

Investment grade gold bullion

A Case Study

Mr Davies is a successful businessman. He has £70,000 of savings sitting in a deposit account that he wants to invest. He'd initially thought about property as a potential route but noticed how prices have been falling so is considering gold as an alternative.



The Case:

- › Mr Davies discusses with his financial adviser and confirms that he would like to invest in gold bullion via his Dentons SIPP
- › His adviser points out that gold bullion can be a volatile investment asset - with no guarantee of future returns
- › Mr Davies believes gold bullion to be a good investment that will help to diversify and enhance his portfolio.

The Facts:

- › Investment grade gold bullion has a specific exemption from being 'tangible moveable property' so can be held within a SIPP
- › The gold bullion must be of a purity of not less than 995 thousandths and held in the form of a bar or wafer, of a weight acceptable by the bullion markets
- › Mr Davies cannot hold the gold bullion personally - it must be placed in a secure vault to the order of the trustees
- › Mr Davies cannot use or display the gold bullion - it is held for investment purposes only
- › Investment grade gold bullion is the only physical commodity that can be held within a SIPP.
- › The custodian* will charge a fee for holding bullion to our order and apply insurance as appropriate.

Application:

- › The most simple and secure method of investing in gold bullion is via a UK direct gold investment service. *Dentons use the services of The Royal Mint and Sharps Pixley.
- › This service provides the required gold storage arrangements and has sufficient controls in place to ensure that any monies are paid back to the pension scheme bank account only.
- › Dentons and Mr Davies' financial adviser will need to complete the required due diligence checks before any instruction can be given to the gold bullion dealer.

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If VAT may be applicable, you should seek specialist advice.

Whilst the names used in this case study are fictitious, the processes described have been used in actual cases.

Please note that every care has been taken to ensure that the information provided is correct and in accordance with our understanding of current law and HMRC rules, which are both subject to change.



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