

# DELLEGA TION

PRODUCT  
GUIDE



A WEALTH *of* DIFFERENCE

utmost<sup>™</sup>  
WEALTH SOLUTIONS

Utmost Wealth Solutions is the brand name used by a number of Utmost companies.

Delegation is issued by Utmost PanEurope dac.

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# BEFORE YOU BEGIN

## POLICY SCHEDULE

The Policy Schedule sets out details specific to your policy type and investment. It is a proof of ownership of the bond. It will be included in the document pack sent out to you after you invest.

## TO HELP YOUR UNDERSTANDING

Throughout this guide:

- › We refer to 'you', 'we' and 'us'. 'You' refers to you personally, as the applicant for the bond. 'We' and 'us' mean Utmost PanEurope dac
- › Words in the singular shall include the plural and vice versa
- › Delegation is referred to as the 'bond' throughout this guide. The bond means the product that is issued to you and the series of identical policy segments it contains.

It is important to read this guide together with our **Key Features Document, Personal Illustration and any applicable disclosure documents**, ensuring that you take financial and tax advice from your authorised financial adviser.

Where relevant information is contained in other documents, or if there are forms you may need to complete, these will be highlighted in bold. All of these supporting documents and forms are available from our website [www.utmostinternational.com](http://www.utmostinternational.com) or from your financial adviser on request.



This symbol highlights the important sections within this **Product Guide** which are mentioned in the **Key Features Document**.



You should pay particular attention to the sections marked with this icon.

# HOW DELEGATION COULD HELP YOU

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We recognise that you lead a busy life and don't want the added responsibility and administrative burden of handling your own portfolio of assets.

We also understand that your needs and circumstances change over time and you may be looking for an investment that is flexible and can adapt to your changing financial goals throughout your lifetime.





Utmost PanEurope dac (Utmost PanEurope), through its experience and expertise, is able to provide you with a flexible investment designed for tax efficiency that can change and grow to suit your financial needs during your lifetime.

Delegation combines your need for an investment managed by an External Manager and/or Custodian (EMC) on a full discretionary basis, together with your need for tax efficiency. All without the hassle of the day-to-day paperwork.

Using an EMC, who has a detailed understanding of your attitude to investment risk, will provide you with the reassurance that the investments are being selected and managed by experts dedicated to the business of investment management.

By giving responsibility for your investment decisions to an EMC, Delegation can enable your chosen EMC to access assets not normally allowable under an investment bond for UK tax purposes.

#### Delegation can be used:

- › by those seeking potential growth, which can be accessed at a time to suit your needs
- › to maintain an existing relationship with a discretionary EMC firm
- › to allow your chosen EMC to manage your investment in line with their standard portfolio management practices (which often includes investing in assets not normally allowable under a conventional bond)
- › to combine both the requirement for a regular 'income' – which may be useful for a range of needs, such as school fees planning or supplementing your pension – and your need to accumulate a capital sum
- › to meet your financial goals as your needs change.



The information in this guide is based on our interpretation of current law and taxation practice in Ireland and the UK as at 1 March 2021.

As this product must be managed by an EMC on a full discretionary basis, it is not suitable for clients who wish to select or, either directly or indirectly, influence the selection of assets to which the bond is linked.

The value of the bond can fall as well as rise. Taking into account market fluctuations and charges, you could get back less than you invest.

Inflation will reduce the value of what can be bought in the future with the proceeds of the bond.

The term 'income' refers to regular withdrawals of capital. If the level of 'income' taken is higher than the investment returns achieved, then the value of the bond will reduce. In addition, the potential for growth will be reduced.

# WHAT IS DELEGATION?

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Delegation is an international single premium investment bond, through which your investment is managed by an EMC and is designed for medium to long term investment (meaning five to ten years or longer).

## WHAT DO WE MEAN BY INTERNATIONAL SINGLE PREMIUM INVESTMENT BOND?

Delegation is issued by Utmost PanEurope, a company resident outside of the United Kingdom, and is regarded as an international investment bond.

It is a single premium product because you invest a lump sum of money at the start and you can add to it with additional lump sums during the lifetime of the bond.

## WHAT DOES DELEGATION DO?

Delegation provides a convenient single product structure through which your investment is managed by an EMC, of your choice, on a full discretionary basis. It works by allowing your chosen EMC to manage your investment in line with their standard portfolio management practices. This often includes investing in a wider range of assets than would normally be allowable under a conventional bond, including, for example, equities.

To increase flexibility, your bond will be made up of a series of identical policies, called segments. If the number of segments is not specified, the bond will automatically default to the maximum available for the investment amount. Each segment is a specific legal contract having its own applicable charges and right to full surrender. The maximum number of segments available is 9,999.

## WHY DOES THE BOND HAVE TO BE MANAGED BY AN EMC ON A FULL DISCRETIONARY BASIS?

For Delegation to be taxed in the same way as a conventional international bond, one of the key criteria is that the policyholder is unable to select the bond's assets, or influence the selection of assets, either directly or indirectly.

In practice, this means that Delegation is only available to clients who wish to have their investment wholly managed by a professional asset manager (External Manager and/or Custodian) on a full discretionary basis. Your chosen EMC must be verified by us as having appropriate controls in place to prevent you, or any connected party, from selecting or having influence over the selection of the underlying assets.

