

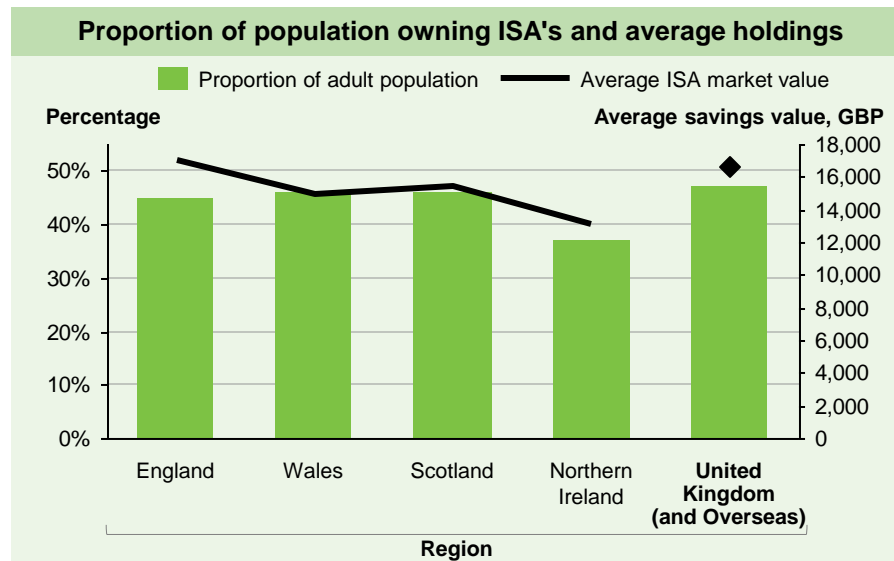
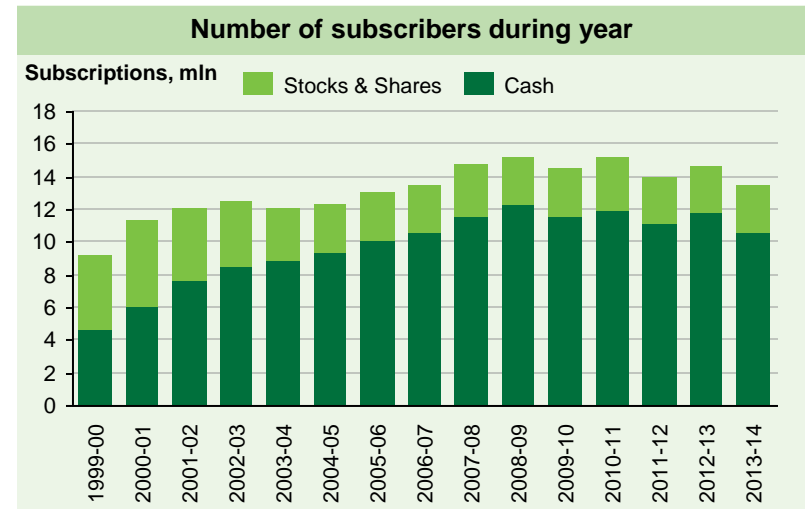
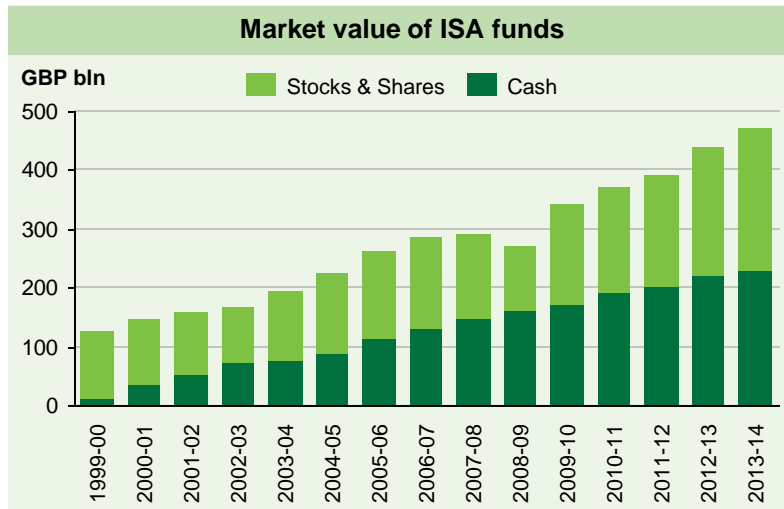
**From PEP to NISA –
28 years of product evolution
in the United Kingdom**

