

Stock Transfers Guide



Transferring your investments to an alternative beneficiary

This document explains the process of transferring investment funds from one holder to another, as well as the considerations that need to be taken into account before the instruction is provided. Please note that the transfer process will differ according to the share class of the fund to be transferred.

Before you start, here is an explanation of some important terminology used in this guide.

Third party fund provider

A fund management company other than Fidelity International.

Bundled share class

A bundled share class of an investment fund 'bundles' together all its charges in a single fee. For a typical actively managed fund, with an Annual Management Charge (AMC) of 1.5%, this means that the fund manager retains 0.75% for managing the fund and the remaining 0.75% is split between the platform provider and the distributor/financial adviser. Bundled share classes are no longer available from Fidelity for new investments.

Clean share class

The AMC of a clean share class solely includes the fund management costs (0.75% – based on the example of a typical actively managed fund above) which are taken from a fund by its fund manager. The investment platform you buy the fund through (in this case, Fidelity Personal Investing or Fidelity Adviser Solutions) will charge a separate service fee for everything it offers you. If you have a financial adviser, they will agree their fees with you separately. All new investments made through Fidelity, including the transfer of existing assets to an alternative beneficiary, are now made into clean share classes.

Dual-priced funds

A fund that is dual-priced quotes a higher buying price (offer) and a lower selling price (bid). The difference between the two prices is the bid-offer spread. Therefore, if you switch into a fund that is dual-priced the value of the holding on completion of the switch may be lower.

Transferor

Current holder of the investment.

Transferee

The chosen beneficiary.

In-specie

The transfer of the ownership of an asset from one person/company/entity to another person/company/entity in its current form, i.e. without the need to convert the asset to cash.

Understanding the stock transfer process

When you instruct a stock transfer, the holdings will be transferred to the Transferee's account in one of two ways:

Transfer

For most transfers, with the exception of those involving bundled share classes of Fidelity funds, the transfer of these funds will take place within one business day and you will not be out of the market.

Transfer and switch

Assets to be transferred that are held in bundled share classes of Fidelity Funds may as part of the transfer process, be switched into the clean share class of the same fund where available. If no clean equivalent is available the funds will be stock transferred without a switch.

This switch will take place at the next available dealing point after the units have been transferred into the Transferee's account.

Important Information

For switched funds, it is important you understand that you will be out of the market if we move you across to the new charging structure, as we have to sell your holdings in the bundled share class and then reinvest the money in the clean share class. This can take up to two working days. As you will be out of the market, you could miss out on growth and income if the market rises during this time.

Please note you will probably have a different number of units in the fund after you switch as the prices of bundled and clean share classes are normally different.

Bid-offer spreads will still apply on dual-priced funds. This means that a lower price is offered for a sale than a purchase. To understand the size of the spread, refer to the bid and offer prices of the clean share class which can be found in our online factsheets.

Please remember the value of investments can go down as well as up so you may get back less than you invested. Tax treatment depends on personal circumstances. If you are unsure about the suitability of an investment you should speak to an authorised financial adviser.

Frequently asked questions

How does Fidelity determine the alternative clean share class of a bundled fund?

Where a switch is required as part of the transfer process it will always be made into an available and open clean share class of the same fund, which has been confirmed by Fidelity. In terms of accumulation and income units, this may not always result in a like-for-like switch. For example, if your fund to be transferred is held in accumulation units and the only available clean share class offers income units, the recipient of the transfer will be switched into the latter or vice versa.

Will any switching charges be applied during the stock transfer process? Is there a bid-offer spread?

No switching charges will be applied. However, where the switched funds are dual-priced, a bid-offer spread will apply and the valuation after the transfer and switch may be lower.

Will the stock transfer be a capital gains tax (CGT) event?

Whether a transfer is a CGT event depends upon a number of circumstances. We would recommend you read HMRC's guidance on their website in relation to the treatment of different types of transfers. If you are uncertain about the tax treatment of any transaction you propose to undertake we would recommend consulting a tax adviser.

