

## NextCrowd ISA Terms and Conditions

Please read your **NextCrowd** ISA Terms and Conditions. You must accept these terms and conditions in order to open your **NextCrowd** ISA account. These terms and conditions will apply in conjunction any General Investor Terms and Conditions.

1. Your **NextCrowd** ISA account
  - 1.1. Your **NextCrowd** Individual Savings Account (your “**NextCrowd** ISA Account”), will be an Innovative Finance ISA (IFISA).
  - 1.2. The ISA Manager of your **NextCrowd** ISA is Business Agent Limited, which is Authorised and regulated by the Financial Conduct Authority. We control, but do not hold the client monies in relation to your **NextCrowd** ISA.
  - 1.3. The **NextCrowd** ISA is only available to customers who have an Investment Account in their sole name and who are solely beneficially entitled to any cash or investments in the **NextCrowd** ISA.
  - 1.4. The **NextCrowd** ISA invests in Bonds and pays a fixed rate of interest. Your **NextCrowd** ISA investments (i.e. the Bonds) will be, and must remain in, your legal and beneficial ownership and must not be used as security for a loan.
  - 1.5. Your first Subscription will be invested in Bonds on the first Bond issue date (which issue dates are set out in the Brochure) after the expiry of the 14-day cancellation period explained in paragraph 4.
    - 1.5.1. Any subsequent single lump sum or regular subscription amounts will be invested in Bonds on the next relevant drawdown and will not be subject to the 14-day cancellation period in paragraph 4.
  - 1.6. The contractual terms for your **NextCrowd** ISA comprise these **NextCrowd** ISA Terms and Conditions and your completed Application together with the additional terms and conditions to which these **NextCrowd** ISA Terms and Conditions refer.
2. Opening your **NextCrowd** ISA Account
  - 2.1. To open your **NextCrowd** ISA Account, you must submit a completed Application, together with your payment of any amount between the minimum Subscription indicated in paragraph 3.4 and up to the maximum annual Subscription allowance for a **NextCrowd** ISA as per paragraph 3.5.
    - 2.1.1. Regular subscriptions cannot, in total, surpass the maximum annual Subscription allowance.
  - 2.2. You may subscribe to an ISA in any Tax Year (i.e. period starting on 6 April of one year and ending 5 April of the following year) for which you are either resident and ordinarily resident in the United Kingdom; or, although non-resident in the United Kingdom, perform duties of a Crown employee which are treated as being performed in the United Kingdom, or are the spouse or civil partner of such a person.
  - 2.3. In your Application, you must make a declaration in the required terms set out in our Application. Making this declaration will allow you to subscribe for a **NextCrowd** ISA in the Tax Year that you make the declaration and for each subsequent Tax Year, provided you make a Subscription(s) to your **NextCrowd** ISA every Tax Year. If you do not make a Subscription(s) to your **NextCrowd** ISA one year, then when you next want to subscribe to your **NextCrowd** ISA you will have to make a new declaration.
  - 2.4. If your Application is accepted by us, we will confirm the opening of your **NextCrowd** ISA Account with us. (We may decline an Application to open a **NextCrowd** ISA Account.)

