

## **Worked example of subscriptions by transfer of shares.**

### **External shares transferred to ISA example**

Mr. Smith holds 500 ordinary shares in XYZ Ltd outside his ISA, acquired from an approved SAYE option scheme. He transfers them into his stocks and shares ISA on 10th October 2017, when their market value is £4,200. He can subscribe an additional £15,800 (the overall ISA subscription limit of £20,000 less the value of the shares) in the tax year 2017-18.

### **Savings related share options scheme example**

Mr. Tan holds 1000 ord. shares in XYZ Ltd outside his ISA. He is waiting to receive 1000 XYZ Ltd ord. shares from a savings-related share option scheme. He cannot transfer the 1000 XYZ shares into his ISA until he receives the shares from the scheme.

### **Time limit for transfer of shares example**

Mrs. Okoro has 200 ord. shares in XYZ Ltd appropriated to her on 1 May 2016 under an approved SAYE option scheme. The release date is therefore 1 May 2016. She transfers them to her ISA manager on 16 May 2016. The ISA manager applies a 7 day withdrawal period for her stocks and shares ISA. The shares are therefore not transferred into the ISA until 24 May 2016. If Mrs. Okoro had waited until 28 July to transfer the shares she would not be able to transfer them into her ISA, because the withdrawal period would take her past the 90 day limit.