, where * indicates that there is no upper bound. |

Figure 5 – Message Data Key

- (3) Sub data items are encoded and bound indicated within the context of their parent data item. If the parent data item is not included, sub data items should be ignored.

| Field | Information Request | Information Response | Portfolio Transfer Instruction | Portfolio Transfer Confirmation |
|-------|---------------------|----------------------|--------------------------------|---------------------------------|
|-------|---------------------|----------------------|--------------------------------|---------------------------------|

| | | | | |
|--|---------|---------|---------|---------|
| Acquiring Party | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Ceding Party | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Portfolio Transfer Reference | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Individual Investor | C (1:1) | C (1:1) | C (1:1) | C (1:1) |
| Primary Individual Investor - Surname | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Individual Investor - Forename | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Individual Investor - Date of Birth | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Individual Investor - NINO | O (0:1) | O (0:1) | O (0:1) | O (0:1) |
| Primary Individual Investor - Address PostCode | C (0:1) | C (0:1) | C (0:1) | C (0:1) |
| Primary Individual Investor - Address Country | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Other Individual Investor | C (0:3) | C (0:3) | C (0:3) | C (0:3) |
| Other Individual Investor - Surname | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Other Individual Investor - Forename | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Other Individual Investor - Date of Birth | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Individual Investor - NINO | O (0:1) | O (0:1) | O (0:1) | O (0:1) |
| Other Individual Investor - Address PostCode | C (0:1) | C (0:1) | C (0:1) | C (0:1) |
| Other Individual Investor - Address Country | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Corporate Investor | C (1:1) | C (1:1) | C (1:1) | C (1:1) |
| Primary Corporate Investor - Name | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Primary Corporate Investor - Address PostCode | C (0:1) | C (0:1) | C (0:1) | C (0:1) |
| Primary Corporate Investor - Address Country | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Other Corporate Investor | C (0:3) | C (0:3) | C (0:3) | C (0:3) |

| | | | | |
|---|---------|---------|---------|---------|
| Other Corporate Investor - Name | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Other Corporate Investor - Address PostCode | C (0:1) | C (0:1) | C (0:1) | C (0:1) |
| Other Corporate Investor - AddressCountry | M (1:1) | M (1:1) | M (1:1) | M (1:1) |
| Partial Discovery Indicator | X | M (1:1) | X | X |
| Asset Ownership | X | M (1:1) | X | X |
| Cash Transfer Indicator | X | O (0:1) | O (0:1) | O (0:1) |
| Transfer Assets | C (0:*) | M (1:*) | C(1:*) | C(1:*) |
| Preferred Payment Details | X | X | O (0:1) | O (0:1) |
| Preferred Payment Details - Sort Code | X | X | C (0:1) | C (0:1) |
| Preferred Payment Details - Account Number | X | X | C (0:1) | C (0:1) |
| Preferred Payment Details – BIC | X | X | C (0:1) | C (0:1) |
| Preferred Payment Details – IBAN | X | X | C (0:1) | C (0:1) |
| Preferred Payment Details - Payment Reference | X | X | O (0:1) | O (0:1) |
| Portfolio Confirmation Reference | X | X | X | M (1:1) |
| Portfolio Transfer Date | X | X | X | M (1:1) |

