

## **Self-Invested Personal Pension Due Diligence**

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### **About Yorsipp**

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Yorsipp Limited (Yorsipp) is a specialist pension provider who offer a wide range of self-invested personal pensions (SIPPs) and Small Self-Administered Schemes (SSAS's) options. Our offering allows for investment flexibility, diversification and a range of retirement solutions. Our SSAS business is operated under the trading name of Yorssas Limited.

Yorsipp began trading on 21 March 2006 and has been based in Glasgow since then.

As an independent company, Yorsipp has no ties to any fund manager or insurance company. This means our pension scheme

members can choose how their funds are invested from a range of investment opportunities. We recognise that everyone is different and we are able to tailor our service to meet the individual needs of our members. We are committed to providing a high level of service and technical expertise to assist with members' ever changing needs.

Our members are predominantly introduced to us from professional financial advisers. Yorsipp does not provide financial advice therefore we have no conflicts with the advisers we work with.

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### **Why Should You Choose Yorsipp?**

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With over 100 SIPP and SSAS providers in the market, it is important to outline the areas in which we believe helps differentiate our proposition.

In brief, these include demonstrable service, transparency and value combined with technical expertise.

#### **Demonstrable Service**

In addition to highlighting our published service standards (see page 5) we also publish details of our **actual** operational performance on a monthly basis. Details of how we are performing can be found on our website at the following address:

<http://www.yorsipp.com/advisor-technical-support/operational-performance-update/>

We do not operate a "call centre" approach meaning you will quickly build a relationship with the team who are administering your client's pension scheme.

#### **Transparency & Value**

We operate an extremely simple charging structure with no hidden or unclear costs.

Our fixed cost model means that you are always certain of the cost of any investment or retirement option selected. In addition, our "no forced panel" policy on either investment selection or professional partners for property transactions ensures both you and your client are in control.

With annual fees starting from as little as £200 pa (plus vat), we have a range of investment and retirement income options that offer outstanding value.

#### **Technical Expertise**

We possess one of the most experienced teams in the market – as evidenced by our professional qualifications, membership of the trade body Association of Member Directed Pension Schemes ("AMPS") and regular press commentary.

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## Structure

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Yorsipp is authorised and regulated by the Financial Conduct Authority (FCA), register number 464198. The principal permission granted is for the establishment, operation and winding up of personal pension schemes.

Yorsipp is authorised to control client money but may not hold such funds on its own account.

The company is registered in England, registration number 05743279. Its registered address is: c/o Calvert Dawson Ltd, 288 Oxford Road, Gomersal, Cleckheaton, West Yorkshire BD19 4PY.

Yorsipp operates its SIPP under a Master Trust arrangement, with Yorsipp (Trustees) Limited as the sole Trustee of all pension schemes.

All assets purchased by the SIPP are legally owned by Yorsipp (Trustees) Limited which is registered in England, registration number 04242849.

This structure streamlines the operational aspects of the scheme as it allows Yorsipp (Trustees) Limited to execute any legal documentation and payment authorisation at the direction of the member or professional adviser, without requiring counter signatures from the member.

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## Financial Strength & Future Vision

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As an FCA regulated and authorised business, we must hold an appropriate level of capital to be allowed to continue to operate as a SIPP administrator. New 'Capital Adequacy' requirements apply to all SIPP operators from 1 September 2016. We are pleased to confirm that we currently hold capital significantly in excess of the regulatory requirement. This excess capital allows for a variance in asset values. The business believes this further underlines its strong financial position and indicates it is poised for future growth.

A significant element of the new requirements is for regulatory capital to be linked to the proportion of members holding "non-standard" assets – i.e. those typically carrying a higher degree of "risk". Due to our robust due diligence approach, we have a very small exposure to such assets (c5.5%) and this in turn helps reduce the amount of capital we are required to hold.

Yorsipp is a stable, profitable company which has grown each year since formation in 2006. Since summer 2014, we have made a significant investment in both technology and our people, which has supported our nationwide expansion. This investment highlights both our appetite and capability of positioning the firm for future growth.

Looking ahead, our ambition is to significantly increase our market share by continuation of our journey to being recognised as a financially secure, innovative and technically superior provider of specialist self-administered retirement solutions. This will be achieved via a combination of both organic growth and also by acquisition where appropriate.

We have no plans to become one of the ubiquitous "platform providers" currently focused on asset gathering in the retail space.