- 2.5. In accordance with the ISA Regulations you are not eligible to apply if you have already subscribed to another IFISA in the same Tax Year, or if you have already subscribed the maximum available allowance to a cash ISA and/or stocks and shares ISA and/or lifetime ISA, in the same Tax Year as you are applying for this IFISA. These restrictions do not apply if you are:
    - 2.5.1. transferring an existing IFISA from another ISA provider to the **NextCrowd** ISA (in circumstances where this is permitted under the ISA Regulations), or
    - 2.5.2. where you have already subscribed the maximum allowance to a cash and/or stocks and shares and/or lifetime ISA and this is transferred to this IFISA.
  - 2.6. If you have any questions, doubts or issues relating to ISAs or your eligibility to hold an ISA, you should consult the HMRC website (<https://www.gov.uk/government/organisations/hm-revenue-customs>) or contact them directly.
  - 2.7. Any documents evidencing your title to the Bonds investments in your **NextCrowd** ISA Account will be held by us or as we may direct.
  - 2.8. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.
  - 2.9. We will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, your **NextCrowd** ISA Account has, or will, become void. If the failure cannot be corrected or if you fail to take any action requested by us in writing within a reasonable period of time, we may close your **NextCrowd** ISA Account by written notice.
  - 2.10. If you do not place any money in your **NextCrowd** ISA Account during a Tax Year, you will need to make a new declaration should you wish to make subscriptions to your **NextCrowd** ISA Account in the following Tax Year.
  - 2.11. We are obliged to confirm the true identity of all applicants and reserve the right to decline an application to open a **NextCrowd** ISA Account from you or accepting any subscriptions. We may pass your personal information to a third-party identity and verification service in order to complete our identity and anti-money laundering checks.
  - 2.12. You must inform us if any declarations or confirmations you have made about your eligibility to hold an ISA no longer apply.
  - 2.13. You must inform us immediately if you are no longer a UK resident or cease to perform duties of a Crown employee which are treated as being performed in the United Kingdom, or cease to be the spouse or civil partner of such a person.
  - 2.14. The **NextCrowd** ISA Account is subject to the fees detailed in the schedule in paragraph 16 below.
3. Subscriptions and withdrawals
    - 3.1. All cash in your **NextCrowd** ISA Account will be controlled and held by ourselves.
    - 3.2. Subscriptions can be made into your **NextCrowd** ISA Account by transfer from your Investment Account.
    - 3.3. All Subscriptions must be in cash.
    - 3.4. The initial Subscription and any subsequent single lump sum subscription into a **NextCrowd** ISA Account must be at least equal to the minimum required investment amount stated in the Brochure.
      - 3.4.1. Subsequent regular subscriptions must be at least equal to £100.00.
    - 3.5. The maximum you can subscribe to a **NextCrowd** ISA is the maximum ISA limit per Tax Year as prescribed in the ISA Regulations.

- 3.6. The amount invested in Bonds shall be the Subscriptions you make this shall be your ISA Subscription.
  - 3.7. If funds are subscribed into your **NextCrowd** ISA Account which exceed the amount prescribed in the ISA Regulations, then the excess Subscription will be transferred to your Investment Account to be held outside of your **NextCrowd** ISA Account.
  - 3.8. You may make cash withdrawals from your **NextCrowd** ISA Account; however, you cannot generally expect to be able to withdraw funds which are invested in Bonds. Once any Subscription has been invested in Bonds, you should be aware that each Bond should usually be retained for its full term. It may be that a willing buyer may be found to whom this Bond may be sold but this is not assured. The Bonds have a fixed term and are non-readily realisable investments which may not be capable of being sold.
  - 3.9. Your **NextCrowd** ISA will be flexible as defined in the ISA Regulations. This flexibility means cash which is withdrawn can be replaced, in whole or part, within the same Tax Year and this will not affect your ISA subscription limit for that year. However, given the nature of the Bonds investments, this flexibility may not in practice be available.
  - 3.10. You agree to reimburse us for any administrative fees, charges from HMRC or any tax authority incurred as a result of your failure to comply with ISA Regulations in opening your **NextCrowd** ISA Account, making Subscriptions or the operation of your **NextCrowd** ISA.
4. Cancellation
- 4.1. If you apply to open a **NextCrowd** ISA Account but decide you no longer want to proceed with your Application, you will have the right to cancel your account within 14 calendar days of the date your **NextCrowd** ISA Account is opened. You can contact us by email [isa@nextcrowd.co.uk](mailto:isa@nextcrowd.co.uk)
  - 4.2. When your **NextCrowd** ISA Account is cancelled, any investments and money credited to your **NextCrowd** ISA Account will be transferred to your Investment Account. You can then proceed to use your Investment Account as per the General Investor Terms and Conditions.
  - 4.3. You should note that your initial cash Subscription will not be applied in the purchase of Bonds until after the 14-calendar day cancellation period has expired.
  - 4.4. If you choose to cancel your **NextCrowd** ISA Account within the 14-day cancellation period outlined in clause 4.1, you will remain eligible to open another IFISA with us or an IFISA with another ISA provider. This will not apply if you cancel your **NextCrowd** ISA after this period.
5. Account closure
- 5.1. If you wish to close your **NextCrowd** ISA Account, you can do so by email.
  - 5.2. If you have subscribed to your **NextCrowd** ISA Account during a Tax Year and then close the Account, and do not arrange with another ISA provider to transfer the money in your account to them, you will not be able subscribe to another IFISA with another ISA provider in the same Tax Year.
  - 5.3. If you have subscribed to your **NextCrowd** ISA Account during a Tax Year and then close the Account, you will be able to re-open the **NextCrowd** ISA Account with us during the same Tax Year.
  - 5.4. We may close your **NextCrowd** ISA Account with immediate written notice to you if we are directed to close it by HM Revenue & Customs.
  - 5.5. If you or we close your **NextCrowd** ISA Account, any investments and money credited to your account will be transferred to your Investment Account. It may be that the Bonds will have to be held to their full term and so held outside of your **NextCrowd** ISA Account. You

