

POWELL GILBERT LLP INTEREST POLICY

As part of carrying out your instructions to us, we may be required by The Solicitors Regulation Authority to hold some or all of your money in our Client Account. In holding client's money, we have an obligation to pay interest on that money at a fair and reasonable rate and are required to put in place an interest policy; this policy sets out the guidelines for when interest will be paid and is summarised below.

We aim to account to you for interest at a reasonable rate. The rate of interest payable by us will be the same as is paid to us by our bankers. This rate is likely to change from time to time.

In most cases we have to ensure that money held on our client account is immediately available. Accordingly the rate is unlikely to be as high as the rate you may be able to obtain elsewhere.

We confirm that we do not hold client funds in any other institution than with our bankers.

When your money is held in our general client account, any interest paid to you is paid without any deduction for income tax (unless you are resident overseas – see below). As such it is your responsibility to inform HMRC of amounts of interest received from us and the implications of this will depend on your own financial circumstances.

Where your money is held on a separate designated deposit account, interest is usually paid net of tax (unless you have signed a declaration confirming your entitlement to receive bank interest gross).

As the interest applied by the Bank to designated deposit accounts is usually lower than that applied to the general client account we would, under normal circumstances, ensure your funds remain in our general client account to enable us to pay you a higher rate of interest.

Under the European Savings Directive regulations 2003/48/EC we are required to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Where you reside outside the UK and EC we are required to deduct income tax at the current basic rate, account for this interest to HMRC directly, and pay you the net amount.

Interest will be calculated from the time the funds become cleared for interest purposes. On cheques or bankers drafts this will be three 3 days after the cheque or draft has been deposited with our bank. For direct transfers or same day payments the funds become cleared on the day after receipt.

Interest will be calculated separately for each matter where we are instructed.

Interest will not be paid if the total amount calculated for the period that cleared funds are held is less than £50.00.

Interest will be calculated at the end of each financial year or at the end of the matter, whichever is first, and we will credit the client ledger at that time.