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## Products & Charges

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Yorsipp offers a range of SIPP products as outlined below which are designed to accommodate a wide range of both pre and post retirement options. We also make it easy for you to keep up to date with progress via our online adviser/client portal.

Whenever you require access to a wider (or narrower) range of investment options you can simply move to the appropriate option without having to “transfer” to an alternative plan.

All assets held under our Singular and Step Up options must also meet FCA definition of "standard" investments.

### Singular SIPP

Our entry level Singular SIPP offers cost effective pension consolidation.

With an annual wrapper fee from £200 pa plus vat, Singular SIPP permits access to one holding in any of the following:- Fund Platform, Discretionary Fund Manager, Trustee Investment Plan, Internet Share Dealing, or Cash Deposit (in addition to primary trustee bank account).

### Step Up SIPP

Offering a gateway between the Singular & Full SIPP plans is our Step Up SIPP. This plan offers an unrestricted choice to the investment options permitted under our Singular SIPP.

The plan can be converted to either a Singular SIPP or a Full SIPP within the same wrapper if required at a later date - i.e. no "transfer" is required.

### Full SIPP

Our Full SIPP plan permits a wider range of investment options than the Singular & Step Up options and includes assets such as commercial property and unlisted shares. Since Yorsipp have no affiliation to any product provider or investment management groups, your clients are free to choose the investment options which fit their particular circumstances.

### Prestige Property SIPP

Our Prestige Property SIPP offers low cost, streamlined access to commercial property investment. It is designed to reduce risk and simplify the purchase process for IFAs and their clients by combining Yorsipp’s expertise in property purchase and administration with the valuable reputation and experience of carefully chosen legal and real estate partners for a seamless service. Clients can also invest in the same wide range of investments as the Full SIPP.

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## Charges

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Yorsipp operates an open, transparent, easy to understand fee structure; we have ***no hidden charges, no added extras and no time cost basis fees***. This allows members and their advisers to know exactly how much they will be charged for all services within their SIPP.

Our current charging structure is available from our website via:

<http://www.yorsipp.com/products-services/sipp/sipp-fees/>

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## Service Standards

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We strive to provide a first class service at all times. We are proud of not only the quality of our service but also our normal turnaround times. We also ensure that accuracy is not compromised for speed!



### Administration

Task	Timescale
Processing new business applications	same day
Requesting transfers in	same day
Banking cheques	same day
Processing investment instructions	same day if received by 12 noon next day if received after 12 noon
Processing disinvestment instructions	same day if received by 12 noon next day if received after 12 noon
Providing a cash balance	same day
Providing a full valuation	2 working days
Completing benefit calculations and paying PCLS (if funds are available)	2 working days
Processing income change requests	2 working days
General enquiries	3 working days

The above timescales apply to standard instructions and requests only. Non-standard enquiries may take longer.

### Commercial Property

The turnaround time for buying or selling commercial property varies with the specifics of the case and other parties involved e.g. the vendor, solicitor and surveyor. As a general guide, we can normally complete transactions within 6-10 weeks.

We **do not** operate a “panel” of property partners you must use and welcome the use of your clients’ preferred connections. However, if clients do not have preferred professional partners and instead prefer a simplified, low cost option, we offer the Prestige Property SIPP which uses carefully selected professional partners.

Our guides on property purchase through either the Full SIPP or Prestige Property SIPP can be found on the investment section of our website:

<http://www.yorsipp.com/investments/>

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## Banking

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Yorsipp uses the Royal Bank of Scotland's Bankline banking system, which means that we operate as a branch of the Royal Bank of Scotland. This gives us access to state of the art banking facilities and the ability to obtain information and process banking at the touch of a button.

The SIPP bank account is held with the Royal Bank of Scotland although members are free to hold other authorised deposit

accounts within their SIPP if they wish to do so.

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## Investment Opportunities

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Yorsipp believes it is important to allow our members access to a good range of investment opportunities.

