



2 Rotherbrook Court  
Bedford Road  
Petersfield  
Hampshire  
GU32 3QG  
United Kingdom

Tel: +44 (0)1730 263943  
Email: [enquiries@idad.biz](mailto:enquiries@idad.biz)  
[www.idad.biz](http://www.idad.biz)

## Terms of Business For UK regulated Financial Advisers

### Contents

Financial Adviser Due Diligence Firm Details

Terms of Business (UK based)

### Instructions for completion

1. Please fill in the name and details of the firm below.
2. Please answer the questions included in the Financial Adviser Due Diligence section.
3. Please provide us with your bank and contact information by filling in your details in the Firm Details section.
4. Please read carefully the terms of business and the declaration on the final page of this document and then sign where indicated.  
*Note that the signature needs to be in accordance with the mandate of your firm's authorised signatories.*
5. Please then return the completed Terms of Business to [anna.marsh@idad.biz](mailto:anna.marsh@idad.biz)

A copy of the signed form will be returned to you to confirm and acknowledge receipt by IDAD.

If you have any queries in relation to this form you may either call your account manager or contact IDAD by phone on 01730 233948 or email [anna.marsh@idad.biz](mailto:anna.marsh@idad.biz)

Name of Firm:

Completed By:

Position:

Signature:

Date:

## Financial Adviser Due Diligence

Please complete ALL sections. IDAD Limited will not be able to accept business from you if this document is not completed in full.

Information provided will be treated in the strictest confidence and will be used internally for the sole purpose of assessing and approving your firm to distribute IDAD's products.

Please provide us with a list of your firm's authorised signatories when you return this form.

1. Are you authorised to make personal recommendations to retail investors? Yes  No

2. Investment Advice:

For how long has your firm been advising on investments?  years

Is your investment advice independent? Yes  No

Are there any types of investment products you will not recommend to your clients?

3. Structured Investments

For how many years have you offered advice in relation to structured investments?  years

Do you recommend? Capital at Risk  Capital Protected  Deposits  Notes

Do you offer an execution only service for? Capital at Risk  Capital Protected  Deposits  Notes

4. What procedures does your firm have in place to ensure that only staff with the relevant knowledge and competence levels are able to offer advice or assess appropriateness in relation to investments? Please provide details.

5. What training does your firm provide and how regularly does it provide it?

6. Please provide details of your Compliance officer or compliance support

Name:

Phone:

Email:

7. Do you require training in relation to structured investments? Yes  No

**Financial Adviser Due Diligence continued**

8. How would you describe your current client base? (please tick all that are appropriate)

Individual  Corporate  Pensions

9. Has your firm been the subject of any FCA enforcement action in relation to the provision of investment advice or the provision of non-advised investment services in the past 5 years?

If yes, please provide further information Yes  No

10. Has your firm had any complaints (regarding the provision of investment advice) upheld, or any cases referred to the Financial Ombudsman Service over the past 5 years?

If yes, please provide further information Yes  No

10a. If you have answered yes to Q10, please provide further information below:

Number of investment advice related complaints

Number of these complaints upheld by the firm

Number of these complaints referred to the Financial Ombudsman Service

Number of these complaints upheld by the Financial Ombudsman Service

**Firms Details**

Address:

Postcode:

FCA number:

Telephone:  Mobile:

Main Contact email:

Bank Name:

Sort Code:  Account Number:

Account Name:

Bank Address:

Postcode:

## Terms of Business For UK regulated financial advisers

In this Agreement the following terms shall have the meanings set out below unless the context otherwise requires.

**Act:** the Financial Services & Markets Act 2000 as may be amended, varied or replaced from time to time.

**Agreement:** these Terms of Business.

**Application Form:** an application in the form prescribed and completed by a Client in respect of an Investment.

**Appointed Representative:** the same as in Section 39(2) of the Act.

**Business:** an Application Form pursuant to this Agreement with respect to an Investment, submitted by You acting as agent for a Client.

**Client:** any person, trust, company, business or partnership, on whose behalf You are acting.

**Company:** IDAD Limited (IDAD), a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000 with number 04521366 of Bellamy House, Winton Road, Petersfield, Hampshire. GU32 3HA and is authorised and regulated by the Financial Conduct Authority (740499).

**FCA:** the Financial Conduct Authority (whose responsibilities were previously undertaken by the Financial Services Authority, the FSA).

**You:** the person, firm or company duly authorised and regulated as a Financial Adviser by the FCA and whose details are set out in this Agreement.

**Investment:** means any investment proposition offered by the Company from time to time.

**Plan Administrator:** the company appointed to act as administrator of the Investment and if appropriate as custodian in accordance with the applicable IDAD product brochure and including any successor company appointed to act as administrator and/or custodian.