can then proceed to use your Investment Account as per the General Investor Terms and Conditions.

- 5.6. In closing your **NextCrowd** ISA Account we may deduct any sums due to us.
- 5.7. You will reimburse us any amounts required to be paid in tax or otherwise if you close your **NextCrowd** ISA Account.
- 5.8. Upon closure of your **NextCrowd** ISA Account any regular subscriptions will cease.

## 6. Void accounts

- 6.1. We will notify you, by reason of any failure to satisfy the provisions of the ISA Regulations, if all or part of your **NextCrowd** ISA Account has or will become invalid.
- 6.2. If the failure can be corrected, we will repair your **NextCrowd** ISA Account. You will be charged the Repair Fee for the administration of an account if we are required to repair your **NextCrowd** ISA Account.
- 6.3. If the failure cannot be corrected, your **NextCrowd** ISA Account will be voided. You will be charged the Void Fee for the administration of an account if we are required to void your **NextCrowd** ISA account.
- 6.4. The Repair Fee or the Void Fee, if applicable, will be paid from any available cash in your **NextCrowd** ISA Account or upon demand.

## 7. Death or bankruptcy

### 7.1. In the event of your death:

7.1.1. ISA tax exemptions will continue to apply during the administration period of the estate. Any interest from bonds in a continuing account of a deceased investor that arise (which in general terms means 'paid') after the date of death to the date of closure of your **NextCrowd** ISA Account continue to benefit from ISA tax exemptions.

7.1.2. Additional permitted subscriptions on top of the annual ISA subscription limit are available to your surviving spouse or civil partner. The deceased and the surviving spouse or civil partner must have been living together at the date of death. You must not have been separated:

- 7.1.2.1. under a court order
- 7.1.2.2. under a deed of separation
- 7.1.2.3. in circumstances where the marriage or civil partnership has broken down

7.1.3. We may require further information to be satisfied that the person making a request is your surviving spouse or civil partner, this could include the deceased's:

- 7.1.3.1. name and address
- 7.1.3.2. National Insurance number, if known
- 7.1.3.3. date of birth
- 7.1.3.4. date of death
- 7.1.3.5. the date of marriage or civil partnership to the applicant
- 7.1.3.6. that the applicant is your surviving spouse or civil partner; and
- 7.1.3.7. that the applicant and deceased were living together at the deceased's date of death

7.2. When we receive notification of your death we will suspend all transactions and investments (that have not already been 'paid') in your **NextCrowd** ISA Account. ISA tax exemptions will no longer apply from the closure of your **NextCrowd** ISA Account.

