

# The Momentum Property SIPP

Terms of Business

## TERMS OF BUSINESS

1. This Terms of Business is made between Momentum Pensions Limited (“Momentum”) and you (the “Applicant”) and sets out the Terms of Business and services that Momentum will provide to you as a Member of the Momentum Property SIPP (the “Scheme”). Unless you have indicated otherwise, it is Momentum’s policy to treat all Members as retail clients.
2. This Terms of Business forms part of the Application and should be read in conjunction with the Trust Deed and Rules of the Scheme, Key Features Document, Fee Schedule and our Investment Guidelines. Should any conflict arise the Trust Deed and Rules take precedence over this Terms of Business. A copy of the Trust Deed and Rules of the Scheme is available on request.
3. You and/or your employer(s) (if applicable) may make, subject to Her Majesty’s Revenue and Customs (HMRC) limits, contributions to your Fund at any time. You may also arrange for a transfer of pension benefits from another Registered Pension Scheme to the Scheme. All monies in relation to you received by the Scheme will be applied to your Fund, which is designated for your benefit alone.
4. In addition to UK commercial property, your Fund can invest in UK regulated funds that are available through our panel of Investment Providers and in accordance with our Investment Guidelines. Momentum may change or amend our Investment Guidelines at any time.

These are however subject to certain restrictions that may be necessary to protect your pension from the risk of HMRC penalties on unauthorised investments.

## INSTRUCTIONS

5. Momentum Pensions Limited (the “Scheme Administrator”) may accept email or facsimile instructions but reserves the right to refuse to act if your (i.e. the Member’s) acceptance of proposed investments is not evident.

## BANK ACCOUNTS AND INVESTMENTS

6. All monies relating to your Fund will be held in the Scheme account(s) with the Bank of Scotland PLC or such other Bank as Momentum Pensions Limited, at its discretion, shall determine (the ‘Bank’). Momentum Pensions Trustees Limited (the “Trustee”) will be the authorised signatory on these accounts. Monies held with the Bank will be in an account that attracts no interest. Charges at standard rates may be applied by the Bank. Your funds within the Bank will be segregated and form part of your Member Fund.
7. Momentum Pensions Limited will not act as Investment Manager to your Fund or accept any liability for the performance or choice of investments, or performance or choice of any Investment Manager. Nevertheless, subject always to this, Momentum Pensions Limited will be pleased to discuss any possible investments that you may wish to make. Momentum Pensions Limited will be responsible for ensuring that any particular investment complies with HMRC Rules but cannot accept any responsibility for the performance of any investment or liabilities associated with any investment. The Trustees may need to sell an asset of your pension fund if the continued holding of the investment jeopardises the registered status of the Scheme.

8. Should you or your Investment manager /adviser ("Investment Manager") wish monies to be invested in term deposits or money market accounts with another bank or building society then at its discretion Momentum Pensions Limited will establish such an account or accounts.
9. Where monies are transferred to an Investment Manager permitted to hold clients' monies the Investment Manager will be responsible for the establishment of designated client accounts and shall account for all transactions and interest periodically and in a form acceptable to Momentum Pensions Limited.
10. Momentum Pensions Limited will, at its discretion, enter into your chosen Investment Manager's Terms of Business once you have read and approved them, ensuring that the liability of Momentum Pensions Limited is limited to that of the assets in your Fund under the Scheme. You will be responsible for agreeing the investment strategy with your investment manager, subject to the restrictions on allowable investments set out in our Investment Guidelines.
11. Momentum Pensions Limited will act as Principle when investing monies for your Fund following receipt of your instructions or those of your appointed Investment Manager. A copy of the contract note or other receipt, as appropriate, will be sent to you within a reasonable period of time, normally not exceeding seven working days. Should any contract note or receipt, if requested, be delayed Momentum Pensions Limited will use our best endeavours to advise you of the position. Stockbrokers' commissions, fees and disbursements will be borne by your Fund.
12. You may choose the investments of your Fund or appoint a Financial Adviser or Investment Manager to assist you, or any combination of these options.
13. Where the Investment Manager is appointed on a Discretionary Basis, it is not uncommon for the Investment Manager to request that their own nominee and custodian are used. They will therefore accept responsibility for the registration and safe custody of investments on their usual terms. At its discretion the Scheme Administrator will make the relevant arrangements regarding the designation of bank and nominee accounts, but does not accept liability for any loss by the Investment Manager, his nominee/custodian, or bankers. The fees or charges of the Investment Manager will be payable from your Fund unless agreed otherwise.

