

New manager receives current year subscriptions after investor subscribes

In 2017-18 the new manager receives current year subscriptions of £20,000 from the old manager. However the investor has already subscribed £1,000 in the 2017-18 to the new manager's ISA. The new manager returns the excess subscriptions of £1,000 (ignoring any growth on that £1,000) to the investor and pays £19,000 into the ISA. The ISA now holds current year subscriptions of £20,000.

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The new manager receives a transfer in which includes current year subscriptions of £16,000 with a date of first subscription of 30th April 2017. The investor has also subscribed £7,000 to the new manager on 1st June 2017. The £7,000 is already invested in qualifying investments but as it is the later subscription it is strictly invalid and should be the one that is repaired. However, the manager can, if he wishes, use the cash sum transferred in to return the excess subscription ($£23,000 - £20,000 = £3,000$) to the investor. Any growth can be ignored as this would lead to further exchanges between the managers – note that this compromise does not apply to Lifetime ISAs. The ISA now holds current year subscriptions of £20,000.