

# EMW INTEREST POLICY

As part of carrying out your instructions to us, we may need to hold your money in our client account. In holding your money, we have an obligation to pay interest at a fair and reasonable rate and this policy sets out the guidelines for when interest will be paid and is summarised below.

## MONIES HELD ON GENERAL CLIENT ACCOUNT

Our Principal bankers are Barclays Bank plc.

All of our client funds are held in our general client account with Barclays Bank plc which is an instant access account. We aim to account to you for interest at a reasonable interest rate, however as the holding of your funds is incidental to the carrying out of your legal instructions, the rate is unlikely to be as high as the rate you may otherwise be able to obtain if depositing the money we hold on your behalf yourself. In order to determine a fair interest rate to pass on to our clients, we review the rates being paid by our principal banking provider (at any given time) on standard client funds.

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 interest amounts received from us and the implications of this will depend upon your own financial circumstances.

Under the European Savings Directive regulations 2014/107/EU we are required to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Therefore, where you reside outside the UK and EC, we are required to deduct income tax at the current basic rate and account for this interest to HMRC directly and pay you the net amount.

Interest will be calculated from the time the funds become cleared. The table below details the number of day's clearance each type of receipt shall be given.

Type of Receipt	Clearance Days
Telegraphic Transfer	Same day
Faster Payment	Same day
BACS	1 day
Business/Individual Cheques	7 days
Debit/Credit Card	3 days

If the Bank Of England/Central European Bank or US Central Bank base rates were to fall and negative interest be applied, we would review the required action to be taken and update our policy accordingly. At this time we are not in a position to be able to provide guidance on these circumstances.

Interest shall be calculated on a daily basis and on amounts held overnight from the day the funds become cleared. Unless otherwise agreed, where we are conducting more than one matter for you, balances will not be aggregated for calculation purposes.

EMW apply a de minimis whereby interest will not automatically be payable if the amount calculated on the cleared balance held is below a certain amount, this is currently set to £250.00.

You are able to request interest be credited to your account regardless of whether the calculated amount falls under the EMW de minimis. Please speak to your legal advisor if you would like the interest to be credited in this instance.

We reserve the right to set off any interest due to you against any outstanding balance due to us.

## SEPARATE DESIGNATED DEPOSIT ACCOUNT

Where amounts are held outside of a general client account, such as in a separate designated deposit account, the rate of interest and date that interest is credited will depend on the relevant institution where the funds are held, and as such fall outside the requirements of this policy. The relevant interest information can be provided on your request.

Interest earned on these monies is usually paid gross of tax.

## **JOINT ACCOUNTS**

If EMW Law LLP hold money jointly with a client, interest earned on the account will be for the benefit of the client unless otherwise agreed. If money is held jointly with another practice, the allocation of interest earned will depend on the agreement reached between the parties.

## **WHEN INTEREST WILL BE CREDITED**

Interest will be calculated at the end of a matter and will be credited to your client ledger with us at that date. Where client requirements demand it, the calculation and application of interest can be made on agreed dates.

## **OPT OUT PROCESS**

If for any reason you wish to 'opt out' of any interest being payable on a matter or range of matters please ensure this is made clear and in writing to us when accepting our terms and conditions.

## **UN-PRESENTED CHEQUES**

If you fail to present a cheque drawn on EMW Law LLP's Client Account, we reserve the right not to recalculate the interest due.

This policy will be reviewed annually by The Accounts Manager. Last Reviewed: 20/02/2023