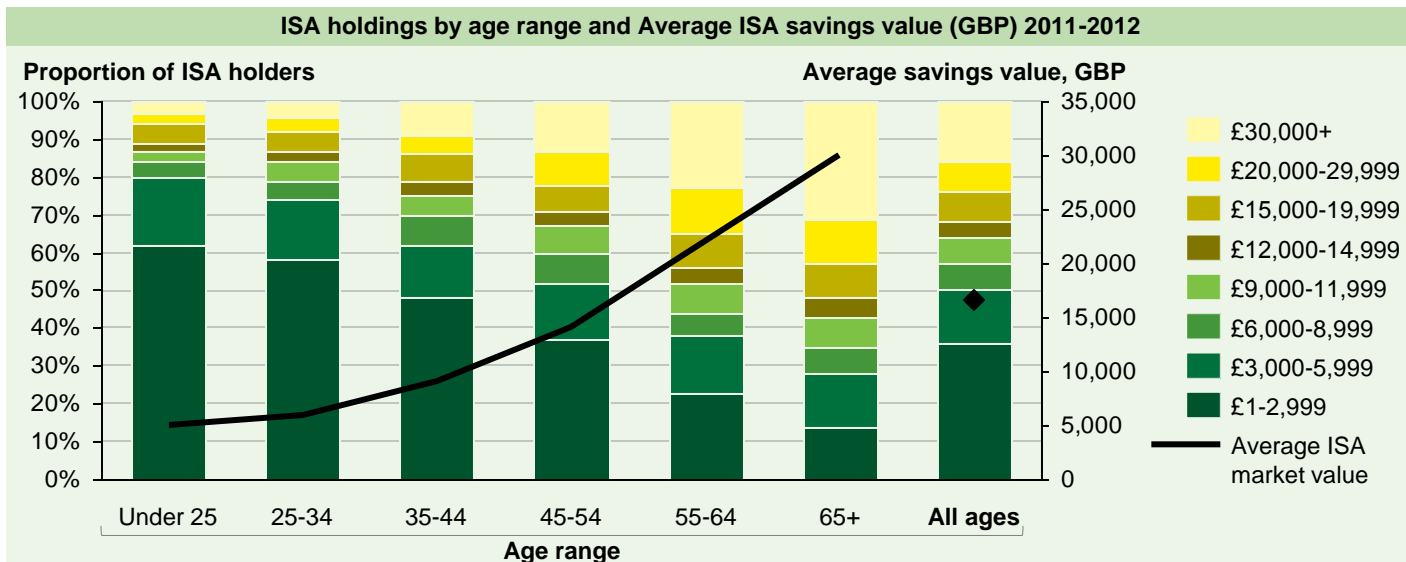
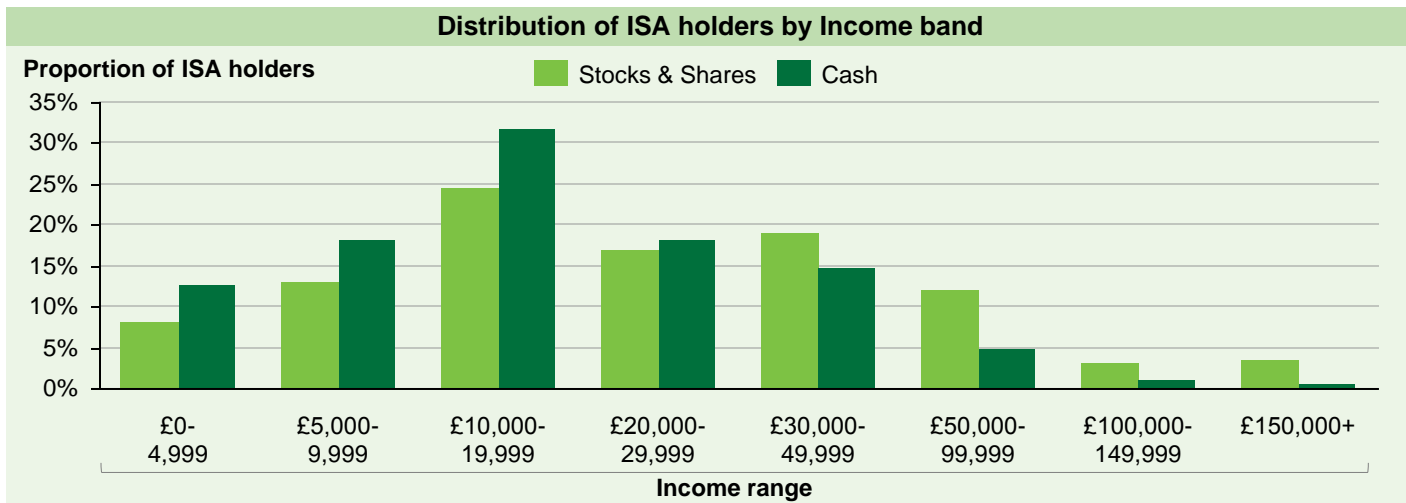
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Year	Stage	Description
1986	PEP introduction	General PEP annual allowance of £6,000. (collective investment only) single company PEP annual allowance of £3,000 investment of at least 50% in UK (later EU)
1990	TESSAs	Tax relief for 5 years, and it was possible to invest up to £9,000, with a maximum investment of £3,000 invested in the first year and £1,800 in each of the second to fifth years
1999	ISA introduction	<p>Single regulation for cash and stock savings.</p> <ul style="list-style-type: none"> • Transferability between cash & stock account (with some contribution limit for cash) • Wider investment range: UK and international S&S • Restrictions on public debt securities: five years remaining at time of purchase of public debt securities (however conditional redemption allowed) • No penalties for taking money out (but count against your annual subscription limit) • Unlimited overall amount of ISAs • Transferability between providers • 1 cash & 1 S&S stock "Mini ISA" per each tax year or 1 "Maxi Isa" with both cash & stocks <ul style="list-style-type: none"> - Mini ISA could hold cash OR stocks, the two mini ISAs per year could be with two different providers if the investor wished. - Maxi ISA could hold cash AND stocks
2008/2009	ISA evolution	<ul style="list-style-type: none"> • Cash to S&S was allowed from 2008/2009 • From tax year 2008/2009 the distinction between a mini and maxi ISA was abolished • Slightly increase subscription limit
2009-2014	ISA evolution	<ul style="list-style-type: none"> • Increasing subscription limits on annual contribution on ISAs
2011	JISA introduction	<p>ISA for children key features:</p> <ul style="list-style-type: none"> • One cash ISA and one stocks and shares ISA, including for all money from past years • Transferability available • Money in a Junior ISA belongs to child and can't be taken out until they're 18 (subject to some exceptions)
2014	NISA	<p>New version of ISA implemented</p> <ul style="list-style-type: none"> • Removal of limits for cash investments • Interest on cash in a S&S ISA is no longer subject to a 20% charge • Funds go both ways between cash & stocks accounts • Possibility to keep cash on stock ISA account • Improved assets list - The S&S ISA had a requirement for a credible possibility of losing at least 5% of the investment, called the 5% test.