## VAT ADVANTAGES FOR DISCRETIONARY MANAGEMENT SERVICES

As the bond is designed to be managed by an EMC on a full discretionary basis, you and your chosen EMC can also benefit from lower charges due to the favourable VAT position in Ireland for such services. This is because the VAT position of a discretionary management service is based on the VAT code of the jurisdiction where the recipient of that service is located. Under Delegation, the recipient of the discretionary management services is deemed to be us and not you as the Policyholder. The location of the supplier of that service (the discretionary manager), and the VAT rules of that jurisdiction, is not relevant.

## AM I ABLE TO INFLUENCE THE SELECTION OF THE BOND'S ASSETS AT ANY POINT IN THE FUTURE?

Yes. You can request that a change is made to the investment basis so that you are then able to select, or influence the selection of, the linked assets.

This investment conversion facility is explained in the 'Investment Options' section of this guide.

## LIFE ASSURANCE OR CAPITAL REDEMPTION?

Your bond can be set up as a life assurance contract that ends on the death of the last life assured, with allowance for up to six lives assured.

Alternatively, a capital redemption contract can be chosen. This does not end on anyone's death as it only requires single or multiple policyholders, and has a term of 99 years.

The type of contract must be selected at outset and cannot be changed. Therefore, it is important to discuss these options with your financial adviser before investing to ensure the appropriate contract type is chosen for your financial needs and circumstances.

## LIFE ASSURANCE

A life assurance contract of insurance is based on a single or multiple lives and, in this case, you can appoint up to a maximum of six lives assured. The contract ends on the death of the last or sole life assured. When the sole or last life assured dies, the proceeds are paid out to the surviving policyholders or, if there are none, to their personal representatives. On the death of the sole or last life assured, the amount payable under each segment still in force, is the surrender value plus £1. This is calculated on the next appropriate dealing day following receipt of written notification of death.

Payment of any proceeds will be made on receipt of all necessary documentation and verification of identification; including proof of who has the right to receive the proceeds.

## CAPITAL REDEMPTION

It is a contract of insurance with a similar tax treatment in the UK to life assurance policies. The advantage of a capital redemption contract is that you do not need to select people to be the 'lives assured', but it has a policyholder or multiple policyholders. As the contract does not have to end on anyone's death, it will continue for 99 years, unless it is totally surrendered. This can offer your executors and heirs more investment and tax planning flexibility.

For each individual policy segment still in force after 99 years, we will pay the higher of a Guaranteed Maturity Value or the unit value due under the segment.

The Guaranteed Maturity Value can be summarised as:

- (a) 100.1% of the initial investment into the policy, plus
- (b) 100.1% of any additional investments into the policy, with
- (c) The total of (a) and (b) being reduced by any withdrawals made against that segment, the reduction being the percentage of the overall fund represented by the withdrawal.



The calculation can be complex. Further details can be found in the Policy Conditions and additional clarification can be obtained from us on request.

Any adviser charges agreed to be paid to your financial adviser, to be taken from the bond, will be treated as a withdrawal and will be deducted when calculating the Guaranteed Maturity Value.



There is no guarantee of the value of your investment (other than the maturity value of a capital redemption bond after 99 years) or how much 'income' it can provide, in the form of withdrawals of capital.

If the bond is brought to an end following the death of a life assured, payment of charges for advice from your bond will be stopped. This means any outstanding payments that are due to the relevant party may still need to be settled by your estate. Please see page 9 for more information about charges for advice.

# DELEGATION ESSENTIALS

YOU	
TYPE OF INVESTOR	The bond is open to individual and trustee investors, including joint investors.
AGE LIMIT	You must be aged 18 or over to take out this bond. There is no upper age limit. There is no minimum or maximum age limit for lives assured.
COUNTRY OF RESIDENCE	Only UK residents can invest in Delegation. If you reside in another jurisdiction at the point of sale then you will not be able to invest. Delegation may not be suitable if you move abroad, or are considering moving abroad in the near future, and you should discuss this with your financial adviser if this may apply to you.

THE BOND	
CHOICE OF BOND TYPE	A single premium life assurance or capital redemption bond.
SUITABILITY	Designed for UK customers who wish to have their bond managed by an External Manager and/or Custodian (EMC) on a full discretionary basis.
MINIMUM AGE LIFE ASSURED	You can appoint lives assured of any age.
MAXIMUM NUMBER OF LIVES ASSURED (APPOINTED AT OUTSET ONLY)	Six.
CHOICE OF BOND CURRENCY	<p>Sterling, US Dollar or Euro.</p> <p> Once the currency of the bond has been selected, it cannot be changed.</p>
MINIMUM INVESTMENT AMOUNTS	<p>Where a single External Manager and/or Custodian (EMC) is appointed, the minimum investment amount is £500,000 (US \$1,000,000 or €750,000).</p> <p>Where there are two EMCs appointed, the minimum investment is also £500,000 (US \$1,000,000 or €750,000), which can be split between the EMCs in any way as long as a minimum of £100,000 (US \$200,000 or €150,000) is allocated to each EMC account.</p> <p>In addition, if you are resident in the UK, you can make further investments at any time. This is currently subject to a minimum of £20,000 (US \$40,000, €30,000) but we reserve the right to change these minimum amounts in the future. Each additional investment is subject to its own series of charges. For each additional EMC appointed, an administration charge will apply. Please see the <b>Delegation Guide to Charges</b> for more details.</p>