Will the stock transfer be subject to SDRT or other transaction taxes?

We assume that you are transferring the assets either as a gift or for a reason that does not represent a change of ownership. If this is not the case then we recommend you seek tax advice as to whether the transfer may incur SDRT or a transaction tax.

How do I stock transfer holdings previously held by a deceased client to the chosen beneficiary?

Please read our guide for executors and administrators which has been designed to help you through the process of dealing with any investment that the deceased held with Fidelity or Fidelity Adviser Solutions. It provides information detailing each stage of the process, which may differ to the stock transfer process outlined above depending on the type of account held. A copy of the guide and forms for completion can be obtained from our dedicated website. Please see fidelity.co.uk/inheritance. Alternatively, please call our specialist team on **0800 41 41 16** or your adviser if you have one.

What if I would like the holdings to be transferred into a joint account?

If the holdings are to be transferred into a new joint account, a Joint Holder Supplement Form should be completed by the beneficiaries and returned with the Stock Transfer Form.

Will income be paid once the transfer has completed?

If you would like to reinvest your income you will need to specify where you would like that income reinvested, otherwise it will be held in cash within the account. If the assets are transferred to an existing account then the income options on the existing account will be followed. The Transferee should complete an Income Form and return it with the Stock Transfer Form if they require income to be paid from the holdings. The Income Form is available from our website or on request by calling **0800 41 41 61**.

Does the Transferee need to complete an additional form if they wish to open a new account with Fidelity?

In most instances, no. The Stock Transfer Form will open an account for you if required. If a new corporate account is required to be opened, we would need a completed Investment Funds Application Form (Company and Scheme Accounts). These forms are available from our website or on request by calling **0800 41 41 61**.

What is the process if I want to stock transfer some of my holdings between my own Investment Fund Accounts?

If you want to move units between your own Investment Fund Accounts (i.e. no change in account holder(s)), then you will be able to do this by phone, secure message or paper. We will not require you to complete a Stock Transfer Form. Please also note that your holdings will be transferred in-specie; an automatic switch will not apply to any bundled funds. This is because there is no change in account owner and it is simply an administrative process between your own accounts.

Can I stock transfer US shares?

Yes, but to hold US shares a valid W-8BEN is required. When transferring US shares the recipient will need to have a valid W-8BEN in place before the transfer is requested. The recipient can complete a W-8BEN online or check the current status of a previously registered W-8BEN, by logging into their Fidelity account and clicking on Profile > Preference Centre > Investing in US shares.

If the recipient has not yet completed online registration or is new to Fidelity, then we'll need to register their details and send them a welcome pack. They can then log onto the website and set up a W-8BEN form.

If a valid W-8BEN is not held by the intended recipient, we will not be able to proceed with the stock transfer.

What documentation will be sent confirming the stock transfer has been processed?

The Transferor will receive a 'Transfer Out' Confirmation of Transaction letter. The Transferee will receive a 'Transfer In' Confirmation of Transaction letter.

Where a switch has taken place as part of the transfer process, the Transferee will also receive a Switch Confirmation of Transaction, with a clear indication that the switch relates to the recent stock transfer.

Before submitting a Stock Transfer application

Both the Transferor and the Transferee should sign the Stock Transfer Form to confirm that they accept the terms of business.

If you invest through Fidelity Adviser Solutions

If the Transferee does consult a financial adviser they should read Doing Business with Fidelity Adviser Solutions and the Fidelity Adviser Solutions Client Terms. The documents can be accessed at fidelity.co.uk/importantinfo

For more information and before you invest, please ensure you have read Doing Business with Fidelity, which incorporates the Fidelity Client Terms, and the relevant key information document for your chosen funds(s). These documents give you all the information you need to know about Fidelity, including details of the objective, investment policy, risks, charges and past performance associated with the fund(s). These documents can be found at fidelity.co.uk/doingbusiness. If you do not have a computer or access to the internet, please call Fidelity on **0800 41 41 61** to request a printed copy of the documents.

