

EMBARK PENSIONS

PROPERTY DISPOSAL FORM

Please complete this form in BLOCK CAPITALS and black ink and return it to Embark on the relevant email address below. If you need assistance in completing this form, please contact our Customer Services team for your pension on:

Embark Pensions:	T: 01204 803 500	E: property@embarkpensions.co.uk
Hornbuckle SIPP:	T: 0116 366 8600	E: PropertyPS@Hornbuckle.co.uk
EBS properties:	T: 0203 953 1060	E: property@ebspensions.co.uk

NOTES AND GUIDANCE ON PROPERTY AND LAND SALES

All sale transactions must meet HMRC regulatory requirements. These procedures may vary from time to time.

Marketing the property

You can market the property through an agent of your choice or negotiate terms personally. Fees can be paid by your pension. Agreed terms should be signed and forwarded to us for information.

Energy Performance Certificate

In order to market a property, an Energy Performance Certificate must be provided to the agent. If an up-to-date EPC is not already available you will need to provide one as soon as possible. Please note upgrading works might be a requirement of sale where an EPC has a rating of F or G.

Existing Tenancies

Where there is a lease with a remaining term, you will need to confirm whether the property is to be sold with the existing lease in place or with vacant possession requiring the lease to be formally brought to an end.

If to be sold with vacant possession the solicitor will need to draft an additional deed of surrender which will incur additional costs. You are able to negotiate whether any surrender or reverse premiums are payable where the tenant is a third party. However, for connected tenants, HMRC will expect the surrender to be on such commercial terms formally advised by a RICS qualified surveyor. If a surrender premium is payable by the tenant, it will not be possible to proceed unless that premium is paid to the pension scheme.

Rents and any other monies due under the lease will also need to be paid up to the date of completion before a sale can complete.

Sales to connected parties

A RICS Red book property valuation dated within 6 months of the sale addressed to the scheme trustees is required for all sales to connected parties to ensure HMRC regulations are met. The price to a connected party must be the market value as determined by the surveyor.

A connected party is relatives and companies where the member has a controlling interest, eg majority shareholder or a director. HMRC defines a relative as 'a brother, sister, ancestor or lineal descendant'.

Solicitor

We will appoint a solicitor from our panel to act on behalf of the Trustees in selling the property.

It is not possible for the same firm of solicitors to act for both the seller and the buyer in a transaction because of potential conflicts of interest and separate firms need to be appointed to act for the seller/purchaser.

Sales of Part

If you are only selling part of the property you should provide a plan outlining the part being sold. The part being sold must be completely separate from the retained part, including separate business rates and utilities. Where there is a mortgage any rent on the remaining part must cover the ongoing mortgage repayments.

A valuation will be required in all cases confirming:

1. the open market values of the land being sold and retained
2. whether any surrender premiums are payable in respect of any tenancy surrenders and if partial surrenders, the revised rental figure
3. the building insurance figure for the retained property

VAT

If the property has been VAT opted, VAT is usually payable in addition to the purchase price.

Where the property is being sold subject to a lease it may be possible for the sale to be treated as the transfer of a going concern. In those circumstances, we rely on advice from the solicitor or your tax advisers or, where appointed, the Embark VAT Team, but in all cases we will need to see evidence that the seller has VAT opted the property. The solicitor will be also be instructed to incorporate protections in the contract to ensure the buyer intends continuing the letting business after completion.

Documentation

The sale will be unable to proceed unless all documentation expressly limits the liability of the trustees to the assets of the pension scheme.

Lending

Banks will generally instruct the solicitor to pay any sale proceeds towards any outstanding mortgages secured over the property.

1 SCHEME DETAILS

Name of Scheme:

Scheme Number:

2 PROPERTY DETAILS

Address:

Postcode:

Are you: Selling the property Transferring the property to another pension provider?

Sale Price:

Is the sale/transfer subject to VAT? Yes NoIs the property to be sold: With vacant possession **OR** Subject to an existing lease

Details of current tenant:

Is the lease to be surrendered prior to completion? Yes No

If an unconnected tenant, what terms have been agreed in relation to the surrender?

What title will be sold? Leasehold Freehold

Outstanding Lease Term: _____ Years

Has the property been VAT opted? Yes NoIs it intended that the sales be treated as a going concern? Yes No**3 PURCHASER / RECEIVING SCHEME DETAILS**

Purchaser/Receiving Scheme Name:

Address:

Postcode:

3 PURCHASER / RECEIVING SCHEME DETAILS (CONTINUED)

Is the purchaser a connected party*?

 Yes No

* Please refer to the guidance section above for information about connected parties.

If 'yes', please describe how the parties are connected

Purchaser's Solicitor's Firm:

Purchaser's Solicitor's Contact Name:

Address:

Postcode:

Telephone Number:

Fax Number:

Email:

4 MEMBER DECLARATIONS

- All the above information is correct to the best of my/our knowledge.
- I/we confirm that I/we wish to sell the property detailed in Section 1.
- I/we agree to indemnify Embark and the Scheme Administrator and Trustees in respect of all liabilities, losses, damage and cost that may occur in selling this property, including Embark fees, irrespective of whether or not the sale completes.
- I/we request and authorise Embark to complete all necessary administration to make the sale and agree to pay all sums and fees due from my/our plan, including the provision of such information as is required to the solicitor about the property for the sale to be completed.
- I/we agree that it is my/our responsibility to ensure that funds are available in my/our plan to cover all amounts due.
- I/we understand that Embark will appoint a solicitor from their panel and within normal service standards.
- I/we understand that any borrowing will be repaid to the lender from the sale proceeds before they are paid into the pension plan bank account.
- I/we have enclosed a copy of the property valuation (connected party sale only) and Energy Performance Certificate.
- I/We understand that where the tenant is connected all rent must be paid up to the date of completion.
- I/we have taken appropriate advice in relation to the sale of the property.
- I/we nominate
to be the scheme’s point of contact in respect of the sale.
- I/We authorise Embark to provide the solicitor with such information as is required for the purposes of the sale or transfer out of the property, including providing the scheme bank account details for payment of the net sale proceeds.

Member’s Name: _____

Plan Name: _____

Share in Property: _____

Signature:  _____ Date: | D | D | M | M | Y | Y | Y | Y |

Member’s Name: _____

Plan Name: _____

Share in Property: _____

Signature:  _____ Date: | D | D | M | M | Y | Y | Y | Y |

Member’s Name: _____

Plan Name: _____

Share in Property: _____

Signature:  _____ Date: | D | D | M | M | Y | Y | Y | Y |

Member’s Name: _____

Plan Name: _____

Share in Property: _____

Signature:  _____ Date: | D | D | M | M | Y | Y | Y | Y |

CHECKLIST

Before submitting this form please make sure that you have:

Completed all of the sections of the form

For connected party sales attached a 'Red Book' property valuation carried out by a RICS qualified surveyor, addressed to the Trustees, to include market value, rental value and reinstatement value

A copy of the Energy Performance Certificate (if applicable)



 01204 803 500

 edinburghpurchases@embarkpensions.co.uk

 embarkpensions.co.uk

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