THE BOND	
CHOICE OF PREMIUM CURRENCY	Premiums must be paid to Utmost PanEurope dac in the same currency that you wish to establish the bond.
PREMIUM PAYMENT METHODS	We can only accept payment of your premium by Telegraphic Transfer (international payment). Please note that your bank may charge you for this service. Payment by in-specie premium will also be accepted subject to meeting certain conditions. Please contact your financial adviser for more information.
ADVISER CHARGES	<p>Charges paid to an appointed financial adviser are called adviser charges. An adviser charge is a fee that you, or where applicable your Trustees, agree to pay your financial adviser in return for the advice that you receive regarding anything other than the investments linked to the bond.</p> <p>For full information on adviser charges and the tax treatment of these charges, refer to the 'Charges for Advice' section of our <b>Delegation Guide to Charges</b> document.</p> <p>Charges for advice in relation to this bond can normally be paid in any of the following ways:</p> <ul style="list-style-type: none"> <li>› <b>Direct</b> - The adviser charges are paid by you directly to your financial adviser outside of the bond. You do not need to inform us of these payments.</li> </ul> <p>Or facilitated by us:</p> <ul style="list-style-type: none"> <li>› <b>Outside of the bond</b> - The initial adviser charge is deducted from the payment you send to us and paid to your financial adviser, with the remaining balance being invested as the premium into the bond. The premium, less any adviser charge, must meet the minimum investment requirements as stated in the 'Minimum Amounts for Delegation' table later in this guide</li> <li>› <b>Inside the bond</b> - The adviser charges are paid to your financial adviser through us either on an initial, ad hoc or ongoing basis from the value of the bond, after the full premium has been invested.</li> </ul> <p>You can request that we facilitate the payment of adviser charges by completing the appropriate section of the application form or by completing the relevant section in our <b>Adviser Charges Pack</b>.</p> <div style="border: 1px solid #ccc; padding: 10px; margin-top: 10px;"> <p> Adviser charges which you, or your chosen Trustees, agree to pay from your bond can only be made through a partial surrender (single withdrawal across all segments).</p> <p>Any adviser charges, to be paid from the bond, will be treated as a withdrawal and will form part of your 5% annual tax-deferred entitlement. Please see the 'How is my bond taxed whilst I am UK resident?' section later in this guide for more information.</p> </div>
PRODUCT MANAGEMENT CHARGE	<p>The Product Management Charge includes the bond set-up and ongoing management costs. It is taken as an Ongoing Product Management Charge which is applied to the bond quarterly in arrears.</p> <p>For detailed information about the Ongoing Product Management Charge and other applicable product charges, see our <b>Delegation Guide to Charges</b> document available from our website or from your financial adviser on request.</p>

## THE BOND

### EXTERNAL MANAGER AND/OR CUSTODIAN (EMC)

Due to the structure of the bond, you must request, at outset, that an EMC be appointed on a full discretionary basis, to manage the investments linked to the bond.

The appointment of any EMC is subject to our agreement to ensure that they can demonstrate to us that they have the necessary controls in place to prevent you from selecting, or influencing the selection of, the linked assets either directly or indirectly. Failing this, the requested appointment will be declined and a new EMC must be chosen.

You can request one or two EMCs be appointed to the bond, or to replace an EMC, by completing a **Delegation Nomination of External Manager and/or Custodian Form**. You can only remove an EMC if you have nominated a replacement EMC and submitted the relevant application or nomination forms, which are available from your financial adviser on request. Where two EMCs are appointed and you wish to remove one, you can do so by sending us an **Open Architecture Dealing Instruction Form**.



Any requests you may wish to make that are associated with the EMC or your investment must be sent to us and not the EMC.

Your bond will not be issued until an appropriate EMC has been nominated and successfully appointed. The EMC will charge their own fee for the service they provide. Please be aware that EMC fees do not count towards the 5% annual tax-deferred entitlement. For more information, see our separate **Delegation Guide to Charges** document. The appointment of a separate investment adviser to the EMC is not allowed with Delegation unless you have used the investment conversion facility.

### YOUR INVESTMENT OPTIONS

You are able to choose your investment objective, state your attitude to risk and change these from time to time. The appointed EMC will manage your bond on a full discretionary basis, meaning you are unable to select the assets linked to your bond, or influence their selection, either directly or indirectly.

For more information about the choices available under the bond, see the 'Investment Options' section.

### INVESTMENT CHOICES FOR THE EXTERNAL MANAGER AND/OR CUSTODIAN

Your chosen EMC can link your investment to a wide range of assets not normally available to UK investors in an investment bond compliant for UK tax purposes. These include but are not limited to: external funds, collective investment schemes, equities, convertibles, warrants, government and corporate debt, medium term notes, partly paid shares, bonds, certain derivatives and structured products.