7.3. We may require a grant of probate or letters of administration before releasing any Bonds or monies (as appropriate) in your **NextCrowd** ISA Account to your executors.

- 7.4. Your **NextCrowd** ISA Account will be valued for probate as at the death and dealt with as instructed by your executors. The value will be the outstanding principal balance, which is the capital amounts outstanding plus any interest due but unpaid on the bonds. This will be either at the date of death or the point the account ceases to be a continuing account of a deceased investor, to be determined by **Ziphouse Limited**. Where you have more than one ISA open with Us:
- 7.4.1. The single additional permitted subscription limit will be based on the combined values of the ISAs at the date each ISA ceases to be a continuing account of a deceased investor and will not be worked out using a mix of account values at either the date of death or the value of other accounts at the point they cease to be continuing accounts.
  - 7.4.2. If you hold accounts with more than one ISA manager, your surviving spouse or civil partner can choose to use the additional permitted subscription value worked out at the date of death with one ISA manager and the value at the date of account closure with the other ISA manager.
  - 7.4.3. The spouse or civil partner of a deceased ISA investor can have an additional permitted subscription that is the higher of the value of the ISA accounts at the:
    - 7.4.3.1. date of death of the investor; or
    - 7.4.3.2. point they cease to be a continuing account of a deceased investor
  - 7.4.4. If your spouse or civil partner decides to use the additional permitted subscription worked out at the date of death of the investor, by subscribing some or all of the additional permitted subscription into their own ISA, they cannot ask Us for the additional permitted subscription worked out on the value of the accounts at the point they cease to be a continuing account of a deceased investor.
- 7.5. Making Additional Permitted Subscriptions:
- 7.5.1. Your surviving spouse or civil partner can make subscriptions with either:
    - 7.5.1.1. Us, the manager who holds the deceased's ISA; or
    - 7.5.1.2. Another manager who agrees to accept the subscriptions
  - 7.5.2. Where an additional permitted subscription is made, any further payments up to the limit must be made with the same manager. Any unused balance cannot be used with another manager.
  - 7.5.3. We may be unable to accept the additional permitted subscription when:
    - 7.5.3.1. We close our ISA book to new business before your surviving spouse or civil partner has subscribed up to the additional permitted subscription limit
    - 7.5.3.2. We plan a bulk transfer of accounts and your surviving spouse or civil partner wants to move their ISA and any unused part of the additional permitted subscription limit to a manager of their choice (rather than the bulk transfer default option)
  - 7.5.4. Where we accept additional permitted subscriptions on a provisional basis pending receipt of the relevant information and declarations. This subscription, or any amount over the limit, will be removed from the ISA, or will count towards the investor's annual subscription limit, where the:
    - 7.5.4.1. missing information or declarations are not received within 30 calendar days; or
    - 7.5.4.2. subscriptions accepted on a provisional basis exceed the value of the deceased's ISA, as notified by Us
  - 7.5.5. If We agree to accept additional permitted subscriptions, we may insist on opening a new ISA if this helps monitor your surviving spouses additional permitted subscription limit.