## PROPERTY

14. Momentum Pensions Limited will be pleased to discuss with you the purchase, letting or sale of UK commercial property for your Fund. Whilst HMRC regulations do not preclude ownership of residential property, this would be treated by HMRC as a non tax exempt investment and would incur hefty tax penalties and as such we do not sanction such purchases. The rules will permit a Self Invested Personal Pension Scheme to purchase from or sell to yourself or to a widely drawn range of "connected persons". Such transactions must be at an arms length commercial basis. Failure to do so will lead to an unauthorised payment charge.
15. Momentum Pensions Limited is prepared, in its absolute discretion, to permit you to manage the property in your Fund in whole or part but reserves the right to appoint a surveyor to carry out property management on its behalf to comply with its duties and obligations as landlord.

16. No responsibility for the selection or performance of commercial property as an investment shall attach to Momentum Pensions Limited, nor whether it represents an over-concentration in one asset or asset type relative to the value of the other assets underlying the Policy, this being a matter for you and the Investment Manager (if any).
17. Momentum Pensions Limited will consult with you and, in appropriate cases and where it is satisfied there is no conflict of interest, will appoint your chosen solicitor and/or surveyors to act also for Momentum Pensions Limited. All fees of the solicitors and/or surveyors together with Stamp Duty and disbursements will be borne by your Fund. A quotation of fees will be provided if required before instructions are given.
18. When benefits become payable under your Policy and commercial property makes up all or part of the value of your Fund at the time benefits become payable, Momentum Pensions Limited reserves the right, in circumstances which in its absolute discretion it considers necessary, to defer the payment of benefits for up to twelve months.
19. Where the amount available in your Fund is not sufficient to purchase a commercial property outright it may be possible to obtain a mortgage against the security of the property and (if need be) other assets of your Fund. The borrowing must be arranged in the name of Momentum Pensions Limited. Momentum Pensions Limited does not take any responsibility for finding a willing lender. Momentum Pensions Limited will discuss with you the safe custody of the deeds of the property held in your Fund; in many cases your/our solicitors will be able to hold them to our order thus saving custody fees.

## SAFE CUSTODY

20. All investments will be registered in the name of the Trustee of the Scheme. Unless you instruct our staff in writing to the contrary we will forward you all contract notes received and documents showing ownership of the investments as soon as practicable after we receive them.
21. The Scheme Administrator will generally exercise voting rights in respect of any investment in accordance with any instruction you may have given, including non-voting rights. However, the Scheme Administrator is under no obligation to vote in accordance with your wishes. Where custodians are appointed the arrangements will be notified to you by the custodian or Investment Manager.

## COMPLAINTS

22. Should you wish to register a complaint in relation to the services provided by Momentum Pensions Limited, then it must be made in writing and addressed to the Compliance Officer, Momentum Pensions Limited, Stafford Court, 145 Washway Road, Sale, Cheshire M33 7PE. If, after we have reviewed your complaint, you remain dissatisfied, you have the right to refer your complaint to the Financial Ombudsman Service or the Pensions Ombudsman Service. Copies of Momentum's Complaints Procedure are available on request.

## CANCELLATION RIGHTS

23. Your cancellation rights are described in Part D - Member Declaration: Your Right to Change Your Mind, of the Momentum SIPP Application Form.

## VARIATION AND TERMINATION

24. This Terms of Business shall remain in force until your membership has terminated or any relevant parties draft a different new agreement, whichever shall first occur. Momentum shall be entitled by giving the Member at least 30 days written notice to amend, alter, vary, add or substitute this Terms of Business.
25. Either party has the right to terminate this Terms of Business upon written notice to the other. Termination will be without prejudice to the completion of transactions already initiated and fees already due and subsequently incurred where appropriate. On termination, the Scheme Administrator shall have the right to realise all the investments of the Fund and to place all monies realised in the designated Bank Account and levy fees and charges at the current rates until transfer to another Registered Pension Scheme.