However, they must choose assets that are in line with Utmost PanEurope dac's Investment Parameters. They must also ensure that any assets they select meet the allowable asset rules set by our regulator the Central Bank of Ireland. Examples of the types of assets that are not permitted include: physical assets (such as fine wines, yachts, property or works of art), private company shares, private equity funds, and collectives from territories blacklisted by FATF, OECD or other similar bodies. For further information, speak to your financial adviser.



If the EMC chooses to invest in a fund denominated in a different currency from the bond, a currency conversion will apply. All costs and exchange risks associated with the currency conversion will be charged to the bond.

## THE BOND

### POLICY SEGMENTATION

To increase flexibility and future tax planning, your bond will be made up of a series of identical segments. You can specify the number of segments (up to 9,999) subject to a minimum investment of £500, US\$1,000 or €750 per segment. Each segment is a specific legal contract having its own applicable charges and right to full surrender.

### ADDITIONAL INVESTMENTS

If you are resident in the UK, you can make further investments at any time.

Each additional premium will have its own series of charges. See our **Delegation Guide to Charges** document for more information.

For any additional investments you wish to make, the advice must be given and the application form signed in the UK.

### TAKING MONEY FROM MY BOND

If you require access to some, or all, of your investment, you can surrender individual segments or take a single withdrawal from your bond at any time.

You are also able to take an 'income' from your investment through the regular withdrawal of capital. Regular withdrawals can be made monthly, quarterly, half-yearly or annually.

See the 'Minimum Amounts for Delegation' table later in this guide for details of the minimum single withdrawals.



Single withdrawals can be taken at any time subject to the Dealing Account holding sufficient monies to cover the payment. The payment will not be made until we receive monies from the EMC account. For more information on the Dealing Account and the EMC account, see 'The Dealing Account' section later in this guide.

When taking regular withdrawals, please note that if the level of 'income' taken is higher than the investment returns, then the value of the bond will reduce. In turn, potential for growth will be reduced.

There are certain circumstances where regular 'income' may not continue, as explained in the 'Getting Money From My Bond' section later in this guide.

Any adviser charges paid to your financial adviser from the bond will be added to other withdrawals of capital to determine if you have exceeded your 5% annual tax-deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before taking a withdrawal.

For information on the tax implications of taking money from the bond, see the 'How is my bond taxed whilst UK resident' section later in this guide and speak to your adviser.

### INVESTMENT CONVERSION FACILITY AND SELECTION OF ASSETS

If, at a future date, you wish to have the ability to select the assets linked to your bond, you can request that we change the investment basis of your bond via the investment conversion facility. Once we have agreed to change the investment basis, your bond does not need to be managed by an EMC. The investment conversion facility is explained in the 'Investment Options' section of this guide.

# MINIMUM AMOUNTS FOR DELEGATION

This table shows the current minimum amounts for Sterling, US Dollar and Euro. These minimum amounts may be subject to change in the future.

	STERLING	US DOLLAR	EURO
MINIMUM INVESTMENT – WHERE SINGLE OR TWO EMCS APPOINTED	500,000	1,000,000	750,000
MINIMUM INVESTMENT - INTO EACH EMC	100,000	200,000	150,000
MINIMUM ADDITIONAL INVESTMENT <sup>1</sup>	20,000	40,000	30,000
MINIMUM REGULAR WITHDRAWAL	400	800	600
MINIMUM SINGLE WITHDRAWAL	4,000	8,000	6,000
MINIMUM AMOUNT THAT MUST BE KEPT IN YOUR BOND AFTER CHARGES (SINGLE EMC) <sup>2</sup>	50,000	100,000	75,000
MINIMUM AMOUNT THAT MUST BE KEPT IN THE BOND AFTER CHARGES (TWO EMCS) <sup>2 &amp; 3</sup>	200,000	400,000	300,000
MINIMUM AMOUNT THAT MUST BE KEPT IN THE BOND AFTER CHARGES (AFTER INVESTMENT CONVERSION FACILITY HAS BEEN IMPLEMENTED - IF APPLICABLE) <sup>2</sup>	10,000	20,000	15,000

<sup>1</sup> Each additional investment attracts its own set of charges. Speak to your financial adviser or see our **Delegation Guide to Charges** document for more information about the applicable charges for additional investments.

<sup>2</sup> If the bond falls below the minimum amount required to keep the bond in force, any adviser charges already agreed to be paid from the bond will be stopped. If any new requests to pay adviser charges would take the bond below this minimum, then the request will not be processed and we will write to tell you. In both these instances, you will need to pay any outstanding adviser charges directly to your adviser.

<sup>3</sup> Where two EMCs are appointed, the minimum amount that an EMC can hold is £100,000, although this amount may change at our discretion.



If you ask us to pay the initial adviser charge from the payment you send to us, outside of the bond, you must ensure the total amount paid combines the premium plus the agreed initial adviser charge amount.