Guidance for the completion of the Stock Transfer form for transfer investment between Investments Accounts

Please note that this form should not be used if:

- Transfer is to be made to or from an ISA account
- Person receiving the stock lives outside UK
- Anyone involved in the transfer is below the age of 18

Section 1

Stock Transfer instruction

Please read list of categories to ensure you meet the criteria to make the transfer. Once confirmed please tick and move to section 2.

Section 2

Transferor details (existing holder)

Please add details of the existing account holder (or primary account holder if it's held jointly). If a private holder, we will need name and the current holder's account number. If there is more than one holder of the original account we will need all parties' names in full within section 4.

Please note if all parties have equal holdings, please simply select one name as the primary holder. Please note all holders have equal rights. For a corporate entity, please complete company name, and account number.

Section 3

Stock Transfer Instructions

Please tick the box to confirm the type of transfer. If the box is not ticked, we will not be able to proceed with the stock transfer.

To hold US shares a valid W-8BEN is required. When transferring US shares the recipient will need to have a valid W-8BEN in place before the transfer is requested. The recipient can complete a W-8BEN online or check the current status of a previously registered W-8BEN, by logging into their Fidelity account and clicking on Profile > Preference Centre > Investing in US shares.

If a valid W-8BEN is not held by the intended recipient, we will not be able to proceed with the stock transfer.

Please enter the list of assets you wish to transfer. To find the list of fund codes please view your online account or your Statement and Valuation document. Please enter the number of units/shares to be transferred or tick 'Entire Holding' box if the entire holding of that fund is to be transferred.

If you need additional rows to add more funds, either make a photocopy or reprint section 3 of the application form.

Section 4

Transferor declaration

Signatures of all holders

All current registered holders must sign here. If someone is signing on behalf of a holder, with power of attorney or executor for example, the document appointing them (or a properly certified copy) must be attached if it has not already been lodged with the Registrar.

Section 5

Transferee details (new holder - existing customer)

These boxes must contain the full name and account number of the person to whom the units/shares are being transferred. They must be completed in BLOCK CAPITALS. Where a new account is to be set-up in joint names please complete and return a Joint Holder Supplement Form. This form will capture personal details of any other joint holders. Please also go to section 7 and confirm if you would like to transfer to more than one holder by ticking the box.

Existing client account number

Please remember, if you are an existing Fidelity or Fidelity Adviser Solutions client and you wish the funds to be transferred to an existing account, please enter the account number.

Account designation

If you hold an existing Investment Fund Account, this stock transfer will be treated as a top up to that account. If you would like the holdings to go into a new Investment Fund Account, please enter a designation here to differentiate the holdings and we will create a new separate account for you. You can also use this field to personalise a new account and give it a meaningful name (for example, 'John Smith's Acc') that the new holder(s) may wish to be included on the register for identification purposes. The maximum number of characters is 18.

If you already have an existing account with Fidelity, please ensure you submit an appropriate designation to aid the identification of the new account.

Section 6

Transferee details (new holder - new customer)

If the new holder does not already have an account please fill in this section.

Section 7

Transferee joint holder details

Please tick box in section 7 if you are requesting your funds to be transferred to more than one holder (joint holders).

Section 8

Please ensure all transferees sign the form. We will need the signature (and name in print) of the new account holder mentioned in Section 6 and any joint holders. Again for applications with joint holders the Joint Holder Supplement Form should be completed and returned with this application form.

Section 9

Intermediary details

This section should be filled out by the adviser of the Transferee (receiving client(s)) if appropriate.

Important Information

Please be aware that should an adviser be linked to the transferee account, please complete section 8 of the form. If we do not receive an instruction confirming that an adviser is to be linked to the transferee account, the account will not be linked. (Should you have any queries regarding this, please contact our Brokerline team on 0800 41 41 81.)

