

# Individual Savings Accounts administration

## Purpose

At the end of this unit, candidates should understand the:

- main features and uses of Individual Savings Accounts;
- ISA investors and applications;
- ISA withdrawals, closure, deaths of investors, transfers;
- HMRC rules concerning ISAs.

Summary of learning outcomes	Number of questions in the examination*
1. Know the main features and uses of Individual Savings Accounts (ISAs).	2
2. Understand ISA investors and applications.	8
3. Know the regulation and authorisation of ISAs.	4
4. Know ISA investment rules and restrictions.	7
5. Understand income and tax claims.	5
6. Understand ISA holder rights.	2
7. Know the charges and expenses of ISAs.	3
8. Understand ISA withdrawals, closure, the death of an investor, transfers.	11
9. Know ISA returns of information and HMRC inspections.	5
10. Understand the different features and administrative requirements of junior ISAs and Child Trust Funds.	3

\*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- **Method of assessment:** 50 multiple choice questions (MCQs). 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2016 until 31 August 2017.
- Candidates will be examined on the basis of English law and practice in the tax year 2016/2017 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Know the main features and uses of Individual Savings Accounts (ISAs).**
  - 1.1 Identify the basic features of ISAs.
  - 1.2 Describe the main uses of ISAs for saving, security for a loan and retirement.
- 2. Understand ISA investors and applications.**
  - 2.1 Describe the main requirements and issues associated with ISA applications.
  - 2.2 Describe the cancellation and cooling off procedures.
- 3. Know the regulation and authorisation of ISAs.**
  - 3.1 Describe the key legislative basis of ISAs.
  - 3.2 Describe how ISAs are authorised and withdrawn, including the main parties, processes and considerations involved.
- 4. Know ISA investment rules and restrictions.**
  - 4.1 Describe the ISA investment rules and restrictions.
- 5. Understand income and tax claims.**
  - 5.1 Describe the tax treatment of various forms of ISA income.
  - 5.2 Describe the manager's responsibilities and appropriate actions concerning tax claims.
- 6. Understand ISA holder rights.**
  - 6.1 Describe the manager's obligations to ISA holders.
- 7. Know the charges and expenses of ISAs.**
  - 7.1 Describe charges and expenses of ISAs.
  - 7.2 Explain the exit and transfer charges applicable to ISAs.
- 8. Understand ISA withdrawals, closure, the death of an investor, transfers.**
  - 8.1 Identify the issues and actions necessary to deal with ISA withdrawals, closures and the death of an investor.
  - 8.2 Identify the issues and processes involved in transferring ISAs and ISA account managers.
- 9. Know ISA returns of information and HMRC inspections.**
  - 9.1 Identify the HMRC requirements for annual ISA returns.
  - 9.2 Describe the HMRC inspection regime and the handling of breaches.
- 10. Understand the different features and administrative requirements of junior ISAs and Child Trust Funds.**
  - 10.1 Identify the main features and administration requirements of junior ISAs and Child Trust Funds.

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

## CII study texts

Individual savings accounts administration. London: CII. Study text FA5.

## Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

Recent developments in investment product design. Nick Edwards.

Additional articles and technical bulletins are available under the Personal Finance section of the website at [www.cii.co.uk/knowledge/personal-finance](http://www.cii.co.uk/knowledge/personal-finance).

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Financial times. London: Financial Times. Daily. Also available online at [www.ft.com](http://www.ft.com).

Financial solutions. London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Money management. London: FT Business. Monthly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

## Reference materials

Dictionary of banking and finance. P H Collin. A&C Black, 2005.\*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.\*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

\*Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

## Examination guides

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk).

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS members only).