# DELEGATION AND UK TRUST ARRANGEMENTS

## DELEGATION AND UK INHERITANCE TAX PLANNING

Investment bonds such as Delegation can play an important part in your UK Inheritance Tax (IHT) planning. Using a trust alongside Delegation allows your appointed Trustees to manage the trust assets, perhaps for the benefit of your heirs. Providing you are not included as a Beneficiary of the trust, the bond will be removed from your estate potentially reducing any liability to UK IHT you may have. To achieve your objectives, you may wish to set up the bond and a trust at the same time. Alternatively, if you wish to delay IHT planning until a later date, you can establish the bond first and then assign it into trust at some point in the future.

## DISCOUNTED GIFT TRUST

The Discounted Gift Trust, offered by Utmost PanEurope dac, can be used with a Delegation bond where it is on a capital redemption basis. For more information, refer to the **Discounted Gift Trust Conversion Guide for Delegation**.

## DELEGATION AS A TRUSTEE INVESTMENT

Trustees of existing trusts can also consider investing in Delegation to achieve their investment objectives, providing the terms of the trust permit it.

- › An international bond can offer administrative benefits for UK trustees as the bond is a non-income-producing asset and any tax liability will only need to be declared after a chargeable event occurs
- › As a Trustee, you are also able to choose the investment objective and state your attitude to risk and change this from time to time. The EMC you nominate will manage the bond on a full discretionary basis which means you are unable to select or, either directly or indirectly, influence the selection of the assets linked to your bond
- › A trust arrangement will normally remove the need for UK probate so that on your death, the people that you wish to benefit from the trust can do so without any unnecessary delay. Contact our Welcome team on **+44 (0)1624 653 251** for more information.



Trusts can be complex and the type of trust you choose will affect how any potential benefits are distributed and how the trust is taxed. Tax treatment of the bond may change in the future and is subject to individual circumstances. You should always consult with your financial adviser who will be able to help you decide which trust is most suitable for your needs.

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## WHICH TRUST?

The types of trusts available to you may be different depending on whether you choose the life assurance or capital redemption option of Delegation. To help with UK IHT planning, we offer an extensive range of trusts designed to provide a balance of tax efficiency and flexibility, and to cater for differing family arrangements and financial goals.

For more information about our trusts, and to discuss which trust could be suitable for your investment needs and personal circumstances, speak to your financial adviser.

## CHOOSING YOUR TRUSTEES

Choosing a Trustee is a very important decision because the Trustees you appoint will legally own and manage the bond for the benefit of the Beneficiaries. If you use a discretionary trust, the Trustees will also have the power to choose who will benefit after your death.

A Trustee is required to comply with the terms of the trust and to make any decisions affecting the Trust in the interests of the Trust's Beneficiaries.

Where individuals are acting as the Trustees, there should be at least two appointed. You can choose to be a Trustee yourself and/or appoint family members or other individuals to act with you. Your appointed Trustees must be over 18 years old and mentally capable.

However, if you choose not to appoint additional or independent Trustees, it is important to consider what will happen when you die or if you lose capacity.

Alternatively, you could appoint a professional trustee or trust company such as Utmost Trustee Solutions Limited\*, which offers trust administration services to clients of Utmost PanEurope depending on the product and trust selected. Your financial adviser will be able to provide you with more details.



There may be charges for professional trustee services. If you wish to appoint a Trustee who is resident outside of the UK, there may be regulatory or tax implications. Ask your financial adviser for more information regarding these implications.

## TRUSTS AND ADVISER CHARGING

There may be additional UK Income and Inheritance Tax implications for you and your Trustees to consider in relation to any adviser charging payments. In addition, if you are a Settlor of an existing trust and your Trustees are applying for Delegation, care will need to be taken over the payment of any initial adviser charge. If the trust does not allow you as a Settlor to benefit, then any adviser charge agreed by you and paid by the Trustees could be considered a Gift With Reservation of Benefit.

For details of the adviser charging options available with our trusts, please see our current **Delegation Guide to Charges** document. Alternatively, for more information about trusts, see our **Guide To Trusts** brochure. All of our supporting guides are available on our website [www.utmostinternational.com](http://www.utmostinternational.com) or from your financial adviser on request.

\*The company details for Utmost Trustee Solutions Limited can be found in the footer at the end of this document.

# INVESTMENT OPTIONS

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DELEGATION OFFERS YOUR CHOSEN EMC ACCESS TO A BROAD RANGE OF ASSETS INCLUDING THOSE NOT NORMALLY AVAILABLE TO UK INVESTORS IN A CONVENTIONAL PORTFOLIO BOND.



Please read this section alongside the **Key Features Document**.

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## NOMINATING AN EXTERNAL MANAGER AND/OR CUSTODIAN (EMC)

You must nominate an EMC to manage your bond on a full discretionary basis. In addition, your nominated EMC must be able to demonstrate that they have sufficient controls in place that prevent you, as the policyholder, from selecting or influencing the selection of assets, either directly or indirectly.

If you are unsure whether your nominated EMC has these controls in place, speak to your financial adviser who will be able to provide you with a list of EMCs whom we have already verified as having the correct controls in place.



The appointment of any EMC is subject to our agreement.

Each EMC appointed has custodianship of the External Managed Account where the investments linked to your bond are held.

## CAN I NOMINATE AN ADDITIONAL EMC TO MANAGE MY BOND OR CHANGE MY EXISTING EMC?

Yes. You may nominate an additional EMC at any time. A maximum of two EMCs can be appointed to manage your bond at any one time. Each EMC must manage the investment accounts on a full discretionary basis.

