Definitions and Interpretations

1.1 ‘Anti-Bribery Legislation’ means all anti-bribery and/or anti-corruption laws applicable from time to time to the Intermediary, this Guide and Firm Set-up Form and/or their subject matter including the Bribery Act 2010.

‘Applicable Laws’ means all laws, rules, statutes, statutory instruments, orders, regulations, guidance and codes of practice including, but not limited to, any of the aforementioned in relation to Anti-Bribery Legislation, data protection, competition laws, privacy and money laundering which may apply to the Adviser in the conduct of their business from time to time.

‘Assets’ means the investments available in a Product from time to time such as mutual funds.

‘Authorisation of Adviser Remuneration’ means the section in an application form or other form provided by Zurich that must be signed and dated by the Intermediary when new adviser remuneration is added either for the first time or in addition to existing remuneration, or existing adviser remuneration is increased, or the basis is changed (pound amount to percentage or percentage to pound amount). The application form or other form provided by Zurich must also be signed by the Investor (and by each Investor in the case of a Product which is held jointly) and returned to Zurich.

‘Charges Information Document’ means the document that is sent to an Investor and Intermediary which details the charges and remuneration that apply specifically to a Product.

‘Disinvestment Strategy’ means the strategy by which units in Assets are disinvested where there is insufficient cash in the Product in order to pay charges: to pay Ongoing Adviser Remuneration; when there has been a Failed Payment; or when an Income Payment Strategy fails.

‘Firm Set-Up Form’ means the document that is completed and signed by an authorised signatory of the Intermediary to enable Zurich to register and accept the Intermediary and provide administration to the Intermediary for Zurich Stocks and Shares ISA and Zurich Investment Account. An Intermediary accepts the Zurich Intermediary Group Terms of Business when the authorised signatory signs the Firm Set-up form.

‘Income Payment Strategy’ means an agreed method of disinvestment in order to fund withdrawals by selling asset holdings, this is chosen using the relevant application form. This will be done proportionately based on the value of each asset. By default the Income Payment Strategy will exclude any available cash holdings and assets the Investor has selected as treasured assets. However, the Investor may choose to include available cash and/or treasured assets within that Income Payment Strategy when instructing Zurich to set up the regular withdrawals.

‘Initial Adviser Remuneration’ means Zurich’s facilitation of an agreed payment from the Investor to the Intermediary for a specified service provided by the Intermediary in regard to a single contribution made by the investor.

‘Investor’ in this Guide, means any person who has taken up or intends to take up a Product and any person prospectively or potentially falling within either of the aforementioned categories.

‘One-off Adviser Remuneration’ means Zurich’s facilitation of an agreed payment from the Investor to the Intermediary for a specified service provided by the Intermediary. This payment will take place once and at a set point in time agreed between the Investor and Intermediary.

‘Ongoing Adviser Remuneration’ means Zurich’s facilitation of an agreed payment from the Investor to the Intermediary for a specified ongoing service provided by the Intermediary. This payment will be at a frequency and amount agreed between the Investor and Intermediary.

‘Product’ means Zurich Stocks and Shares ISA and Zurich Investment Account offered by or through Zurich.
‘Regular Initial Adviser Remuneration’ means Zurich’s facilitation of an agreed payment from the Investor to the Intermediary for a specified service provided by the Intermediary. This payment will be taken when regular payments to a Product are made by an Investor. The amount paid and duration this agreement lasts for, will be agreed between the Investor and Intermediary.

‘Regulator’ means the Financial Conduct Authority or any successor regulatory body of any nature with authority whether or not legally binding to require any of the parties to comply with its directions at any time.

‘Remuneration Account’ means a record held on Zurich’s administration system of remuneration due to the Intermediary, which is held by Zurich in a pooled corporate bank account until the agreed payment date.

‘Terms of Business’ means the Zurich Intermediary Group Terms of Business.

‘Zurich Group’ means Zurich Insurance Group Ltd a company registered in Switzerland, company number CH-020.3.023.083-6, and its direct and indirect subsidiary companies (as defined by the Companies Act 2006), and branches of such subsidiary companies from time to time.

