

# Changes to Aegon Retirement Choices (ARC) terms and conditions

Effective as at 1 July 2020

We've made changes to the ARC terms and conditions and we've detailed these in the table below.

We've made some alterations to reflect process changes we've made to ARC and to make some areas clearer to you.

If you are unhappy with the proposed changes to these terms and conditions you should notify us of this. You have the right to terminate your use of the ARC service and request that we close all your products and pay the proceeds to your UK bank account or transfer investments, or the proceeds of their sale to another provider, where applicable, at no additional cost to you.

The table below sets out all the changes made, however the following list details some of the most significant changes you should be aware of:-

- If you have invested in an ARC Insured Fund and you request to sell some of the units we can delay cancelling the sale of the units in certain circumstances. The period of delay depends on whether the ARC Insured Fund is invested in property or not. We have extended the period of delay for up to 12 months even if the ARC Insured Fund is not invested in property. This change only applies to new SIPP wrappers opened from 1 July 2020 and so existing SIPP wrappers are unaffected by this change.
- We have clarified that we can change the objectives of an ARC Insured Fund so long as in doing so the risk profile is not materially changed, i.e. an ARC Insured Fund with a cautious risk profile is not changed to a high-risk profile.
- We have clarified the circumstances in which your annual charge may be discounted and the circumstances in which any such discount is removed from your annual charge.
- We have introduced a new option to use the additional permitted subscription allowance in an ISA provided by us.
- We have amended the way in which investments are administered when they have been suspended and then become available to trade again.
  - All future contributions and transfers paid after the investment becomes available to trade again will be applied into the cash facility of your relevant product wrapper unless a model portfolio

or investment strategy applies in which case the contributions and transfers will be applied in-line with that model portfolio or investment strategy.

- In addition, the investment will be re-aligned to the model portfolio/investment strategy at the next rebalancing date. If you do not want this to happen, your adviser must remove the investment from the model portfolio/investment strategy.

Where a clause has been added or deleted, all other clauses have been renumbered accordingly. Any reference to a clause is to the old clause number, unless otherwise stated. These changes take effect on 1 July 2020.

Please note that the page number references are to the March 2018 version of the ARC terms and conditions.

Page(s)	Change
<b>Part 1 ARC terms and conditions</b>	
6	A new definition of 'Additional permitted subscription' has been added.
6	A new definition of 'Additional permitted subscription allowance' has been added.
6	A new definition of 'Adviser discount' has been added.
7	A new definition of 'Confirmation of application' has been added.
10	New definitions of 'Network' and 'Network discount' have been added.
10	A new definition of 'Permitted period' has been added.
11	A new definition of 'US Person' has been added.
11	<p>Clause 3.2 has been amended to clarify that we cannot accept an application for business from a 'US Person' (as described in the new definition) and to make it clear that you need to tell us immediately if you become a 'US Person' or if you have any other change to your tax status, citizenship or domicile after taking out a product wrapper.</p> <p>Clause 3.2 has also been amended to clarify that on becoming a 'US Person' or any other change to your tax status, citizenship or domicile may limit your ability to make additional payments into your product wrapper(s), buy or sell investments or make withdrawals. We may also be required to sell your investments if you become a 'US Person' or on a change to your tax status, citizenship or domicile.</p>
20	Clause 7.2.8 has been amended to reflect a change to the way in which we administer future contributions and transfers paid after a suspended investment becomes available to trade again. All future contributions and transfer payments in relation to that investment will be applied into the cash facility of your relevant product wrapper unless a model portfolio or investment strategy applies in which case the contributions and transfer payments will be applied in-line with that model portfolio or investment strategy.
22	A new clause 7.5.6 has been added to clarify that all investments have their own 'prospectus' and that making investments are subject to the relevant prospectus. The existing clause 7.5.6 has been renumbered accordingly.
24	Clause 7.12.1 has been amended to clarify that a 'linked switch' does not include selling an investment and adding the sale proceeds to the cash facility.
25	<p>Clause 7.13.2 has been amended to clarify that a rebalancing instruction set in the month in which it is added to an existing product. That is, where:-</p> <ul style="list-style-type: none"> <li>• a quarterly rebalancing instruction is added in November 2019, the first rebalance will be carried out on 19th February 2020, and</li> <li>• an annual rebalancing instruction is added in November 2019, the first rebalance will be carried out on 19th November 2020.</li> </ul>
25	<p>Clause 7.13.4 has been amended to describe what will happen to an investment which you have included in a model portfolio or default investment strategy and which has become suspended but then later becomes available to trade again.</p> <p>Clause 7.13.4 has been amended to reflect a change to the way in which we carry out a rebalance when an investment that was suspended becomes available to trade again. Instead of being sold as was the case previously, the investment will be re-aligned to the model portfolio/investment strategy at the next rebalancing date. If you do not want this to happen, your adviser must remove the fund from the model portfolio/investment strategy.</p>