Figure 6 – Message Data

4 EXAMPLE TRANSFER SCENARIOS

4.1 Nominee to Nominee Transfers

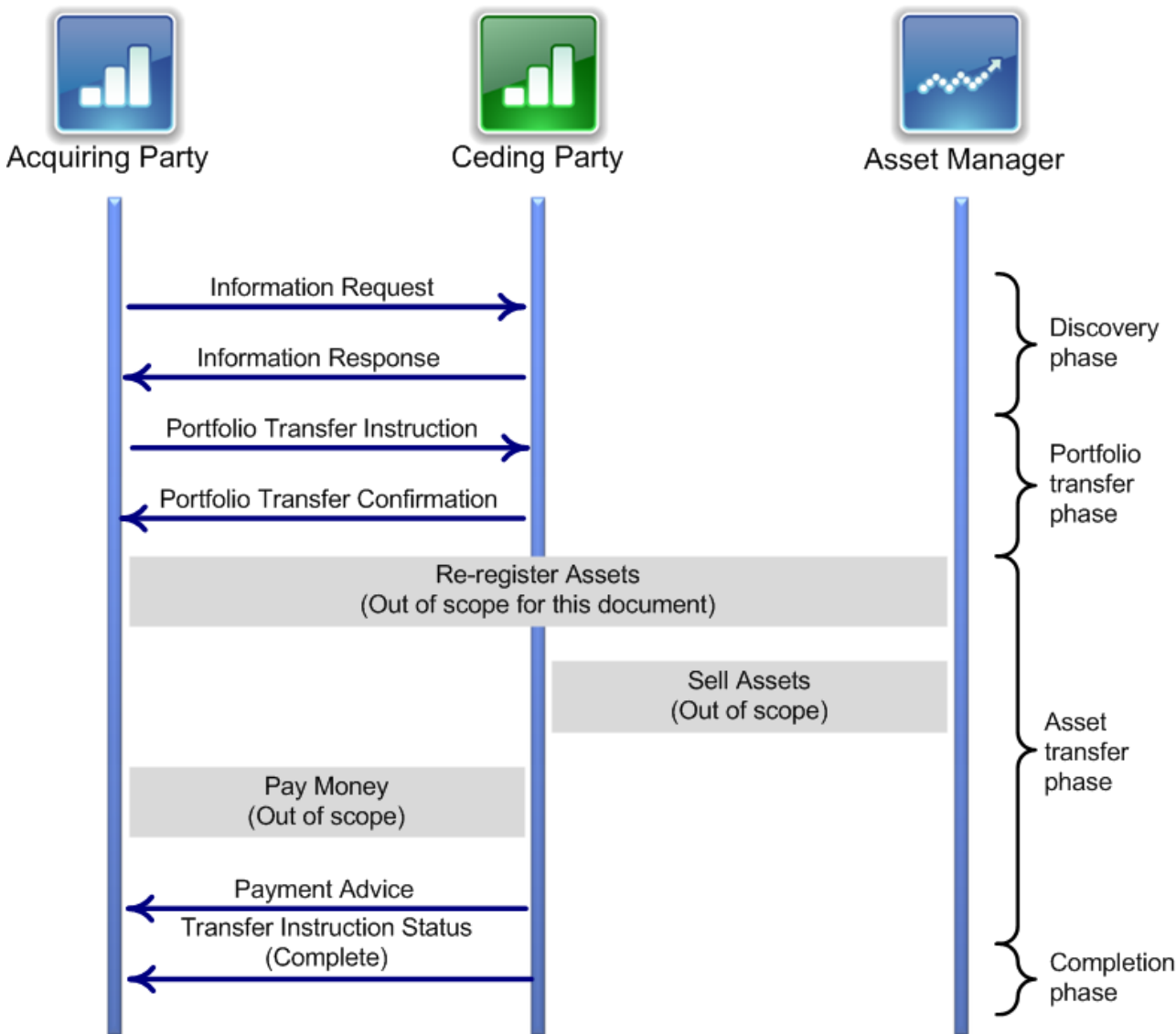


Figure 7 – Nominee to Nominee Transfer

- (.1) This scenario concerns the transfer of a GIA containing some assets to be transferred in-specie and some to be redeemed and transferred in cash. The GIA is transferred between two nominees holding the assets on behalf of the customer.
- (.2) Where the GIA comprises funds only and the account is held with the fund manager, then the fund manager will perform the roles of both the Ceding Party and the Asset Manager.