**Money Laundering Regulations:** the statutory and other requirements relating to Money Laundering including the Provisions of the Fourth Money Laundering Directive, The Terrorism Act 2000, The Criminal Justice Act 1993, The Proceeds of Crime Act 2002, the Guidance Notes for the Financial sector published by the Joint Money Laundering Steering Group (and all directives, regulations and guidance notes issued in substitution or in amendment or addition) and any other relevant requirements of the Plan Administrator or the Company.

**Regulated Activities:** the investment services you have Part 4A permission from the FCA to carry out and which are conducted in accordance with applicable FCA principles and rules, as set out from time to time in the FCA Handbook.

### 1. Interpretation

- 1.1 Any reference in this Agreement to writing or cognate expressions includes a reference to an e-mail, facsimile transmission or comparable means of communication.
- 1.2 Any reference in this Agreement to the singular includes the plural and vice versa and any reference to a gender includes all genders.
- 1.3 Any reference in this Agreement to any provisions of a statute or statutory instrument, ordinance code or other law shall be construed as a reference to that provision as amended, re-enacted, replaced or extended of any of them.
- 1.4 The headings in this Agreement are for convenience only and shall not affect its interpretation.

### 2. Scope and Commencement

- 2.1 This Agreement sets out conditions upon which Business is accepted from You. This Agreement sets out the entire agreement and understanding between the parties and supersedes all previous agreements between the parties with respect to the subject of this Agreement which shall cease to have any further force or effect.
- 2.2 This Agreement shall take effect as soon as we accept Business from You and continue until it is terminated in accordance with Clause 13. Both parties agree that they will abide by and conduct their business in full compliance with FCA rules and guidance.

- 2.3 The Company reserves the right at its absolute discretion and for any reason to cease to accept Business from or refuse to accept Business from You or any of Your Appointed Representatives.
- 2.4 You will be treated as agent of the Client in respect of all aspects of any Business conducted subject to this Agreement, save to the extent required to give effect to Your obligations to the Company under this Agreement.
- 2.5 You warrant that You will not submit an Application Form in respect of any Client without the full authority of the Client and that in forwarding any Application Form You have the required authorisation and permission under the Act, and/or any other legislation or regulations relevant to the Investment being applied for, allowing You to act as the Client's adviser in respect of that Investment.
- 2.6 We are treating you as a professional client for the purposes of the rules of the FCA unless otherwise agreed with you in writing. You have a right to request recategorisation as a retail client. However, the Company does not have permission to carry out investment services for retail clients.
- 2.7 The Company's services to You shall involve distributing Investments to You which You may choose to distribute to your Clients. The Company may also arrange transactions between You (on behalf of Your Clients) and the Plan Administrator. The Company shall not carry out any investment services for Your Clients.

### 3. Procedures

- 3.1 You shall:
  - ensure each Client receives sufficient information to be able to make an informed decision as to whether to make an Investment and keep records confirming this;
  - before a Client invests in an Investment, ensure that such Client has received advice or an appropriateness assessment has been carried out;
  - ensure any Application Form is completed by Your Client with appropriate capacity and authority;
  - deliver all Application Forms received for Investment to the Plan Administrator at the earliest opportunity;
  - comply with the Money Laundering Regulations, detailed in Clause 6 below;
  - advise the Company or the Plan Administrator immediately upon receipt of any information which may relate to an application for an Investment that in Your reasonable opinion could in any way affect the Plan Administrator's decision to accept or process such an Application Form;
  - not make any representation to Clients or give any warranties in respect of an Investment other than those contained in the financial promotion document(s) provided by the Company in respect of the relevant Investment and comply with any marketing restrictions therein;
  - ensure any marketing material or communication You produce, which references any IDAD product, IDAD itself or any issuer of an underlying security or other instrument, has been reviewed and approved by IDAD. The use of any logos or other representations of IDAD or any underlying issuing entity cannot be used without the prior consent of IDAD;
  - co-operate fully with the Company's and the Plan Administrator's compliance officer in respect of any complaint or investigation;
  - ensure that all persons within Your control who are authorised to transact business covered by this Agreement are trained and competent to do so in accordance with the requirements of the FCA.
- 3.2 Monies payable in respect of an Investment must be forwarded at the earliest possible opportunity to the Plan Administrator in the form specified on the relevant Application Form.

