

Unlisted Shares notes

Registered Pensions are able to invest in Unlisted Shares, however the following restrictions apply:

- If the member or a family member is a Controlling Director of the company, then the pension cannot invest in the company.
- HMRC allow 100% of the scheme assets to be invested in unlisted shares. However Hornbuckle Mitchell will only allow a maximum of 90% of the scheme assets to be invested with the remaining 10% being held in cash or an amount of £5,000 cash, whichever is the greater.
- A scheme's total shareholding in an unlisted company must be less than 20% which includes any shareholding that the member or other family member's may hold personally.
- If the member is employed by the unlisted company, then we need to make sure that they cannot personally use any of the assets of the company, including assets worth more than £6,000 as these may be regarded as taxable property. An example of such an asset is if the company owns the car that the member drives, this is likely to be worth more than £6,000 and the member will have private use of the car, which means they would be benefiting personally from a company asset.
- In order to proceed with the unlisted share purchase, we must have the following items:
 - A copy of the company's audited accounts.
 - A valuation of the overall shareholding by an accountant.
 - Our Member Application and Declaration completing in respect of the share purchase

Upon receipt of these items, we will need to approve the unlisted share purchase, before we are able to proceed.

There may be an element of stamp duty (between 0.5% - 1%) payable depending on the shares being purchased.

SSAS' are also able to invest in the unlisted shares of their sponsoring/participating employers and the maximum permitted limits are as follows:

- Under 5% of scheme assets in any one sponsoring/participating company

Shares in any one sponsoring/participating company must not exceed 5% therefore only a maximum of 4 companies is allowable.

In effect, a registered pension scheme could own 100% of any one share holding as long as it does not exceed more than 5% of total scheme assets.