You may also request a change of EMC but this is limited to one switch in any 12 month period.

A switch of EMC is where monies from one External Managed Account are transferred from that account to an alternative EMC's External Managed Account.

For example, if you wish to nominate an alternative EMC to manage your existing investment, this will be regarded as an investment switch, as monies from the initial EMC's External Managed Account will be transferred to a new EMC.

However, if you wish to invest an additional single premium and nominate an additional EMC at the same time to manage the additional investment, this will not be classed as a switch as monies will not have left an existing External Managed Account.

Where there is more than one EMC appointed, an Administration Charge will apply for each additional EMC appointed and, where this is charged, it is taken quarterly in arrears.

For more information please refer to our **Delegation Guide to Charges**.

Each EMC will also apply their own fees for the service they provide. All fees or associated costs applied by the EMC will be taken from the External Managed Account and will not form part of your 5% annual tax-deferred entitlement.

If you would like to switch EMC or nominate an additional EMC, complete the **Delegation Nomination of External Manager and/or Custodian Form** available to registered users on our website [www.utmostinternational.com](http://www.utmostinternational.com) or from your financial adviser on request.

Although you cannot choose the investments to which your bond is linked, you can choose your investment objective, state your attitude to risk and change these from time to time.

#### CHOOSING YOUR INVESTMENT OBJECTIVE AND ATTITUDE TO RISK

Choosing your investment objective and attitude to risk is an important decision, as your chosen EMC will use this as a guide for their investment strategy. We recommend you discuss this with your financial adviser before completing your chosen EMC's investment mandate.

When completing the investment mandate, it is important that your investment objective is clearly defined but suitably broad to enable the EMC to independently manage the investment, in accordance with your objective.

Whilst you can express your views to your financial adviser about your broad investment direction or strategy, you cannot select any assets or influence the investment decisions made by your nominated EMC.

Once you have submitted your chosen EMC's investment mandate to us for processing, we will ask the EMC to confirm that the information supplied is robust and broad enough for them to independently manage your investment.

If the EMC is unable to confirm that the investment mandate is suitably broad enough for them to independently manage your investment, you will be asked to complete a new investment mandate. This may result in your investment into the bond being delayed, as we will not be able to issue the bond until an acceptable investment mandate is received and agreed by the EMC.



You must not send any instruction or change of investment objective directly to the EMC. All instructions or changes must be sent to us and we will arrange for any changes to be made to the EMC account.

#### CAN I CHANGE THE INVESTMENTS LINKED TO MY BOND?

No. As your chosen EMC must be appointed on a full discretionary basis, only they can change the assets linked to the bond. However, you do have the option to request to change the investment basis at a future date. See the 'Investment Conversion Facility' section for more information.

We do understand that over time your personal circumstances can change and your original investment objective and/or risk profile may no longer meet your needs. The Delegation bond provides you with the flexibility to change your investment objective and/or risk profile for the bond, up to a total of three times in any 12 month period. Where multiple EMCs are appointed, the total number of three changes allowable in any rolling 12 month period applies to the bond as a whole and not each individual EMC External Managed Account.

#### IF I HAVEN'T REQUESTED A CHANGE TO THE INVESTMENT BASIS, WHAT WOULD HAPPEN IF I INFLUENCE OR SELECT ASSETS?

Due to the structure of the bond, assets can only be selected by your appointed EMC. If you or any connected party, directly or indirectly, select or influence the bond's linked assets, such actions breach the terms of the bond. If this happens, we will write to you and the EMC to ask you to sign a declaration to reconfirm your understanding and agreement of the terms and conditions of the bond.

If you select, or are perceived by HM Revenue & Customs (HMRC) to select or influence the selection of assets, either directly or indirectly, and remain invested in those assets at the end of the policy year in which selection was made, this would result in a chargeable event, known as a 'Personalised Portfolio Bond event', occurring on the bond. Please be aware that we have a legal obligation to report any such chargeable events to HMRC. Speak to your financial adviser for more information.

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## INVESTMENT CONVERSION FACILITY

Whilst the bond is designed to be used only with External Managers and/or Custodians, acting on a full discretionary basis, we realise that circumstances can change. This is why we offer you the ability to request that the investment basis of the bond is changed to allow selection of assets.

Once your bond has been in force for a minimum of 12 months, you can write to us to request the investment conversion facility. Subject to our agreement, this facility will allow you, a future EMC, or Investment Adviser, to select or influence the assets linked to your bond. However, once the Conversion Event has taken place, all assets chosen must fall within the Personal Portfolio Bond (PPB) regulations and our Investment Parameters as detailed in the Policy Conditions.

On our acceptance of your Conversion Request, we will instruct the existing EMC to liquidate all existing assets held at the date of acceptance. Only once all assets are liquidated will we then allow any direct trading instructions to be processed by you, or any appointed investment adviser or EMC.



Once the investment conversion facility has been executed, it cannot be reversed. A one-off charge of £500 (or currency equivalent) will be applied for using the investment conversion facility. We reserve the right to increase this charge and we will advise you of any subsequent increase on application.