## Terms of Business For UK regulated financial advisers (continued)

### 4. Representations

- 4.1 You represent and warrant that as at the date of this Agreement and throughout the term of the Agreement:
- You are authorised and regulated by the FCA in the UK to conduct investment business and have the requisite regulatory approvals to provide the services contemplated by this Agreement;
  - Any information You provide to the Company or the Plan Administrator in relation to a Client is to the best of Your knowledge and belief complete and accurate in all material respects;
  - You will notify the Company immediately in the event that:
  - Your principal or any directors or partners are charged with, or convicted of, an offence involving fraud or other dishonesty;
  - You enter into a voluntary arrangement with creditors;
  - You commence or have bankruptcy or liquidation proceedings initiated against You or have a receiver appointed over Your assets;
  - You cease to be an Authorised Person as defined in the FCA handbook;
  - You have been suspended from conducting business by the FCA;
  - You cease to have the necessary regulatory or other relevant authorisation as contemplated in this Agreement;
  - There is a change in Your regulated activities which may affect the Business conducted under this Agreement;
  - There are any pending or threatened regulatory or legal proceedings or other circumstances affecting You (including an investigation by the FCA) which would be likely to adversely affect the performance of Your obligations under this Agreement.
- 4.2 The Company represents and warrants that all marketing materials and other information provided by it to You are accurate and not misleading and comply with all applicable UK laws and regulations.

### 5. Suitability or Appropriateness

- 5.1 You accept sole responsibility for ensuring that any personal recommendation You make to a Client is suitable or appropriate for the Client (in accordance with the requirements of MiFID 2004/39/EC) and that the associated risks are disclosed and explained.
- 5.2 When making a personal recommendation to a Client, You undertake to obtain the necessary information regarding the Client's:
- knowledge and experience in the investment field relevant to the specific type of designated investment or service;
  - financial situation; and
  - investment objectives;
- so as to enable You to make the recommendation or investment decision which is suitable for the Client.
- 5.3 When providing an execution only service, You undertake to obtain the necessary information regarding the Client's knowledge and experience in the investment field relevant to the specific type of designated investment or service so as to enable You to determine whether the Client understands the risks involved in relation to the investment or service and to assess whether the investment or service is appropriate for the Client.
- 5.4 You will comply with all Relevant Laws, including but not limited to those relating to suitability of advice, assessment of appropriateness, communications with Clients and treating customers fairly. Relevant Laws means all statutes, statutory instruments, orders regulations and codes of practice that may apply to Your business and to the investment services offered by the Company, and includes the Regulatory Guide entitled "Responsibilities of Providers and Distributors for the Fair Treatment of Customers" (RPPD) and the guidance on treating Customers fairly (TCF) both issued by the FCA.
- 5.5 You acknowledge that the Company has not provided and will not provide any investment or taxation advice to You or the Client.

### 6. Money Laundering

- 6.1 You confirm that You have established anti-money laundering and anti-terrorist financing policies and procedures to ensure compliance with all relevant UK legislation as well as FCA rules and guidance.
- 6.2 You confirm that investments will be made on behalf of the Client whose details are shown on the application form.
- 6.3 The Plan Administrator is placing reliance on you to perform customer Due Diligence. You confirm that You have verified the identity of each Client in accordance with the relevant money laundering and anti-terrorist legislation. This is including where appropriate the verification of the identity of all beneficial owners either by collecting documentary evidence where you have seen the original or by electronic verification to whom this form relates.
- 6.4 You confirm that no Client is a foreign shell bank as defined by the US Patriot Act.
- 6.5 You confirm that You have implemented and maintain risk management systems, controls and procedures to identify politically exposed persons (PEPs). In addition to performing normal due diligence, You have performed and will continue to perform enhanced due diligence on any Client who has been identified as a PEP or who otherwise poses a higher than normal risk.
- 6.6 You confirm that You will retain all relevant verification documentation and transactions records in relation to Clients for at least 5 years after they have closed their account with You.
- 6.7 You confirm that You will make available such evidence of verification of identity to the Plan Administrator within two days of receiving the request.
- 6.8 You confirm that You will inform the Plan Administrator immediately if Your relationship with a Client is terminated for whatever reason whilst the Plan Administrator is providing any service to that Client.
- 6.9 You confirm that no Client, persons controlling or controlled by a Client, beneficial owners or persons for whom a Client acts as nominee is named on a list of prohibited persons, countries, territories, including jurisdictions identified by the Financial Action Task Force (FATF) as being a sanctioned country or territory, entities and individuals maintained by the US Treasury Department's Office of Foreign Assets Control (OFAC) and any other sanctions lists that are released by the UK Government, the United Nations or relevant jurisdiction.
- 6.10 You recognise and agree that the Plan Administrator relies upon You to meet their customer due diligence obligations and You undertake to advise the Plan Administrator immediately should, at any time in the future, your licence or registration as noted above, be revoked or altered.

