

# GLOSSARY

Guidance for internal and external communications



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This glossary is designed to explain the technical terms used on Transact Online and in other Transact communications.

Always follow Defined Terms found in a document's Terms and Conditions as these are legal definitions.

## A

**Additional premium** refers to payments made by a customer or client beyond the amount paid for the agreed amount of insurance cover (a premium). This is due to a change to the existing policy.

**Adviser** is a financial adviser regulated by the Financial Conduct Authority (FCA).

**Annual commission** is a yearly charge for using Transact which operates on a sliding scale where the rate reduces as a client's portfolio grows.

**Adviser Support Manager (ASM)** provides support to the adviser in initial set up with Transact and throughout the first instructions made on the platform. ASMs provide dedicated and ongoing support in areas such as platform enhancements and legal and regulatory changes.

## B

**Business Development Manager (BDM)** helps the adviser explore platform features and functionality and demonstrates how the Transact platform can support an adviser's business. The BDM guides the adviser through on-boarding along with the ASM.

## C

**Chargeable event** refers to an event that occurs within a bond which may cause a chargeable gain to arise. The gain may attract an income tax liability. The most common types of chargeable event are full surrender of a bond, full surrender of a segment or policy, death of the last life assured on a bond, or a withdrawal proportionately across all of the bond segments, which is greater than the 5% annum cumulative allowance.

**Chargeable gain** is a gain that may arise when a chargeable event occurs within a bond. If a chargeable gain arises within an Onshore Bond, IntegraLife UK Limited (ILUK) have a duty to report the chargeable gain to the client. If a chargeable gain arises within an Offshore Bond, IntegraLife International Limited (ILINT) have a duty to report the chargeable gain to the client.

**Client**, or investor, refers to the holder of investments (assets). A financial adviser or investment manager is managing those investments (assets).

**Client Service Manager (CSM)** provides regionally aligned day-to-day support.

## D

**Discretionary Investment Manager (DIM)** is responsible for building and managing model portfolios (within the parameters and risk ranges set out in investment guidelines).

## F

**Financial Conduct Authority (FCA)** sets acceptable conduct standards for financial service professionals. The FCA is a financial regulatory body and holds enforcement powers.

**Financial Ombudsman Service (FOS)**'s role is to try to resolve consumer complaints about financial businesses and services. Complaints are resolved based on a fair and reasonable standard.

**Financial Services Authority (FSA)** has been superseded by the Prudential Regulation Authority.

**Financial Services Compensation Scheme (FSCS)** may provide compensation to a customer of an authorised financial services firm if that firm were to fail.

## G

**Guided Application** is programme on Transact Online (TOL) that guides an adviser through an investor's application process.

## I

**Integrated Application Development Pty Ltd (IAD)** develops the technology behind the Transact platform and the IntegraFin Group.

**Integrated Financial Arrangements Ltd (IFAL)** (formerly IntegraFin) provides the Transact wrap service, authorised and regulated by the FCA.

**IntegraLife UK Limited (ILUK)** is a domestic insurance company authorised by the PRA and regulated by the PRA and FCA.

**IntegraLife International Limited (ILInt)** is an international insurance company regulated by the Isle of Man Financial Services Authority (IOMFSA).

## **IntegraFin Holdings plc (IHP) or**

**Integrafin** is the holding company and parent of the overall group. For more information on the group structure, please see [www.integrafin.co.uk/our-group](http://www.integrafin.co.uk/our-group)

**Initial adviser payment** is a remuneration option for advisers that is paid on invested cash only. The initial adviser payment is only paid on new cash deposited onto the Transact platform.

**Internal Transfer** is when an investor transfers an asset within the Transact platform, either to another of the investor's wrappers or accounts, or to another person with a portfolio on the Transact platform.

## **L**

**Life assured/life assurance** is a policy that, like life insurance, pays out when the policyholder (the insured person) passes away. However, unlike life insurance, life assurance provides cover for the whole of the insured person's lifetime (rather than a specified time period). The website [moneyhelper.org.uk](http://moneyhelper.org.uk) is a good source of pension information.

## **M**

**Membership certificate** Documentation confirming an individual is a bond or pension holder.

**Minimum cash balance** refers to the minimum balance of 2% cash that must be held within all wrappers. Please see the Transact Terms and Conditions.

**Model portfolio** is a collection of investments (assets) owned by an investment company and managed by investment managers.

**Model portfolio service** is the name of the service provided by the investment company whereby investments (assets) are held by that company on behalf of an investor.

**Money Purchase Annual Allowance (MPAA)** caps the amount of money you can contribute tax-free to your pension at £10,000. MPAA may be triggered if you start to take money from a defined contribution pension pot.

## **N**

**New Cash** is all cash that is not generated from the sale of assets bought on the Transact platform.

## **P**

**Personalised Illustration** is a tool on Transact Online used to generate an illustration to reflect a new client's investment goals. Once an illustration is complete, the 'Continue to Application' function will guide the adviser through the application process and produce the required documents (as based on the personalised illustration generated).

**Phased drawdown** is a planning tool used to manage a client's income needs in retirement or transferring into retirement.

**Platform** is the Transact investment platform. This is where Transact holds your investment portfolio.

**Policy Schedule** is the portion of an insurance policy that sets out the policy holder's personal details, the type and plan of insurance cover,

the duration of the insurance policy and the insured sum.

**Portfolio** is Transact investment portfolio. Your investment portfolio is your investment assets.

**Portfolio Establishment Fee (PEF)** is one of the ways a client can pay their adviser an initial fee. The PEF is calculated as a percentage of the value of every deposit or transfer. For example, if a client has agreed to pay their adviser a 3% initial fee on a PEF basis and a deposit of £1,000 is made, we will facilitate an adviser payment of £30.00.

**Portfolio Rebalance** is adjusting the weighting of investments (assets) in a portfolio in order to maintain returns and minimise risk.

**Prudential Regulation Authority (PRA)** is part of the Bank of England and largely regulates banks. The PRA requires regulated financial firms to maintain sufficient capital and have risk controls in place (this is prudential regulation).

## S

**Subscription** is when an investor subscribes to, or agrees to buy, new shares in an offer or new investment company. This gives the investor, now shareholder, the right to buy more shares at an agreed price at an agreed time in the future.

**Switch Cash** is the cash proceeds from the sale of assets that have been bought on the Transact platform.

## T

**Template** is a list of investments with percentage allocations. When linked to a client's Wrapper, the Template can be rebalanced to ensure the Wrapper holds the agreed investments in the agreed percentage allocations.

**Template Rebalance** is adjusting the percentage allocations of investments (assets) in a client's template – or model portfolio – to maintain return and minimise risk.

## V

**Void** is when a transaction is cancelled before it has settled.

## W

**Weighted average** is a way to measure a portfolio's returns over a period of time.

**Wrapper, sometimes 'tax wrapper'** includes ISAs, pensions and life insurance bonds. Tax wrappers are tax-efficient vehicles that 'wrap' around your assets. Your adviser allocates your assets to the most appropriate tax-efficient wrapper.



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'Transact' is operated by Integrated Financial Arrangements Ltd, 29 Clement's Lane, London EC4N 7AE

Tel: (020) 7608 4900 | Email: [info@transact-online.co.uk](mailto:info@transact-online.co.uk) | Web: [www.transact-online.co.uk](http://www.transact-online.co.uk)

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