# THE DEALING ACCOUNT

## WHAT IS A DEALING ACCOUNT?

On establishing your bond, we will set up a Dealing Account (for which we are the custodians) so that monies from events such as initial and additional premium investment and any transfer proceeds can be held ready for investment or withdrawal. This account is used to pay charges such as product management charges, any adviser charges that you agree with your financial adviser and to receive additional premium investments into your bond or process capital withdrawals from your bond.

The Dealing Account is held by us and is separate to the External Managed Account which is managed by the appointed EMC. The External Managed Account is a custody account that holds the assets managed by the EMC.

## HOW DOES THE DEALING ACCOUNT WORK?

The Dealing Account forms part of the holdings to which the value of your bond is linked. The value of the Dealing Account will depend on the level of activity through it and other factors such as (but not limited to):

- i) the amount of any sums retained within the Dealing Account
- ii) any interest rates applied to debit and credit balances
- iii) product charges incurred, which are also allocated to the Dealing Account as they arise; and
- iv) withdrawals and any adviser charges that you have authorised to be deducted from your bond.

We will sell down sufficient assets with your chosen EMC in order to cover any costs such as product charges, adviser charges or requested withdrawals.

We retain discretion as to where any money linked to the Dealing Account is invested. If this is held with a third party deposit taker, the value of your bond may be adversely affected in the event of the deposit taker's default. Our liability in these circumstances will be limited to such amounts, if any, which we may be able to recover from the defaulting third party.

## CAN I DECIDE WHAT IS KEPT IN THE DEALING ACCOUNT FOR DELEGATION?

As the Dealing Account will form part of the holdings to which the value of your bond is linked, it is important that you are unable to select or influence the amount of cash held in the account.

Therefore the amount held in the Dealing Account at outset and on an ongoing basis, will be determined by us and will generally be sufficient to cover three months' worth of known charges and withdrawals.

However, it is important to note that if you choose to take an unexpected withdrawal, including adviser charges, this may result in a negative balance on the Dealing Account and debit interest will apply.

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## HOW CAN A DEBIT BALANCE ON THE DEALING ACCOUNT BE AVOIDED?

As the cash balance held in the Dealing Account cannot be controlled by you, we will provide the appointed EMC with details of quarterly cash requirements to cover bond charges, regular withdrawals and adviser charges. We will also instruct the EMC to return cash from the External Managed Account to the bond's Dealing Account to clear any negative cash position that has occurred. If insufficient cash is held within the External Managed Account to cover the cash requirement, the EMC will select which assets are to be sold to raise liquidity.

If there is insufficient liquidity within the External Managed Account, the EMC may elect to sell assets with extended dealing frequencies to clear the overdrawn position and it may be some time before we receive monies to clear the debit balance. This may result in the Dealing Account being overdrawn for some time and interest charges would apply. In addition, if the overdrawn position was unable to be cleared for some time, this could result in withdrawals (including adviser charges) being temporarily stopped until the negative balance has been cleared.

The responsibility to maintain sufficient amounts within the Dealing Account should the investment conversion facility be used, lies with you.

## WHAT INTEREST IS PAID OR CHARGED ON THE DEALING ACCOUNT?

For instances where a Dealing Account is in credit, the interest rate applied is based on the rates obtained from our main bankers and the balance on the account. It is important to note that, when interest rates are very low, it is possible that a Dealing Account may earn no interest at all, or in some instances incur a debit charge despite being in credit.

If a Dealing Account holds a negative balance, for instance, when charges are applied, debit interest applies. For a Dealing Account denominated in Sterling, the current debit interest charge is 5% above the highest interest rate we will apply on credit balances. Rates for accounts held in currencies other than Sterling may be different to the rate mentioned above. The rates are reviewed regularly and can change at any time.



For the current interest rate of your chosen currency, call us on **+44 (0)1624 643 345**.

# GETTING MONEY FROM MY BOND

## CAN I TAKE AN 'INCOME' IN THE FORM OF REGULAR WITHDRAWALS?

Yes, you can take an 'income', provided the balance of your bond does not fall below the minimum values outlined on page 12. If it falls below this level, withdrawals cannot be taken and your 'income' will cease. The surrender value is the amount that would be left in your bond once all outstanding charges have been taken into account.

There may be tax consequences depending on the level of 'income' you take from your bond. Please see the following 'How is my bond taxed whilst I am a UK resident?' section for more information or speak to your financial adviser.

Regular withdrawals are taken equally across all individual segments and can only be made in the bond currency, either monthly, quarterly, half-yearly or annually. All regular withdrawals will be paid from the Dealing Account. For more information about the Dealing Account, see 'The Dealing Account' section earlier in this guide.

Your bond must have been in force for one month before you are able to take withdrawals. If a request for a regular withdrawal is made, we will require at least one month's notice before payments can commence. The minimum payment is currently £400, US \$800 or €600.

To set up regular withdrawals from the start of your bond, complete the appropriate section in the application form. If at any time in the future you wish to set up regular withdrawals, speak to your financial adviser or complete our **Withdrawal or Surrender Form** available from our website [www.utmostinternational.com](http://www.utmostinternational.com) when registered with us.