### 7. Client Agreed Remuneration (CAR)

- 7.1 To the extent permitted under current regulations, the Company will make arrangements to pay CAR to You at such rates as shall be notified to You from time to time. Such CAR will be paid to You within 10 business days of settlement in relation to any accepted Business.
- 7.2 Any CAR payable to You must be disclosed to the Client in accordance with applicable regulations.
- 7.3 You may advise the Company that some or all of the CAR, in such proportion as agreed with Your client, may be used to enhance the quality of service to the Client.
- 7.4 If a Client exercises a statutory or other right to cancel an Investment, CAR paid in respect of the Investment will be immediately repayable by You to the Company.
- 7.5 You shall repay immediately to the Company any CAR payment received by You in error.
- 7.6 The Company may deduct any amount due to be repaid to the Company from any amount due from it to You under this Agreement.

## Terms of Business For UK regulated financial advisers (continued)

- 7.7 The Company will cease payment of CAR to You if You cease to be authorised by the FCA to carry on relevant investment business.
- 8. Adviser Fees**
- 8.1 In accordance with the Retail Distribution Review (RDR) you may only be remunerated in relation to personal recommendations You make to Your retail clients by way of an adviser fee agreed in writing and paid by Your Client.
- 8.2 Where the Plan Administrator is notified in writing by Your Client, the adviser fee agreed between You and Your Client can be deducted from funds received by the Manager in relation to the Client's Investment and paid to You. This includes any agreed execution fees in the case of an investment made without advice on an execution only basis.
- 8.3 It is entirely Your responsibility to agree with Your Client the amount of any fees due in relation to either advice given in relation to a personal recommendation or any other service You provide and, if appropriate, the amount due and method of payment should be detailed on the relevant Application Form.
- 8.4 Any adviser fee due on Business will be paid by James Brearley once the order is placed by the advisor and received by James Brearley, and will be paid in accordance with the Client's instruction to Your account as specified in this Agreement.
- 8.5 Should Your Client not proceed with an Investment and withdraw an Application Form, no adviser fee will be payable and any alternative arrangement to compensate You will be a matter solely between You and Your Client. Neither the Plan Administrator nor the Company can accept any liability or responsibility in relation to fees for advice in relation to an Investment which did not proceed.
- 9. Variation**
- The terms of this Agreement may be varied with the written agreement of both parties, but no variation shall affect Investments entered into prior to the date of variation.
- 10. Cross Selling**
- The Company and the Plan Administrator reserve the right to send communications directly to the Client, provided always that communication directly with the Client shall only be in respect of existing investment products including the provision of the option to re-invest on maturity of an existing investment provided by the Company and held by the Client.
- 11. Limitation of Liability and Indemnity**
- 11.1 You indemnify the Company in respect of all loss and expense that the Company may sustain or incur directly as a result of:
- any negligent statement made by You to a Client regarding the Investments or the services provided by the Company;
  - any act or omission which leads to any inaccuracy of information provided by You under this Agreement; except to the extent that any such loss or expense is caused by the negligence, wilful default or fraud of the Company.
- 11.2 Nothing in this Agreement shall exclude or limit the liability of either party for fraud, fraudulent misrepresentation, deceit, dishonesty, death or personal injury resulting from its negligence, or any other liability which cannot be excluded or limited by applicable law.
- 12. Data Protection and Confidentiality**
- 12.1 You consent to the Plan Administrator and the Company holding personal and financial information about You, Your directors and/or employees, on computer and manual systems. The information held may be used or disclosed by the Company or the Plan Administrator to other members employed by the Plan Administrator or the Company via electronic media or otherwise.
- 12.2 Personal data concerning Your Clients will be held, processed, used and transferred in accordance with the Terms & Conditions agreed to by such Clients. Clients may have the right to see certain information held. Such requests should be made in writing to the office of the Plan Administrator.
- 12.3 Each party undertakes to comply with the requirements of the Data Protection Act 1998 and all relevant guidelines and not to knowingly do anything or permit anything to be done to cause a breach of such provisions.
- 12.4 Each party undertakes to keep secure and confidential all information of a confidential nature relating to the business affairs or operations of the other party or the other party's associates, clients or business partners, being information disclosed to it in contemplation of or pursuant to this Agreement. However, nothing in this Clause applies to disclosure of information which the other party has consented to in writing, is required to be made pursuant to any applicable law or regulation or pursuant to any order or request of a court or regulatory entity with jurisdiction over such party, is already in the public domain (other than as a result of a breach of this Clause); or is made by a party to its legal advisers, auditors, accountants or other professional advisers on the condition that they are subject to similar restrictions on disclosure.
- 13. Termination**
- 13.1 Either party may terminate this Agreement by giving not less than 28 days written notice.
- 13.2 The Company may terminate this Agreement forthwith by written notice to You if You:
- are in material breach of your obligations, representations or warranties under this Agreement;
  - cease to be authorised to carry on relevant investment business;
  - are the subject of an investigation under the rules of the FCA;
  - die or are declared bankrupt, go into liquidation, make a voluntary arrangement with Your creditors or become the subject of an administration order or if an encumbrancer is appointed to take possession of Your property or assets.
- 14. Governing Law**
- This Agreement shall be governed by and construed in all respects in accordance with the Laws of England and each party submits to the non-exclusive jurisdiction of the English Courts.
- 15. Complaints Handling Procedure**
- You undertake to have in place an Appropriate Complaint Handling Procedure as required by the FCA and shall inform the Company and the Plan Administrator of any material complaints in relation to any Investment.
- 16. Recording of Telephone Calls**
- The Company and the Plan Administrator may record telephone calls. These records (if made) will be the sole property of respectively the Company or the Plan Administrator and will be evidence of the instructions given by You. Any recordings may be retained by the Company and/or the Plan Administrator.
- 17. US Investors**
- You acknowledge that no Client is a US person as defined in Regulation S of The United States Securities Act 1933.
- 18. No Agency/Partnership**
- You acknowledge that You are not the agent or representative of the Company or the Plan Administrator and undertake not to represent Yourself as such to any Client. Nothing in this Agreement should be construed as indicating or giving rise to a joint venture or partnership.
- 19. Rights of Third Parties**
- A person who is not party to this Agreement may not enforce any of its terms under the contracts (Rights of Third Parties) Act 1999.
- 20. Assignment and delegation**
- 20.1 This Agreement may not be assigned without the written consent of the non-assigning party and any purported assignment violating this provision will be void.
- 20.2 Neither party may delegate its duties under this Agreement without the prior written consent of the other party.

