

## General Guidance

### Additional Permitted Subscriptions (APS)

# General Guidance

### About this guide

This document explains the Additional Permitted Subscription (APS) allowance and how you, as the surviving spouse or civil partner of an ISA holder, can use it.

When someone with an ISA passes away, their surviving spouse or civil partner is entitled to make an additional investment into their own ISA, equal to the value of the deceased's ISA. This is called the APS allowance.

You do not need to inherit the ISA itself or transfer it - APS is simply an entitlement to top up your own ISA.

Throughout this guide, we use the terms **Deceased** (referring to the late ISA holder) and **Spouse** (referring to the surviving spouse or civil partner) for clarity.

This document is designed to:

- Help you understand APS rules.
- Guide you through the process of using your APS allowances within a Fundsmith ISA.
- Explain key considerations, such as deadlines and eligibility.

This document is for information purposes only, and Fundsmith cannot provide financial advice.

If you are unsure whether investing your APS allowance with Fundsmith is suitable for you, please consult a **financial adviser**.

### What is an APS allowance?

The APS allowance is an **extra** ISA investment allowance granted to a surviving spouse or civil partner, separate from the annual ISA allowance.

- The APS allowance is equal to the value of the Deceased's ISA at the date of death or at the point it ceases to be a **continuing ISA**<sup>1</sup> (whichever is higher).
- You **do not** have to inherit the ISA or any other assets to qualify for APS.
- APS allowances are available for **each** ISA the Deceased held. You may use them with a single APS ISA provider or multiple providers.
- You have **three years from the date of death** to use the APS allowance (or **180 days after estate administration is completed**, if later).

### Using Your APS Allowance with a Different ISA Provider

You can use your APS allowance with any ISA provider offering APS ISAs. This could be:

- The provider where the Deceased held their ISA.
- The provider where you hold your ISA.
- A different provider entirely.

The APS rules are the same for all providers, but this document outlines **Fundsmith's** specific process. If you are using another provider, please contact them directly for details.

<sup>1</sup> A continuing ISA is an ISA belonging to someone who has died. It remains open (and retains its tax benefits) for up to three years after the death, or until the administration of the estate is complete, or until all funds are withdrawn - whichever occurs first.

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### Who is eligible for an APS allowance?

To qualify for an APS allowance, you must have been the Deceased's:

- **Spouse or civil partner at the date of death.**
- **Not legally separated** (being in a care home does not count as legal separation).

The APS allowances **cannot** be transferred to anyone else. Only the surviving spouse or civil partner can use it.

### How is an APS allowance calculated?

The APS allowance is based on the **higher** of:

1. The value of the Deceased's ISA(s) at the date of death.
2. The value of the ISA(s) when they cease to be a **continuing ISA**.

A **continuing ISA** remains open until the earliest of:

- The completion of the Deceased's estate administration.
- The withdrawal of all investments and cash from the ISA.
- **Three years after the date of death.**

Once an APS ISA account is opened, the APS allowance is **fixed** and cannot change.

### How do I establish what my APS allowance is if I want a Fundsmith APS ISA?

#### Step 1: Complete the Application Form

- Download the Additional Permitted Subscription ISA Form from the Fundsmith website at [www.fundsmith.co.uk/forms](http://www.fundsmith.co.uk/forms).
- Alternatively you can call us at 0330 123 1815 to request a paper form.
- Fill out the form with details of the Deceased and your declaration of eligibility.

#### Step 2: Fundsmith confirms your APS allowance

If the Deceased **only** had a Fundsmith ISA:

- We will calculate the APS allowance and send you a confirmation letter.

If the Deceased had ISAs with other providers:

- You must complete the **Transfer Authority** section for each provider.
- Fundsmith will contact these providers to determine the total APS allowance.
- Once confirmed, we will notify you of the final APS allowance.

**Note:** Once you decide to use an APS allowance from another ISA provider with Fundsmith, you cannot use it with any other ISA provider.

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### How do I invest my APS allowance in my Fundsmith APS ISA Account?

#### Option 1: Transfer the Deceased's assets within their ISA into your name ('In-Specie Transfer')

**Important:** An APS in-specie transfer can only be done if the Deceased's ISA was already held with Fundsmith.

- Complete the **APS In-Specie Transfer Form** (available on the Fundsmith website).
- This form must be signed by the **Executors or Administrators** of the estate.
- The transfer must be completed within 180 days of inheriting the ISA.

#### Option 2: Investing from other sources

This option applies if the Deceased's ISA is not held with Fundsmith, or if you are using **other assets** ( e.g. personal savings, investments, or money from the estate) to fund the APS investment.

- Complete the **APS Cash Dealing Form** (available on the Fundsmith website).
- Send the funds to Fundsmith,
- You can invest the **full APS allowance** at once or make multiple payments, as long as:
- All investments are made within **three years of death**, or
- If later, within **180 days after estate administration is completed**.

You can use a combination of both options to use the full value of the APS.

### How do I use my APS allowance with another ISA provider?

- Contact your chosen **APS ISA provider**.
- If the Deceased held an ISA with Fundsmith, we will provide the necessary details to the new provider.
- Follow their specific process to use your APS allowance.

### Once I have made my APS investment can I transfer the ISA funds?

Once you have made an APS investment, you can transfer the APS ISA to another provider. However:

- If the APS allowance is **partially used**, the remaining allowance **must be used with the original APS provider** before transferring.
- Any **unused** APS allowance **cannot** be transferred to another provider.

### Where can I obtain further information?

For general questions on bereavement and APS allowances, contact:

- **HMRC Bereavement Helpline: 0300 200 3300**

For Fundsmith-specific queries:

- **Call us at 0330 123 1815** (or at **+44 1268 448659** if calling from overseas).
- Email us at **enquiries@fundsmith.co.uk**.
- Visit our website to connect with a member of our team via the **Webchat**.

## Additional Permitted Subscriptions (APS)

### Disclaimer

The information in this document is correct as at 6 April 2025. This document is intended to provide a summary of the ISA regulations regarding Additional Permitted Subscriptions based on the authors' (Fundsmith LLP) understanding of current law and guidance.

While every care has been taken to ensure the accuracy of this information, the authors cannot accept any responsibility for any inconvenience, loss, damage, or liability nor for any legal fees and costs incurred or caused as a result of any information provided

### Frequently Asked Questions (FAQs)

#### Can I use my APS allowance with multiple ISA providers?

Yes, if the Deceased held multiple ISAs, you can split the APS allowance across different providers.

#### Do I need to inherit the ISA to use the APS allowance?

No, APS is a separate entitlement from inheritance.

#### How long do I have to use my APS allowance?

For cash subscriptions:

- Three years from the date of death, or
- 180 days after the estate is settled (whichever is later).

For transfer of the Deceased's Fundsmith ISA :

- Within 180 days of inheriting the ISA

#### Can I invest my APS allowance in instalments?

Yes, as long as all payments are made within the permitted timeframe.

#### Can I transfer my APS ISA to another provider?

Yes, but if your APS allowance is not fully used, any remaining balance must be used with the original provider first.

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