

Change of offshore platform provider

Frequently Asked Questions

General questions

1. Why are we changing offshore platform providers?

Our current contract with Société Générale Securities Services (SocGen) is coming to an end. SocGen has also notified us that they will be closing their UK Wealth operations. Our business has grown substantially in size since we first partnered with them, and this changeover provides an important opportunity to ensure we are positioned for further firm-wide growth.

2. Who have we chosen as our new offshore platform provider?

After a rigorous due diligence process, PSG Securities has appointed Platform Securities LLP (Platform Securities) as its new offshore provider.

3. Who is Platform Securities?

Platform Securities is a platform provider that has been in operation since 2002, is listed in the USA, and has a sizable balance sheet. They have US\$21 bn in wealth-related assets under custody. Platform Securities is wholly-owned by Fidelity National Information Services Inc. (FIS Global). FIS Global is an international provider of financial services technology, payment and outsourced settlement services to discretionary, advisory, retail and institutional brokers and banks. The group employs over 52 000 people worldwide.

4. Do clients have a choice on the change of provider?

No. PSG Securities is responsible for choosing the offshore provider which best serves the needs of our clients.

Advantages and disadvantages of the change

5. How does PSG Wealth benefit from this change?

PSG Wealth aimed to select a supplier that offers clients similar or better service delivery with a comparable fee structure. The change in provider is not primarily to the benefit of PSG Wealth, but rather aimed at delivering on the needs of our clients.

6. What is the advantage for clients?

Clients will benefit from better all-round rates that we were able to negotiate with Platform Securities.

Action required



7. Do clients need to supply any documents in order for their accounts to be moved to the new provider?

Our foreign tax reporting practices will change as a result of the change in provider, and we may require that some documents are resubmitted as part of our usual business processes. Where any documents are required, clients will be notified of this.

8. If clients need to submit a request for a portfolio transfer (in or out), what would the timeline be before migration?

Clients would need to submit the transfer request one month prior to the migration date of 14 March 2020.

9. What changes should clients expect?

While we strive to limit the impact on our clients wherever possible, we also need to meet all regulatory requirements and keep clients informed of the implications of the changes. Investment numbers will remain unchanged. However, you can expect changes to the nominee company in whose name investments are held, which will be Platform Securities Nominee Limited.

Account changes

10. Will clients' offshore investment account numbers change?

No. Clients will retain their existing account numbers.

11. Will clients' online portfolios, detailed balances and detailed summaries be affected?

No. Client portfolios will continue to reflect all information available on their existing offshore accounts.

Fee changes

12. Will clients' accounts incur any fees as a result of the move?

There are no fees associated with the move to Platform Securities.

Interest

13. Will clients now earn interest on their cash balances?

Interest payable on USD, GBP and EUR cash balances will be based on the published prevailing rates.

14. How will the rate for interest received on credit balances be determined?

The rate receivable by the client will be based on the prevailing interest rate minus the custodian spread. The custodian's spread will be published on the PSG website.



Process changes

15. Are there any changes to the documents required to open accounts?

No, the documents required to open an account will remain unchanged.

16. Are there changes in timelines for payments, opening of accounts or transfers?

No, the existing timelines remain in place.

17. Will PSG still follow the same process to take funds offshore?

There is no change to the current process to take funds offshore.

Changes to functionality

18. Will online trading functionality be affected?

No, trading functionality will remain unchanged.

19. Will clients be able to elect DRIPS and Scrip dividends?

You will only be able to elect scrip dividends. No DRIPS (scrip reinvestments) will be available after the migration.

Changes to reporting

20. Will there be any reporting changes?

We will be changing the base reporting currencies of all offshore accounts to USD. All new accounts that are opened will also use USD as the base currency for reporting.

21. Will anything on client monthly statements change following the migration to Platform Securities?

No, client statements will not change.

Change of nominee company

22. How does the change in nominee company affect client's investments?

To support the transfer of business from Société Générale, PSG Securities will appoint Platform Securities LLP (an FCA regulated firm) for the provision of offshore services. Platform Securities LLP in turn will delegate custody safekeeping and client monies to Platform Securities Nominee Limited. We have conducted an extensive legal review of the implication of the change and confirm the following:

- The nominee company structure provides the maximum available legal protection to clients' assets. PSG Securities has no legal control or right of recourse/repatriation over the assets held by the nominee company. For the safekeeping of assets, the relationship is deemed a direct relationship between the nominee company and each underlying client (the beneficial owner of the assets).



- The change in nominee company does not impact Situs rules. These are determined by the place of registration of the shares themselves.
- The structure is subject to United Kingdom (UK) tax law, but a double taxation agreement with South Africa is in place. Article 13 determines that CGT is only payable in the country of residence.
- Probate and the process to support the appointment of executors will not change, and the process therefore continues to meet the current requirements of beneficial owners' resident in South Africa.