- 7.5.6. An ISA opened solely to receive the additional permitted subscription will not cause the investor to breach the 'one ISA of each type per tax year' rule.
- 7.6. We will support the setting up of a **NextCrowd** ISA based on Additional Permitted Subscriptions (APS) for your spouse in accordance with the ISA Regulations.
- 7.7. In the event of your bankruptcy, ISA tax exemptions will no longer apply from the date on which a trustee is appointed to manage your estate.
- 7.8. If we receive notification of your bankruptcy we will close your **NextCrowd** ISA Account and any investments and money credited to your **NextCrowd** ISA Account will be transferred to your Investment Account as per our General Investor Terms and Conditions.
- 7.9. A Valuation Fee is applied for a valuation of the deceased's **NextCrowd** ISA Account that may be required for grant of probate.
- 7.10. You will be charged an Insolvency Fee for the administration of a **NextCrowd** ISA Account should we receive a bankruptcy order.
- 7.11. The Bankruptcy Fee or the Valuation Fee, if applicable, will be paid from any available cash in your **NextCrowd** ISA Account or upon demand.
8. Transfers in
- 8.1. You may transfer money into your **NextCrowd** ISA Account with us from an existing ISA with another provider, in cash only. An online transfer-in form will need to be completed online through the online **NextCrowd** ISA portal and then we will send you a Transfer Authority form to approve and sign. We can then arrange for the funds to be transferred to us from your existing ISA provider in accordance with your instructions and ISA Regulations.
- 8.2. The transfer process will begin on the date we receive the Transfer Authority form or the date you stipulate for us to begin the transfer process, whichever is later. We will then send your request for the transfer of money in from your existing ISA to your previous ISA provider together with confirmation that we will accept the ISA transfer, within 5 business days of receiving your Transfer Authority form.
- 8.3. The amount invested in Bonds shall be the amount of the Transfer you make.
9. Internal transfer into your **NextCrowd** ISA Account
- 9.1. Cash in your Investment Account (non-ISA account) can be transferred into your **NextCrowd** ISA Account so long as it is not currently invested. Such transfers in shall be classed as Subscriptions.
10. Transfers out
- 10.1. All transfers must be made in cash.
- 10.2. If you choose to make a transfer from your **NextCrowd** ISA Account to another ISA provider which can accept the transfer of the Bonds investments in your ISA account, or where appropriate to withdraw funds, you will be charged a Transfer Out Fee, which will be paid from the amount you wish to transfer out. We also deduct any future Fees payable to Us up to the time of your transfer out.
- 10.3. You may transfer your current year's ISA subscriptions in whole, and/or parts of any funds (together with interest) in your account from previous Tax Years to another ISA provider in accordance with the ISA Regulations and these conditions. You will need to contact your other ISA provider to arrange a transfer and you can choose the date funds are transferred, subject to us being allowed a reasonable period to implement that transfer. That reasonable period shall not exceed 30 days and shall be consistent with the requirements of the ISA Regulations.

## 11. Existing Investments

11.1.If you are an existing Investment Account holder, you cannot transfer existing investments from your Investment Account into your **NextCrowd** ISA Account.

## 12. Changes to Terms and Conditions

12.1.We may, at any time, change these **NextCrowd** ISA Terms and Conditions by giving you written notice. Such amendment will take effect on the date specified in the written notice. For the avoidance of doubt, these changes may impact our fees and charges or the level of service provided. Any amendment that adversely affects you will not apply to sums already lent out.

12.2.We may amend these **NextCrowd** ISA Terms and Conditions if it believes it necessary to respond proportionally to changes in law and regulations.

12.3.We may also amend these **NextCrowd** ISA Terms and Conditions to reflect changes to our systems, administrative processes and procedures, market practice or client requirements and to reflect other legitimate cost increases (or reductions) associated with providing your **NextCrowd** ISA.

12.4.You will be given at least 30 days' notice in respect of any changes to these **NextCrowd** ISA Terms and Conditions unless the specific circumstances require a shorter or longer period. Any amendments will comply with any applicable laws and regulations.

## 13. Administration of your **NextCrowd** ISA

13.1.The management of your **NextCrowd** ISA Account will be subject to the ISA Regulations. Any changes made by HMRC to the ISA Regulations that affect these terms will apply as soon as they come into effect.

13.2.We will inform you if your **NextCrowd** ISA Account has or will lose its tax exemption through any failure to meet the ISA Regulations. If an investment which was previously allowed under the ISA Regulations ceases to be allowed, We will notify you and provide instruction to transfer it out of the **NextCrowd** ISA Account.

13.3.These **NextCrowd** ISA Account terms are based on our understanding of current law and HMRC's practice as at April 2017. These may change in the future and the favourable tax treatment of ISAs may not be maintained.

