

## Working with ShareGift

# Unclaimed assets

### ShareGift has a long history of working with companies in assisting with the charitable distribution of unclaimed assets.

ShareGift has long been templated in the wording of major asset reunification companies, and for a number of companies, is the default recipient of dividends remaining unclaimed after 12 years.

In light of ShareGift's experience within the share registry business – specifically in respect of gone-away clients, unclaimed assets and the charitable distribution of such funds – it was invited to join the Dormant Assets Commission, set up by HM Treasury in 2016.

Including ShareGift in any distribution of gone-away shareholdings see funds distributed to a wide range of charities, reflecting the diverse range of charitable interests of a company's shareholders, whilst also representing those of the company.

#### **Untraceable Assets, CASS Regulations and FCA regulated products**

A ground-breaking exercise was conducted by E\*Trade, who wished to close their UK business. The firm had tens of thousands of gone-away account holders who had to be traced and their assets returned. In conjunction with the FCA, E\*Trade worked with ShareGift on the transfer and sale of those assets deemed untraceable once the firm's fiduciary

responsibilities had been met. Once all regulatory requirements had been satisfied, this resulted in a charitable payment of \$1.2million to ShareGift.

The FCA has for some time insisted that firms with any unclaimed client monies trace the client concerned; payment could be made to a third party (even a charity) only if the company had followed a prescriptive list of actions. For some firms with very old legacy clients, or ones taken on as part of a merger or acquisition, such an exercise was often fruitless and could prove prohibitively expensive.

In 2014 the FCA made changes to the CASS Rules, allowing firms to pay away small amounts of unclaimed client funds to charity. However, this created a different problem for firms, who now faced lengthy debates about which charities should benefit. Boards were finding that choosing a single beneficiary charity can be contentious, as one cause only cannot successfully represent the varied interests of various stakeholders.

#### **Charitable Distribution**

ShareGift's unique and wide-ranging method of distributing funds to charities is a core component of why it is so often the charity of choice

when funds arising from shareholder accounts are to be donated.

ShareGift is cause-neutral and can give to any UK-registered charity, subject to its governance-related due diligence. It does not accept applications for funding from charities, instead pursuing a policy of being open and reactive to charity suggestions from all individuals and companies who play a part in generating funds. In this way ShareGift is able to reflect the diverse charitable interests of individual shareholders, whilst also including charities supported by the company themselves.

ShareGift's distribution method is easily geared within their current systems, meaning that additional funds can be distributed fully to beneficiary charities. No commission or charge is made.

#### **Examples**

- 1 Example of ProSearch dealing service
- 2 Example of Georgeson dealing service
- 3 BP plc Unclaimed Dividend Programme