4.2 Customer to Nominee Transfer

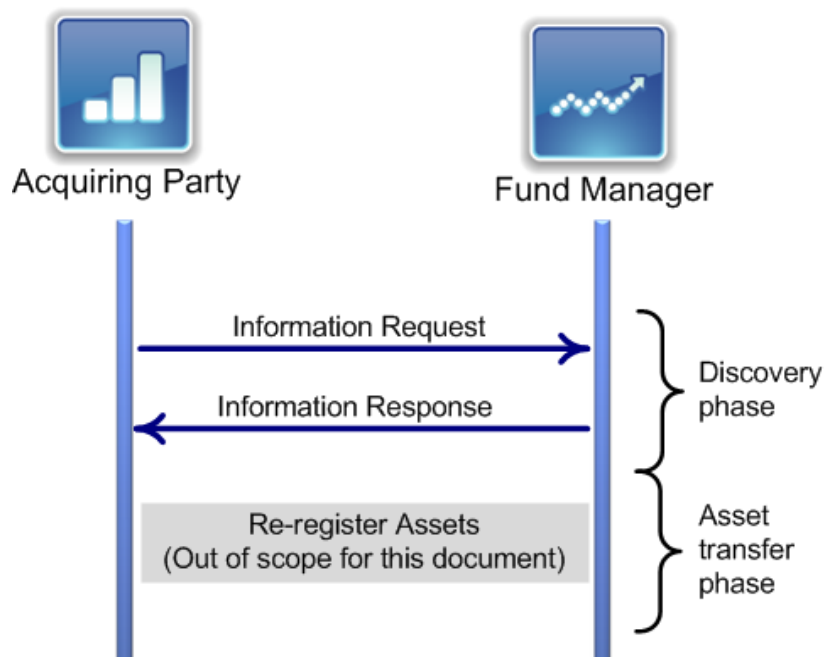


Figure 8 – Customer to Nominee Transfer

- (.1) This scenario concerns the transfer of a GIA containing funds all of which are to be transferred in specie. The funds are currently held in the customer's own name with the Fund Manager.
- (.2) No cash can be transferred to the Acquiring Party. If the customer's account at the Fund Manager is to be closed then any un-invested cash held in the account must be returned to the customer.

4.3 Nominee to Customer Transfer

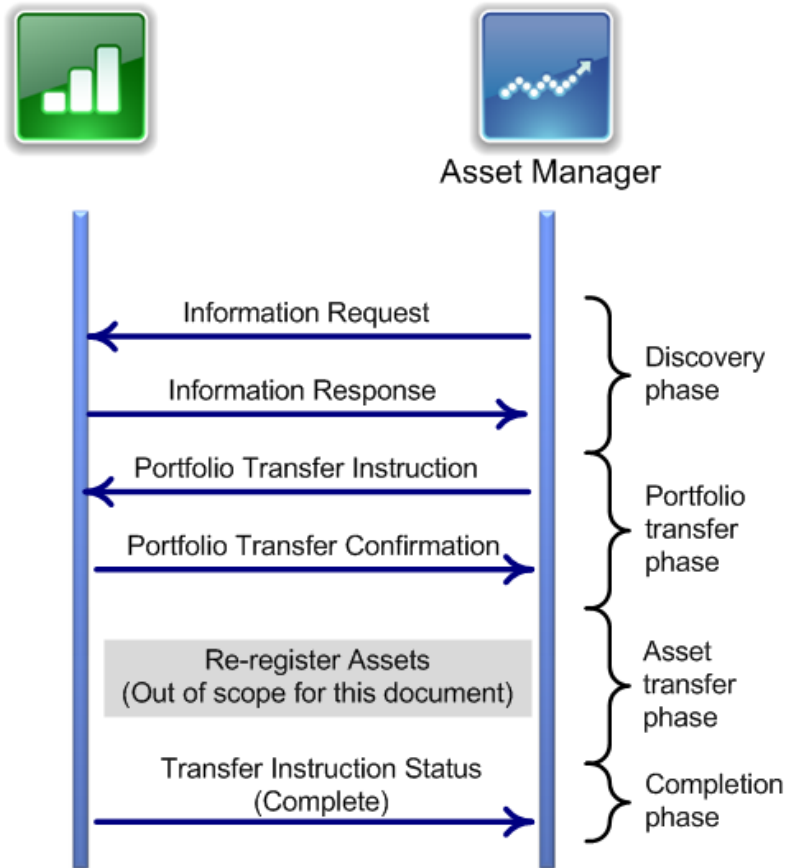


Figure 9 – Nominee to Customer Transfer

- (.1) This scenario concerns the transfer of a GIA containing funds all of which are to be transferred in specie. The funds are to be transferred to an account held in the customer's own name with the Fund Manager.
- (.2) No cash can be transferred to the Fund Manager. If the account at the Ceding Party is to be closed then any un-invested cash held in the account must be returned to the customer.

End of Document