The uptake of the products in UK





Comparison with Russian IIA

		Russian IIA	UK ISA
Income tax on deposits in the country		● • No	● • Yes
Maximum amount of investment per year, USD thousands		● • 10	● • 24
Account transferability		● • Yes, via new account opening, special transfer procedure, closing the old one	● • Yes, by request to new manager to transfer
Solution for juniors		● • No	● • Yes
Multiple accounts		● • No	● • Yes, one account of each type per year possible
Tax relief options		● • No capital gains tax • Tax rebate	● • No capital gains tax
Lock-up period for tax rebate		● • At least 3 years	● • No
Leverage		● • Yet unclear, most likely will be restricted	● • No, unless embedded in product
Providers		● • Brokers, AMs	● • Banks, stockbrokers, unit and investment trust companies, financial advisers, fund supermarkets, insurance companies, National Savings and Investments, building societies, some supermarkets / retailers and friendly societies
Investment universe	Any cash/stocks combination possible	● • Yet unclear, may be restricted	● • Yes
	Cash	● • Yet unclear, may be restricted	● • Yes
	Deposits	● • Yet unclear, most likely will be restricted	● • Yes
	Equities/ETF's	● • Domestic, unclear on international, listing / liquidity requirements may be imposed	● • Domestic & international with listing / liquidity requirements
	Bonds	● • Domestic, unclear on international, listing / rating requirements may be imposed	● • Domestic / international with listing / rating requirements
	Funds	● • Russian domiciled mutual funds	● • UK & EU domiciled funds & trusts
	Derivatives	● • Yet unclear, most likely will be restricted	● • No, apart from wrapped structured products
	Insurance policies	● • No	● • Yes

HMRC ISA page

<http://www.hmrc.gov.uk/isa/>

Frequently Asked Questions HMRC

<http://www.hmrc.gov.uk/isa/faqs.htm#17>

2014 stats

<https://www.gov.uk/government/collections/individual-savings-accounts-isa-statistics>

Archive stats on ISA

http://webarchive.nationalarchives.gov.uk/*/http://www.hmrc.gov.uk/stats/isa/menu.htm

TISA association

<http://www.tisa.uk.com/>

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