



Cave & Sons

Stockbroking & Investments Since 1906

ISA

[www.caves.co.uk](http://www.caves.co.uk)

## What is an ISA?

An Individual Savings Account (ISA) is a tax-efficient shelter or 'wrapper' through which you can hold cash or investments.

An ISA is not an investment in its own right, instead it provides a 'tax efficient environment' within which you can invest in a wide range of qualifying investments. Within an ISA you pay no capital gains tax and no further tax on income and you do not even have to declare dividends or capital gains on your tax return.

## How do ISAs work?

There are two types of ISA – a Cash ISA and a Stocks and Shares ISA – and you must first of all choose which one you would like to invest in.

### Stocks & shares ISA

These may hold shares listed on a range of international stock exchanges, as well as the majority of Unit Trusts, Investment Trusts, OEIC's and UCITS schemes. EU Government and Corporate bonds with at least 5 years to maturity also qualify for inclusion.

ISA investors therefore have access to investments covering an extremely broad range of assets, including most of the major stock markets around the world, as well as fixed income investments, commodities, commercial property and 'alternative' investments, such as absolute return funds and infrastructure.

Cash can also be held pending investment within a stocks and shares ISA, though any interest paid on cash balances is subject to an HMRC flat rate deduction.

### Cash ISA

Largely run by Banks and Building Societies, these are authorised to hold deposits, money market funds and some National Insurance products. Interest on cash held in a cash ISA is paid gross.

## Benefits of the Cave & Sons Investment ISA

- No initial fee
- Competitive annual charge
- Invest in most securities allowable by HMRC
- Prompt and efficient administration

## How to proceed

If you are interested in opening a Cave & Sons Investment ISA, you will need to complete an application form. To obtain one of these and for further details, such as the current subscription limits, or to discuss other options such as transferring your existing ISAs or putting your existing investments into an ISA, through a 'Bed and ISA' transaction, then please contact our advisors.

## Who can invest in an ISA?

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Cave & Sons is authorised and regulated by the Financial Conduct Authority. FCA Number 143715. Member of the London Stock Exchange and The Wealth Management Association (WMA).

Any individual who is resident or ordinarily resident in the UK for tax purposes and who is over 18 years of age can invest up to the maximum subscription limit in a Stocks and Shares ISA or a Cash ISA each year. Investors below 18 years of age, but above 16, may invest into a Cash-ISA only.

## Why consider investing in an ISA?

Although the tax breaks are not quite as attractive as they have been in the past, there are still strong reasons why you should consider investing inside an ISA, particularly if you are a higher rate taxpayer. These include:

### Exemption from capital gains tax

Investments held within an ISA are exempt from Capital Gains Tax and any gains realised will not count towards your annual allowance. You cannot, however, offset any losses incurred on investments inside your ISA against gains made elsewhere.

### Exemption from income tax

Income from investments held inside an ISA is exempt from Income Tax, although you are not able to reclaim the 10% tax credit on dividend income.

### Flexibility

Unlike other tax advantaged products such as pensions, your money is not tied-up and you can gain access to your money at any time.

## Important information

Whilst every effort has been made to ensure the accuracy of the information contained in this brochure Cave & Sons cannot accept any liability for any omissions, errors or changes and adjustments made since the document was produced. Levels, bases of, and reliefs from, taxation are subject to change. This document is not intended to be comprehensive and investors should not act upon it without seeking professional advice.

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