## CONFIDENTIALITY

26. The Scheme Administrator undertakes not to disclose at any time information in its possession during the continuance of this Terms of Business except where expressly authorised to do so or where required by law.

## DATA PROTECTION

27. Your details will be held by the Scheme Administrator and the Trustee solely for the purpose of the efficient administration of your Fund. Some services are provided to the Scheme Administrator by third parties, such as some administration services, the introduction of business, obtaining compliance or regulatory advice, etc. These warrant the disclosure of more than just your basic details. You therefore acknowledge that personal information held by the Scheme Administrator may be disclosed on a confidential basis and in accordance with the Data Protection Act 1998, to any such third parties. You also agree that this information may be transferred electronically, and you agree that the Scheme Administrator, or any such third party, may contact you in the future by any means of communication that is considered appropriate at the time.

Product Providers, Lenders and Investment Managers may administer your policy, any existing policies you may have with them, and provide other services from offices in countries outside Europe (such as India and the USA) that do not always have the same standard of data protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

## UNSOLICITED CALLS

28. The Scheme Administrator reserves the right to telephone you to discuss any administrative aspects of this Terms of Business without having been expressly invited by you to do so.

## SERVICES PROVIDED AND FEES PAYABLE

29. The Scheme Administrator shall be entitled to make the charges and fees set out in the Fee Schedule.
30. All fees are quoted exclusive of VAT. Under current legislation VAT will be levied where applicable on all fees at the rate applicable at the time the services are provided.

31. As Applicant you hereby agree to the charges set out in our Fee Schedule in respect of both the Set-up Fee and Annual Administration Fee. The Set-up Fee and the Annual Administration Fee are payable in advance. The Annual Administration Fee thereafter is payable on subsequent anniversaries. Variation Fees are due on completion of each transaction and are invoiced immediately or on the subsequent anniversary following the initial transaction. Interest is payable at 1% per month on overdue balances after 30 days. Fees and interest are automatically payable from the Fund on the appropriate date unless an alternative settlement is communicated. Fees are payable from the Fund investments as determined by the Scheme Administrator.
32. Investment transaction fees relate to the auditing and recording of bargains by the Scheme Administrator and do not include stockbroker commission and nominee costs which, where applicable, are payable in addition.
33. All expenses, charges and outgoings whether in respect of the investments contained in your Fund (including the costs of purchase, sale, management, maintenance and valuation of freehold and leasehold properties (if any) and other investments) taxes and penalties or other expenses however incurred shall be charged to your Fund unless an alternative settlement is agreed. The Scheme Administrator may need to sell an asset(s) of your Fund to meet any Scheme Charges and other expenses outstanding.
34. Notwithstanding these provisions the Scheme Administrator may, in addition, at any time, and after giving you 30 days written notice, increase or amend all or any of the fees or charges in such manner as the Scheme Administrator may determine.
35. The Set-up Fee and Annual Administration Fee cover the basic provision of a standard administration service. This includes the following:
  - Documentation to establish your Fund.
  - Record keeping, including your personal details, transaction reconciliation and annual statements.
  - Keeping contributions and, where applicable, issuing a pension savings statement.
  - Provision of banking facilities.

## ADDITIONAL SERVICES

36. Variation Fees will apply for the following additional services and, if they are not specified on the Fee Schedule, will be charged on a time-cost basis at the prevailing charge-out rate, as detailed in the Fee Schedule. The time-cost basis will be relevant to the expertise and seniority of the Scheme Administrator's personnel involved. Additional services include but are not limited to:
  - Setting up and payment of benefits.
  - HMRC ad hoc reporting.
  - Technical support.
  - Provision of information to third parties (e.g. divorce proceedings).
  - Complex investments.

Charges may also be incurred for any other expenses, including legal expenses, disbursements, taxes and any other costs in connection with your Fund.