## Terms of Business For UK regulated financial advisers (continued)

### Risks associated with Structured Products

There are certain risk factors associated with structured products which clients should be aware of before making an investment into a structured product. The following are some of the most important factors which You should be aware of and which Your Client should be made aware of:

#### 1) Investment Risk

Investing in a Structured Product may put capital at risk. Therefore an investor, dependent upon the specific plan structure, could lose some or all of their investment if they invest in a structured product offered by IDAD.

#### 2) Counterparty Risk

It is possible that the Issuer of a plan could go bankrupt/become insolvent. Should this happen, an investor may lose all of their initial investment and any growth or income payments due. None of the Financial Services Compensation Scheme (FSCS), the Plan Administrator or the Company will pay compensation in the case of insolvency of the counterparty. (However, in the case of certain deposit based structures investors may be eligible to apply to the FSCS for compensation).

#### 3) Term Risk

An investor's circumstances could change forcing the early encashment of a plan investment. Such an early encashment will be subject to a fee and the amount repaid if the investment is cashed in before the plan's term may be less than the initial amount invested.

#### 4) Backtesting

It is likely that IDAD will provide you with backtesting results for a plan and an Adviser Guide showing the backtesting results. If backtesting has been discussed with you, you should be aware that past performance should not be relied upon as a guide to future performance and should not be used to assess the future returns or the risks associated with an investment.

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I/We have read, understood and agree to be bound by this Agreement.

I/We confirm that I/we the have understood the Risks associated with Structured Products set out above and that the answers I/we have provided to the IDAD Financial Adviser Due Diligence before are true and correct.

I/We accept responsibility for 1) undertaking appropriate measures to comply with the Money Laundering Regulations, 2) recommending products which are either suitable or appropriate for my/our Clients and 3) disclosing to my/our client the risks associated with Structured Products.

I/We confirm that I/we will notify IDAD of any amendment to, or the cessation of, our authorisation or regulation by the FCA under the terms of the Financial Services & Markets Act 2000.

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I have attached authorised signature list with the form.

Note that the signatures below need to be in accordance with the mandate of your firm's authorised signatories.

Signature:  1st Signatory Name:

Position in Company:  Date:

Signature:  2nd Signatory Name:

Position in Company:  Date:

Please provide your company stamp below (if available):

For IDAD Limited Use Only

Name (Block Capitals):

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

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**IDAD Limited**  
**2 Rotherbrook Court**  
**Bedford Road**  
**Petersfield**  
**Hampshire**  
**GU32 3QG**  
**Tel: 01730 263943**