Subject to satisfying our normal requirements on aspects such as valuation, control and liquidity, we therefore generally allow unrestricted access to standard investments including but not limited to:

- Fund Platforms
- Discretionary Fund Managers
- Stockbroking Accounts
- Trustee Investment Plans
- Fixed Term Deposit Accounts
- Commercial Property

For members with a Full SIPP, we will also consider the following types of non-standard investments:

- UK based unquoted Shares/Equities
- UK based Exempt Property Unit Trusts (EPUT)
- UK cash deposits for terms exceeding 30 days

All requests will be assessed on a case by case basis by our Investment Committee (IC). The IC consists of our senior management team together with external legal representation and, where appropriate, is also supplemented by additional due diligence from in:review.

in:review carries out a robust review process that meets the increasing due diligence needs of SIPP Operators, networks and financial advisers, providing independent validation for alternative investments of such matters as the structures, history and background of the parties and counterparties, taxation implications and back testing.

Taking all aspects into account, the IC carries out comprehensive due diligence to determine the structure of the opportunity, whether it exposes the member or Yorsipp to inappropriate risks and the likelihood of it falling within HMRC's definition of Taxable Property. We will not allow any investment which does not satisfy our due diligence process.

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## Commercial Property

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Members with a Full SIPP or Prestige Property SIPP can also use their pension funds to purchase commercial property, make an in-specie contribution of commercial property and/or transfer a property in-specie from an existing pension scheme. The property can be held solely by the SIPP or, subject to certain conditions being met, jointly with other pension schemes, individuals or businesses. Property can be purchased from or sold to a connected party, for example the member's business.

We do not operate from panels, meaning the member is free to use a lender, solicitor and surveyor of their choice, when buying commercial property through the Full SIPP.

The Prestige Property SIPP offers a streamlined, low cost option, using carefully selected professional partners.

We are specialists in the commercial property market and currently manage in excess of 350 properties

Yorsipp has unlimited access to a highly experienced pensions solicitor to assist with all legal matters, including those relating to property transactions. This makes the process as simple as possible for members and their advisers.

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## Assets Under Administration

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Current assets under administration are c£300 million (including SSAS). The SIPP assets are broken down as follows:

- Cash 14.4%
- Standard Investments 49.3%
- Commercial Property 30.8%
- Non-standard 5.5%

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## Personnel

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In the increasingly complex SIPP market, it is important to ensure that you have the right team behind you to administer the scheme and oversee members' assets. This requires a high level of technical support to ensure that HMRC and FCA rules are not breached.

The Yorsipp team has a wealth of experience and knowledge and we all work very closely together to ensure a cohesive service. We do not have a call centre meaning you can speak directly to the member of staff you need. We operate on a flat management structure designed to enable a more bespoke service with easy access to decision makers.

Our technical expertise is reflected in the numerous professional pension and wider financial services qualifications held by the team (many of which are at an advanced level) and we strongly encourage continuing professional development amongst our staff.

For full details of our team, current roles and previous experience please refer to the "Meet Our Team" section of our website (<http://www.yorsipp.com/about-us/meet-our-team/>).



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## Systems & Controls

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### Treating Customers Fairly (TCF)

TCF has been intrinsic to our business since it was formed in 2006. All staff members are aware of and understand the FCA's TCF requirements and how to apply this in practice. We regularly review our documentation to ensure it is accurate and that it is clear, fair and not misleading, without the use of industry jargon.

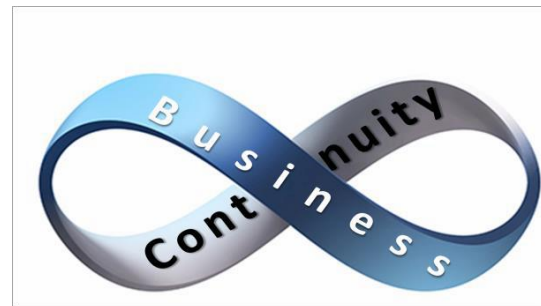


### Data Protection

Yorsipp complies with the Data Protection Act 1998, which sets out how personal data can be stored and processed. We operate a private administration system which only our own staff and IT support personnel can access. Appropriate due diligence was carried out prior to appointing the IT support company and we monitor this on a regular basis. All paper files are kept in locked cabinets and we take a daily back-up of the data held on computer, which is then held securely offsite.

### Business Continuity

In the event of a catastrophic failure to premises or systems, arrangements have been made to ensure the business can continue. Temporary alternative office space is available at nearby premises and back-up of data can be retrieved at short notice if required.



### Anti-Money Laundering

Yorsipp is committed to helping tackle financial crime. We follow industry guidelines as set out by the Joint Money Laundering Steering Group and all members of staff receive regular training and information to ensure knowledge and understanding is maintained. We ensure that the identity of all pension scheme members is correctly verified before accepting any funds.