

## **In-Specie Property Transfers**

We can, subject to satisfactory due diligence, accept transfers of UK commercial property and land held in another SIPP or SSAS in to one of our SIPPs.

Where the underlying beneficiary is the same person the transfer can usually be done on an 'in-specie' basis, meaning that the property should not have to be bought and sold; in most instances it is unlikely that the transfer will result in Stamp Duty Land Tax (England), Land Transfer Tax (Wales) or Land and Buildings Transaction Tax (Scotland).

However, in some cases VAT elected property/land may be liable for VAT if it cannot be treated as a transfer of a going concern. If the current pension scheme is VAT registered and the property/land opted to tax, an accountant or VAT specialist will need to confirm whether VAT could be payable on the transfer. In most instances where there is a current lease in place and it is going to continue once the transfer has completed it can be treated as a transfer of a going concern (TOGC), but this will have to be confirmed by an accountant or VAT specialist

If the current pension scheme is VAT registered and the property/land opted to tax, InvestAcc will create a new VAT registration for the new pension scheme and opt to tax the property, provided the property is owned fully within the pension scheme and there is no third-party owner. The customer or their current pension provider will need to deal with the de-registration of the old scheme once the transfer has completed.

In cases where the property is partly owned by a non-SIPP third party, we will require an independent property management company to be appointed and possibly an accountant/VAT specialist to deal with all property and VAT matters.

Please note that almost all in-specie transfers will require solicitors to act for each side of the transaction.

A Surveyor's valuation report will be required, dated within the last 6 months. We may be able to accept a copy of an older report, accompanied by a side letter from the Surveyor confirming the up to date values.

Although the property is already owned by a pension scheme, we will still require due diligence to be undertaken by a solicitor to assess whether the property is likely to be acceptable to us.

At our discretion we may allow a limited due diligence option for transfers of property between pension schemes, in these cases we may agree to a more set of focused relevant

enquiries from the transferor, in some cases we may be able to avoid some searches, depending on which searches have previously been undertaken by the current owners.

If there is current borrowing secured on the property, the customer will need to speak to the lender about transferring the property to another provider and either repay the loan in full or refinance the loan with the lender under the new pension scheme.

We will not accept a property where a tenant is in arrears, especially if the tenant is a connected party, therefore please ensure the rent is up to date and there are no arrears prior to completion of the transfer. In some cases, we may be able to accept the property if a rent repayment plan has already been put in place with the current pension provider to pay off any arrears.

In most cases the existing SIPP will have other assets in addition to the property. Where a property and cash are being transferred to us from another provider the property transfer will usually be completed first before the previous provider will transfer the cash element. This will mean that any associated costs with the transfer will either need to be paid personally, or from other funds in the new SIPP and may require a contribution to the new scheme, or a partial cash transfer.

We do not permit members or connected parties to deal with the administration/management of the property. InvestAcc can deal with the administration such as rental invoicing, collection, administration of lease events, insurance renewals, payment of invoices, and VAT if required, provided the property is owned fully within your client's pension scheme and there is no third-party owner.

InvestAcc does not offer services such as advertising property for sale or occupation, negotiating with tenants on leases or debt collection. If the property is partly owned by a non-SIPP third party, or if anything beyond this scope is required an independent property management company will need to be employed. Please note we reserve the right to appoint a property manager in the future, in which case we would normally give you 6 months' notice where possible.

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