1.2 If there is any conflict between any term relating to Adviser Charging in this Guide and a term in the Terms of Business, the terms in this Guide will prevail.

2.0 Zurich’s Obligations

2.1 Zurich may at any time vary any of the terms of this Guide or introduce new clauses from time to time by issuing updates to this Guide or publishing a new version of this Guide and is accepted by the Intermediary on the Intermediary’s continued use.

2.2 Zurich will not be required to facilitate any remuneration payment to an Intermediary where such a payment would, in the reasonable opinion of Zurich, result in Zurich breaching Applicable Laws.

2.3 Zurich may impose any obligation or requirement on an Intermediary that Zurich reasonably believes is necessary to ensure that the facilitation of adviser remuneration does not breach Applicable Laws.

2.4 While the Intermediary may appoint agents or representatives, Zurich will not have any contractual relationship with any such agent or representative and will be under no obligation to facilitate any remuneration to such an agent or representative.

3.0 Intermediary Charging Options

3.1 Zurich can facilitate the payment of remuneration in the following ways:

- Initial Adviser Remuneration (single), Regular Initial Adviser Remuneration, Ongoing Adviser Remuneration and One-off Adviser Remuneration.

3.2 For Zurich to facilitate the Intermediary remuneration, the Intermediary must agree with the Investor the relevant remuneration option referred to in clause 3.1 and complete their selection on the application form or other form containing the Authorisation of Adviser Remuneration, made available by Zurich.

4.0 Parameters

4.1 As part of an adviser firm set-up, a default and maximum remuneration percentage can be chosen on the Firm Set-up Form for all Intermediary charging options. As an exception, on the Firm Set-up Form Intermediaries can choose to allow or prohibit one-off remuneration, and can choose the maximum pounds sterling amount that can be requested each year from a Zurich Stocks and Shares ISA or Zurich Investment Account.

4.2 For the purpose of this Guide, Zurich will facilitate remuneration in accordance with the Firm Set-Up Form. In the event of any discrepancy in the remuneration parameters in the Firm Set-Up Form, the remuneration parameters in the Firm Set-Up Form will take priority and should any further remuneration be due to the Intermediary, it is the Intermediary’s responsibility to pursue the difference.

5.0 Investor Authorisation and Disclosure

5.1 Remuneration payments must be clearly disclosed to the Investor. The Investor will need to give Zurich their written authorisation before Zurich will make a deduction for any Intermediary remuneration (in the case of Regular Initial or Ongoing Adviser Remuneration the first deduction only) from their Product. This also applies to the change of basis of (e.g. pounds amount to percentage or percentage to pounds amount) or an increase to an existing Intermediary remuneration charge. Zurich will only accept a correctly completed application form or other form provided by Zurich containing the Authorisation of Adviser Remuneration.

A Charges Information Document will be sent directly to the Investor to detail Initial, Ongoing and One-off Adviser Remuneration.
5.2 The Investor (and each Investor in the case of a Product which is held jointly) must provide their written agreement to authorise the set-up of a new deduction or before Zurich will increase or change the basis of an existing deduction (pound amount to percentage or percentage to pound amount) in respect of remuneration that is to be deducted from the Investor’s Product. Zurich will only accept a correctly completed application form, or other form made available by Zurich containing the Authorisation of Adviser Remuneration, to give this authority. For Regular Initial Adviser Remuneration and Ongoing Adviser Remuneration the Investor authorisation will be required before Zurich will make the first such new or amended deduction.

5.3 Zurich reserves the right to contact the Investor directly should an Investor signature on an application form, or other form provided by Zurich containing the Authorisation of Adviser Remuneration, not obviously match that held on Zurich’s records and following an Investor’s response, act appropriately. Should the Investor not respond to Zurich within 30 calendar days then the remuneration will not be paid. Any cash notionally allocated within the Product for Intermediary remuneration pending authorisation from the Investor will then become available cash.

6.0 Payment of Remuneration

6.1 Remuneration as agreed between the Intermediary and the Investor will be deducted by Zurich from the Investor’s Product and will be paid to the Intermediary at the agreed frequency. No interest will be paid to the Intermediary in respect of the time during which remuneration is held by Zurich, following its deduction from the Investor’s Product. Payments can only be made in pounds sterling by electronic transfer to the bank account, the details of which are held by Zurich. Any Value Added Tax (VAT) liability is the Intermediary’s responsibility. Remuneration paid is inclusive of any VAT that may be due.