27	Clause 7.15.7 is amended to make it explicit that trading in investments is subject to the terms of the Aegon UK Retail Order Execution Policy and you should read this before trading.
27	Clause 8.2.5 has been amended to clarify that we will apply any proceeds from a corporate action that we receive in cash into your cash facility within ten days of receipt.
28	Clause 8.3.2.1 has been amended to clarify that while consolidated natural income will be paid to you on the 12th day of the month it may take three or four business days for the money to be credited to your nominated bank account.
34	Clauses 10.3 and 10.3.1.1 have been amended to clarify that you can find the actual amount of the annual charge that applies to your product wrappers on your confirmation of application.
34	Clause 10.3.1.2 has been amended to clarify that where the balance of the cash facility is insufficient to meet the annual charge and the forced disinvestment process is triggered, we will deduct the annual charge from the cash facility around the sixth business day of the month.
34	The existing clauses 10.3.1.6 and 10.3.1.7 are deleted and replaced with new clauses 10.3.1.6 and 10.3.1.7 to clarify how adviser and network discounts to your annual charge operate.
38	Clause 10.4.6.2 has been amended to cover off that you can spread the cost of any initial adviser charge for up to 36 months with agreement from your adviser.
39	Clause 10.4.8.2 has been amended to clarify that we will send you confirmation of the amount of ad-hoc adviser charge on receipt of your adviser's instruction and not after we have paid it to your adviser.
42	Clause 12.2 has been amended to show the new address and phone number for the FCA.
44	We have corrected a cross-referencing error in clause 13.6.1 and 13.6.2 to correctly refer to 10.3.10

## Part 1 Section B – the ISA

50	Clause 3.1 has been updated to reflect that partial transfers from your ISA can be made.
50 to 53	Changes have been made throughout Section B to reflect that Aegon now offers the facility to use any additional permitted subscription allowance you have in an ISA with Aegon. This allowance is an allowance over and above the normal ISA subscription allowance and is available to the surviving spouse or civil partner of an ISA investor who died on or after 3 December 2014.
52	Clause 12.2 has been amended to clarify that for deaths of an ISA investor before 20 March 2018, we will sell all investments and move the proceeds to a GIA.

## Part 1 Section C – the SIPP

55	Clause 3.4 has been updated to set out that we will claim tax relief on your personal contributions at the Scottish basic rate of income tax if you are a Scottish income tax payer.
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## Part 2 ARC Insured Funds Policy

70	Clause 4.3 has been updated to set out that we can review the ARC Insured Funds' objectives and change them so long as any changes do not materially change the risk profile of the ARC Insured Funds.
84	Clause 11.2 has been amended to set out that where you open a new SIPP from 1 July 2020 onwards then we can defer cancelling units in an ARC Insured Fund for up to 12 months regardless of whether the ARC Insured Fund is invested in property or not. If you are an existing SIPP customer as at 30 June 2020 this change does not affect you.

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## Part 3 – basic scheme information

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90 to 91	Updates to the 'money purchase annual allowance' and 'contributions and tax relief' sections have been made to cover off the differences in tax relief if you are a Scottish income tax payer. We have also updated references to tax years where relevant.
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