# IFISA Key Features Document

Discover the full potential of your tax allowance with the LandlordInvest property-backed IFISA.

# Getting started

When it comes to thinking about where to put your money, there's a lot to consider – such as making sure your money is working tax efficiently.

Whether you're already saving, or just looking to start, make sure you consider an Individual Savings Account (ISA). You could be making the most of your tax allowance in no time.

So why not get started today? You can find the answers to many questions you may have on the following pages.

## What is an ISA?

An ISA is a tax efficient way of saving or investing because, unlike ordinary savings and investments accounts, if you save in an ISA you are entitled to keep all that you receive from that investment and not pay any tax on it.

There are four different types of ISA:

- cash ISAs;
- stocks and shares ISAs;
- Lifetime ISAs; and
- Innovative Finance ISAs (IFISA).

A payment by you into an ISA in any tax year is called a subscription. You can only subscribe to one of each type of ISA per tax year.

A tax year runs from 6th April to 5th April the following year.

## What is the IFISA?

The Innovative Finance ISA (IFISA) is a new ISA that became available 6 April 2016.

The IFISA allows you to earn tax-free returns by lending through peer-to-peer lending platforms such as LandlordInvest. You may invest £20,000 in the current tax year across a combination of a cash ISA, stocks and shares ISA, and the IFISA.

LandlordInvest is a peer-to-peer lending platform that offers a property-backed IFISA.

**The value of investments (and any income received from them) can fall as well as rise and you may not get back what you invested.**

**The value of tax benefits will depend on your individual circumstances, and tax rules may change in the future. Tax-free means free from personal liability to any UK Income Tax and Capital Gains Tax.**

# Frequently asked questions

## Can I have more than one ISA?

You can only open and subscribe to one IFISA, one cash ISA and one stocks and shares ISA per tax year. This could be an IFISA with one provider and a cash ISA with a different provider.

## Do I need an account with LandlordInvest to open an ISA?

Yes, you will need a LandlordInvest Standard account to open an IFISA account. It is free to both set up the Standard account and to open an IFISA account.

## Can I transfer an existing ISA from another provider?

Yes, you can transfer existing cash ISAs or stocks and shares ISAs to LandlordInvest's property-backed IFISA by completing and submitting the ISA Transfer Authority form. You can find the form here: www.landlordinvest.com/LandlordInvest-ISA-Transfer-Authority-Form.pdf

Please send the completed ISA Transfer Authority form to ifisa@landlordinvest.com or by post to: LandlordInvest, 5 Chancery Lane, London, WC2A 1LG.

Where you are transferring a stocks and shares ISA to a cash ISA, your ISA manager will, on receipt of a transfer request, sell your shares and transfer to us in cash.

## How much can I transfer from my cash ISA to a IFISA?

You can transfer some or all of the money you have saved in previous Tax Years without affecting your current Tax Year's annual ISA investment allowance.

## Is LandlordInvest's ISA flexible?

Yes, LandlordInvest's property-backed IFISA is flexible. This means that you can replace, in whole or in part, cash you have withdrawn, without the replacement counting towards your subscription limit for a tax Year. According to ISA regulations:

- withdrawals are deemed to be firstly of subscriptions for the current tax year and secondly of subscriptions for preceding tax years: and
- replacements are deemed to be firstly of subscriptions for previous tax years and secondly of subscriptions for the current tax year.

The rules on flexible ISA are complex and you should take independent advice or consult the HMRC helpline if you are in any doubt as to the extent to which you can withdraw and replace funds across different ISAs.

# Innovative Finance ISA specific risks

**Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.**

1) **A loan is not repaid** – In the event that a loan is not being repaid and if the security property cannot be sold for an amount that is enough to cover costs, interest owed to investors and their full investment amount, this could result in a capital loss for investors. Your IFISA tax allowance will not be affected but loss of investment may have tax consequences.

2) **The P2P platform fails** – In the event that LandlordInvest fails (either voluntarily or involuntarily), lenders will be notified of their right to transfer all IFISA funds to another ISA manager. The cash held in the IFISA will remain within the tax-wrapper and will continue to do so until it is withdrawn or transferred out the IFISA. Please note that the cash will lose its tax-wrapper if funds is withdrawn from an IFISA to a bank account.

3) **Procedure for withdrawing a P2P agreement from the IFISA** – You may only withdraw cash from your IFISA account. If you withdraw cash from your IFISA account, they will lose their tax-free wrapper unless you deposit the cash back the same tax-year as the funds were withdrawn.

4) **A request for transfer of all or part of the IFISA** – Investors can at any time transfer part or all of their cash in their IFISA, subject to our Terms and Conditions for Innovative Finance ISA and HMRC's ISA regulations. The timing of the transfer is subject to HMRC transfer guidelines and may take up to 30 days to complete (we will notify you shall it be longer). You may only transfer cash to/from the LandlordInvest IFISA in order to maintain their tax-free status. The cash will lose its tax-wrapper if money is withdrawn from an IFISA to a bank account.

5) **It may, or will, not be possible to sell or trade P2P agreements at market value on a secondary market** – You may list and sell loan parts on the secondary market if you wish to exit a loan investment prior to the loan's maturity date, provided that the relevant loan is eligible for the secondary market and that there are buyers for the loan part listed for sale.

   Please keep in mind that lenders can list and sell their loan parts at a discount on the secondary market, you may get less back than you initially invested in a loan (provided that there are buyer(s) for the loan part and that the loan part is eligible to be listed on the secondary market).