6.2 Regular Initial Adviser Remuneration can be facilitated when a regular payment is added to a Product. Note that Regular Initial Adviser Remuneration can only be facilitated when arranging a regular payment and cannot be arranged at any other time. Regular Initial Adviser Remuneration can be requested as either an amount or a percentage of the total yearly regular payments going into a Product. Regular Initial Adviser Remuneration does not accrue. Deductions from an Investor’s Product can be either monthly, quarterly, half yearly or yearly. The first deduction will not start until the first regular payment, after it has been arranged, has been received. If the total amount of Regular Initial Adviser Remuneration requested is not exactly divisible by the frequency selected for deduction, the total amount requested will be increased or decreased accordingly. The Investor will see the actual total amount to be deducted on the Charges Information Document. The maximum number of deductions permitted by Zurich is 48 if deducted monthly, 16 if deducted quarterly, 8 if deducted half yearly and 4 if deducted yearly.

6.3 Zurich will deduct Regular Initial Adviser Remuneration and Ongoing Adviser Remuneration from the Investor’s Product on the same day and frequency each time. This will be determined by the date that the application for a Product was accepted by Zurich. If the remuneration deduction is due on the 29th, 30th or 31st, then in the months that end before the due date, Zurich will deduct the remuneration on the last day of the month. Where the remuneration is due on a day other than a business day, Zurich will deduct it on the next business day. Deductions of Ongoing Adviser Remuneration may be made early in the circumstances described in clause 9.8.

6.4 Where an ongoing service is being provided to an Investor, Ongoing Adviser Remuneration can be facilitated. Ongoing Adviser Remuneration can vary by Product and can be facilitated as an amount or as a percentage of the value of Assets held within the Product to which the remuneration applies. Ongoing Adviser Remuneration accrues daily and deductions from an Investor’s Product can be either monthly, quarterly, half yearly or yearly.

6.5 Adviser remuneration which has been deducted from the Investor’s Product will be held by Zurich as agent of the Intermediary in a pooled corporate bank account and credited to the Intermediary’s Remuneration Account.

6.6 Once a deduction for the agreed Intermediary remuneration has been made by Zurich from the Investor’s Product, the Investor’s obligation to pay remuneration in respect of the sum deducted is discharged and the obligation to pay that sum becomes Zurich’s liability.
6.7 At Zurich’s discretion, remuneration can be paid from the Intermediary’s Remuneration Account either weekly, twice monthly, monthly or quarterly. The weekly frequency will be paid on a Monday. The twice monthly frequency will be paid on the first and third Mondays of the month. The monthly and quarterly frequencies will be paid on the first day of the month. Payment will be made by electronic transfer and will reach the Intermediary’s bank account within four business days of the selected payment day or payment date as applicable. Where the payment day or payment date falls on a day other than a business day, Zurich will make the payment on the previous business day. The amount of remuneration paid will equal the net sum of all credits and debits applied to the Intermediary’s Remuneration Account since the previous payment. Remuneration paid to the Intermediary will be detailed in a statement available through Electronic Data Interchange (EDI) or if EDI is not supported by the Intermediary, by email.

6.8 Initial Adviser Remuneration as a single amount can be facilitated from a Product. Initial Adviser Remuneration can be specified as either an amount or a percentage and will be deducted from the Product, to which the remuneration applies. Initial Adviser Remuneration is deducted the day after the payment is paid into a Product. Initial Adviser Remuneration cannot be facilitated from re-registrations.

6.9 One-off Adviser Remuneration can be facilitated from a Product as an amount or as a percentage of the value of Assets held within a Product. One-off Adviser Remuneration should only be chosen if there is available cash in a Product. The applicable amount of remuneration will be paid from the Product once the correctly completed application form or other form made available by Zurich containing the Authorisation of Adviser Remuneration has been received from the Investor and is authorised by Zurich. The maximum amount of One-off Adviser Remuneration that can be facilitated from a Product each year must be specified by the Intermediary on the Firm Set-up Form.