## 14. Change of ISA manager

14.1.The management of your **NextCrowd** ISA Account, and its investments and cash, may be transferred to another HMRC approved IFISA manager if We and the Bond issuer so agree and subject to Us being able to implement the transfer in accordance with our legal and regulatory obligations. There will be no charge for any such transfer and in such an event your IFISA will continue to be provided in accordance with these terms and conditions subject to such amendments as are notified to you at the time of transfer.

## 15. Payment and Transactional Arrangements

15.1.All payments and transactions to and from your **NextCrowd** IFISA are controlled and held by ourselves.

## 16. Fees Schedule

16.1.The following Fees shall apply to your **NextCrowd** ISA:

Type of fee	When Fee is due	Amount (GBP)
Transfer out Fee	Payable upon initiation of a transfer out	£50
Insolvency Fee	Payable upon notification of bankruptcy or insolvency	£50
Valuation Fee	Payable upon request being received	£75
Repair Fee	Payable upon your <b>NextCrowd</b> ISA Account being repaired	£50
Void Fee	Payable upon your <b>NextCrowd</b> ISA Account becoming void	£50
Paper correspondence Fee	Where requested by You, or required to be issued by Us.	£12 per correspondence

## 17. Definitions

- 17.1. **'We', 'Us' or 'Our'** means Business Agent Limited authorised and regulated by the Financial Conduct Authority under firm reference number 669880. Registered in England and Wales. Registered Address: 5 Hillside Terrace, Hillside Terrace, Hertford, Hertfordshire, England, SG13 8DA. Company number: 08819159. Information Commissioner Registration Number ZA062937.
- 17.2. **"Account"** means a **NextCrowd** ISA Account, which is an IFISA
- 17.3. **'Application'** means an application to set up a **NextCrowd** ISA, whether by way of a new subscription or a transfer of an existing ISA in such form as we require
- 17.4. **'Bonds'** means bonds which are eligible investments for an ISA issued by a Company as defined in section 421 of the FSMA and such other company as either of such companies shall notify to Us should be treated as a client company associate, as outlined in the Brochure and of which full details are set out in the information memorandum or prospectus for the relevant bond issue which is available on the online **NextCrowd** ISA portal.
- 17.5. **'Brochure'** means the brochure relating to the **NextCrowd** ISA which is provided to each investor before he submits his application for a **NextCrowd** ISA.
- 17.6. **'Business days'** refers to any day other than Saturday, Sunday or a Bank holiday in England and Wales.
- 17.7. **'NextCrowd Associate'** means an undertaking in the same group as the **Ziphouse Limited** (group being as defined in section 421 of the Financial Services and Markets Act 2000) and such other company as one of those companies shall notify to Us should be treated as a group company
- 17.8. **'NextCrowd ISA'** means your **NextCrowd** ISA which is an Innovative Finance ISA account held with Us.
- 17.9. **'Investment Account'** means your non-ISA account held with Us and subject to the General Investor Terms and Conditions
- 17.10. **'Fees'** means the monies payable to us in accordance with the Fees Schedule.
- 17.11. **'General Investor Terms and Conditions'** means the terms and conditions applied by us to the Investment Account which can be found at online **NextCrowd** ISA portal.
- 17.12. **'Tax Year'** means the 12-month period commencing upon the 6<sup>th</sup> April or any other date which HMRC determines
- 17.13. **'HMRC'** means Her Majesty's Revenue & Customs.
- 17.14. **'ISA'** means Individual Savings Account.
- 17.15. **'IFISA'** means Innovative Finance Individual Savings Account.
- 17.16. **'ISA Regulations' or 'Regulations'** means the Individual Savings Account Regulations 1998 (as amended or replaced from time to time).



17.17. **'Subscription'** means any new contribution made by you to your **NextCrowd** ISA Account during a Tax Year and includes, as appropriate, single lump sum subscriptions and regular subscriptions

17.18. **'Transfer'** means any amount transferred in to your **NextCrowd** ISA Account from a previous ISA account.