

Individual Savings Account (ISA)



The main benefit of using an ISA is that all proceeds are free of Capital Gains Tax and Income Tax.

An Individual Savings Account (ISA) offers the opportunity to buy into a portfolio of funds (Unit trusts and OEIC's) thereby diversifying the investment risk and is the primary way of spreading the risk in these collective investments. It offers significant tax advantages and growth potential, coupled with professional fund management. The minimum investment period should be considered as five years.

There can be two types of ISA, a stocks and shares ISA and a cash ISA.

You can open one Cash ISA and one Stocks and Shares ISA in each tax year. These can either be with a single ISA provider, or with two different ISA providers.

The maximum total investment for the current tax year is £10,200, of which up to £5,100 can be invested in the 'cash' part.