6.10 Subject to satisfactory credit checks, remuneration will be calculated by Zurich and paid to the UK bank account provided by the Intermediary. Zurich accepts no responsibility for remuneration being paid to a bank account no longer used by the Intermediary where the Intermediary has failed to keep Zurich updated of the Intermediary’s bank account details, or failed to provide sufficient notice of any change in bank details to Zurich to allow satisfactory credit checks to be made prior to the payment due date.

7.0 Disinvestment Strategy

7.1 It is the Intermediary’s responsibility with the Investor to ensure there is sufficient cash in the relevant Product to make a deduction in respect of remuneration. If there is insufficient cash to make a deduction for Regular Initial Adviser Remuneration in full on the agreed deduction date, the deduction will not be made. Zurich will try to deduct the agreed Regular Initial Adviser Remuneration amount in full on each agreed deduction date until the total amount agreed has been deducted. Where deductions are missed, it will take longer to pay the Intermediary the agreed total Regular Initial Adviser Remuneration. If there is insufficient cash to make a deduction for Ongoing Adviser Remuneration, the Disinvestment Strategy will be invoked. If the Disinvestment Strategy fails, the Intermediary and Investor will be notified and they must take appropriate action.

8.0 Reclaiming Facilitated Payments

8.1 Zurich will not reclaim remuneration payments that it has facilitated, except:

8.1.1 when a deduction has been made from a Investor’s Product after the date on which the Intermediary ceases to hold any appropriate authorisation that is necessary to operate in the financial services industry;

8.1.2 the resolution of a dispute between the Intermediary and the Investor results in this being the agreed action;

8.1.3 when a deduction has been made from a Investor’s Product after the Intermediary ceases to carry on business;

8.1.4 when any of these terms are breached by the Intermediary;
8.1.5 where remuneration has been deducted on the expectation of a one-off payment that does not clear; 
8.1.6 remuneration has been deducted from a Product with no Assets or insufficient Assets to pay such remuneration, or a remuneration deduction has led to a Product having a negative balance; 
8.1.7 remuneration has been deducted from an Investor’s Product by Zurich in error; or 
8.1.8 Zurich is entitled under any express provision in these terms to claim, reclaim or clawback such a remuneration payment (or any part thereof).

8.2 If a remuneration payment (or any part thereof) is paid in error, or an amendment is required after payment, or if there is a debt due and owing to Zurich or a Zurich Group company, Zurich can reclaim such sums (including any compound interest payable in accordance with clause 8.4 immediately by debiting the Intermediary’s Remuneration Account, or at Zurich’s request, by immediate direct reimbursement from the Intermediary.

8.3 In addition to Zurich’s right to request repayment of amounts that are due and owing and/or to charge interest as detailed in clause 8.4 on such sums, Zurich may, at their discretion, withhold or offset future remuneration payments until the appropriate amount has been paid back to Zurich. For the avoidance of doubt, if remuneration deducted from an Investor’s Product is not paid to the Intermediary for any reason (for example, if the remuneration is withheld from the Intermediary by Zurich or is used by Zurich to offset the whole or part of an amount owing from the Intermediary), the Investor’s obligation to pay the remuneration will remain discharged as detailed in clause 6.6.

8.4 If the Adviser has a debit balance for three consecutive months, Zurich will charge compound interest on the debt at the current rate specified by the Regulator (or such other rate as may be notified to the Intermediary from time to time), from the date the Intermediary is first notified of the debt until the debt is repaid in full. Zurich reserves the right to use remuneration due but not yet paid to offset any debts that the Intermediary may have with Sterling ISA Managers Limited.

9.0 Deductions and Changes to Remuneration Payments

9.1 Remuneration can be facilitated from a Product in accordance with the details provided on the application form or other form provided by Zurich containing the Authorisation of Adviser Remuneration, by the Investor and Intermediary. If the Investor contacts Zurich directly to request a change to the level of remuneration being paid, Zurich will action the request to fulfil Zurich’s obligations and the Intermediary will be informed.

9.2 Zurich may cease to facilitate or make deductions in respect of remuneration in a number of circumstances including but not limited to:

9.2.1 the Intermediary ceasing to hold any appropriate authorisation that is necessary to operate in the financial services industry;
9.2.2 the entry of the Intermediary into a voluntary arrangement with creditors;
9.2.3 the commencement of bankruptcy or winding-up proceedings against the Intermediary, or the dissolution of the Intermediary;
9.2.4 the appointment of a receiver or of an administrative receiver or manager, liquidator, administrator, trustee or similar officer over the assets or business of the Intermediary;
9.2.5 on the insolvency of the Intermediary;
9.2.6 the entry of the Intermediary into voluntary or compulsory liquidation;
9.2.7 the Intermediary being unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
9.2.8 the response to a specific instruction from the Investor;
9.2.9 if, in Zurich’s reasonable opinion, the Intermediary is unable to provide ongoing advice in connection with the Investor’s Product;
9.2.10 the Intermediary threatening to cease or ceasing to carry on business;
9.2.11 on the death of the last remaining Investor on a Product;
9.2.12 if any of these terms are breached by the Intermediary;
9.2.13 if a Product has a negative balance, or if a Product no longer holds any Assets, or if the Product balance is insufficient to cover the deduction;

9.2.14 if a Product is closed, including where the Product is closed by Zurich due to an event beyond Zurich’s reasonable control, or

9.2.15 if these terms end for any of the reasons set out in clause 10.

9.3 Where Zurich has ceased to facilitate or make deductions in respect of remuneration in accordance with clause 9.2:

9.3.1 if the Intermediary and the Investor agree that remuneration is to be facilitated again by Zurich and it is permissible for Zurich to do so, then the Intermediary will need to obtain the Investor’s written agreement in accordance with clause 5.2; or

9.3.2 if the Intermediary and the Investor agree that remuneration is not to be facilitated by Zurich, or where Zurich decline to facilitate any further remuneration payments, any outstanding remuneration payable must be agreed between the Intermediary and the Investor.

9.4 Remuneration payments may be withheld if dishonesty or fraud of the Intermediary or Investor is suspected.

9.5 Following the death of an Investor or the closure of a Product, Zurich will make a deduction from the Investor’s Product, equal to the Ongoing Adviser Remuneration that has accrued to the date Zurich processes the instruction from the Investor or their personal legal representatives. This amount will be paid to the Intermediary in line with clause 6.7.

9.6 Following notification of the end of the Intermediary’s relationship with the Investor (unless a new Intermediary is appointed from the same Intermediary firm), or on the removal of Ongoing Adviser Remuneration, Zurich will calculate the Ongoing Adviser Remuneration that has accrued to the date that Zurich processes the instruction to remove the Intermediary. This amount will be deducted from the Product at the next deduction date.

9.7 If a responsibility for servicing an Investor’s Product is transferred to a new Intermediary firm, existing remuneration terms will be removed from the relevant Product and the new Intermediary firm will need to agree remuneration terms with their Investor and Zurich must receive a completed application form or other form made available by Zurich containing the Authorisation of Adviser Remuneration, unless Zurich agrees otherwise.

9.8 Remuneration debt not repaid by the Adviser will be reported to the Regulator in accordance with the Regulator rules using the Elixir 2000 database or as amended by the Regulator from time to time. Zurich reserves the right to pass relevant information about this debt to other financial institutions and selected third parties on Zurich’s behalf.

10.0 Discontinuation of this Guide

10.1 Zurich may discontinue the terms within this Guide or terminate the Terms of Business at any time, without reason, by written notice to the Intermediary.

10.2 The terms within this Guide will be discontinued immediately where the Intermediary no longer has agreed Terms of Business with Zurich Intermediary Group Limited.

10.3 If the relationship between the Intermediary and Zurich is terminated for any reason, or if there is a breach of these terms or the Terms of Business, Zurich will using it’s sole discretion, determine:

10.3.1 whether Ongoing Adviser Remuneration that has accrued to the date that the termination is processed by Zurich will be deducted from the Product. Where Zurich agrees to make the deduction, it will be made as soon as practicable and not wait until the next agreed deduction date; and

10.3.2 whether any Initial Adviser Remuneration or One-off Adviser Remuneration that was authorised by the Investor prior to the termination will be deducted from the Product.
Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.