Any adviser charges agreed to be paid from the bond to your financial adviser will be treated as a withdrawal and will form part of your 5% annual tax-deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

Taking an 'income' will reduce the value of the bond. Maintaining the initial value of the bond will depend upon investment performance, the level of 'income' taken and the effect of charges. This could mean that the value of your bond falls below your initial investment.

The way 'income' is treated after a Delegation bond has been converted to a Discounted Gift Trust differs from that outlined in this guide. For more information, see the **Discounted Gift Trust Conversion Guide for Delegation**.

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## HOW WILL MY 'INCOME' BE PAID TO ME?

Payments will normally be made by BACS transfer to your bank account in the UK, Isle of Man or Channel Islands. BACS payments are currently free of charge, however in some instances payments can take three working days to reach your account. A CHAPS transfer can be requested to ensure payment is made quickly, but a charge will be made for this service. All foreign currencies or payment to foreign banks will be made by Telegraphic Transfer (international payment), for which a charge is also made. Refer to the **Delegation Guide to Charges** for details of the charges applicable.

## HOW CAN I TAKE A SINGLE WITHDRAWAL FROM MY BOND?

Delegation is designed to be held for at least five to ten years. However, you can take a single withdrawal of at least £4,000, US \$8,000 or €6,000 per payment from your bond.

Each single withdrawal is normally taken equally across all segments. However, you can choose to surrender one or more individual segments, as each segment is a legal contract in its own right. All single withdrawals will be paid from the bond's Dealing Account and will form part of your 5% annual tax-deferred entitlement.

## WHAT HAPPENS IF I WANT TO SURRENDER MY BOND OR ANY SEGMENT WITHIN THE BOND?

If you surrender your bond, or any individual segment, you will receive the value of units, less any outstanding charges and debit interest charges, if applicable. Any payment will be made in the currency of your bond.

To surrender part or all of your bond or any individual segment, you need to complete our **Withdrawal or Surrender Form** available from your financial adviser or from us and send it to our office, together with the original policy documents and any other necessary documents that prove your ownership.

Where you have surrendered your bond, or any individual segment, and we subsequently receive a dividend or rebate for assets the EMC previously linked your bond or individual segment to, we will only pass this on to you where the amount we receive is more than a minimum value of £100. The minimum value may change in future. For the current minimum value, contact us or speak to your financial adviser.



If assets are not easily sold, we reserve the right to delay payment, for example where dealings on a Stock Exchange have been suspended. Please see 'How can a debit balance on the Dealing Account be avoided?' in 'The Dealing Account' section earlier in this guide for more information.

If you fully surrender your bond and are paying for adviser charges from the bond, any outstanding or future charges due on or after the day of surrender will be stopped. Where applicable, you will be responsible for paying your adviser directly.

Adviser charges which you have agreed to pay from your bond can only be made through a partial surrender (single withdrawal across all segments). We will not be able to fully surrender individual segments to cover these charges.

For information about tax on withdrawals and the taxation of proceeds, see the following 'How is my bond taxed whilst I am a UK resident?' section.

# HOW IS MY BOND TAXED WHILST I AM A UK RESIDENT?

In the UK, Delegation is classed as a policy of life insurance for tax purposes.

The information within this section is a short summary of the common UK tax treatment of international investment bonds. Detailed information can be found in our **Tax Information Client Guide**.



The following information is based on our interpretation of current law and taxation practice in Ireland and the UK as at 1 March 2021, which could change in the future and depends on your individual circumstances. There is therefore a risk that the value of the tax treatment provided by this bond may change. Please note that the responsibility for any personal tax liability on the proceeds of your investment is yours and depends, normally, on your country of residence.

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The following information is aimed at individual UK investors.

For UK resident trustee investors, you should ask your financial adviser to explain the tax implications to you.

#### TAXATION OF THE UNDERLYING INVESTMENT FUNDS

One of the main differences between offshore and onshore bonds is the different taxation treatment of the underlying investment funds. With a UK investment bond, onshore, the underlying investment funds are subject to tax on income and capital gains realised within the funds.

Whereas with an offshore investment bond, such as Delegation, income and gains on the underlying funds roll up free of taxes (gross). This is because taxation of an offshore bond is dependent on the tax regime of the territory where the Insurer is established. The favourable tax environment in Ireland means that income and capital gains on investments held by us on behalf of investors are not taxed in Ireland. The only tax to which funds may be liable is that which is deducted at source and which cannot be reclaimed. This is known as Withholding Tax.

#### IS THERE A CAPITAL GAINS TAX (CGT) LIABILITY ON SWITCHING FUNDS WITHIN MY BOND?

No. Fund switches made within onshore or offshore bonds do not cause a UK CGT liability.

#### WILL I PAY TAX ON MY 'INCOME' IN THE UK?

For each investment made, UK tax residents are currently entitled to withdraw 5% of the initial investment each policy year for 20 years and defer any Income Tax payable. If the full 5% entitlement is not taken in any policy year, the unused amount is carried forward. For example, should you select an annual withdrawal of 4% of your original investment, you are entitled to take withdrawals free from Income Tax at the time of the withdrawal for 25 years. Withdrawals that exceed 5% of the investment each policy year will give rise to a chargeable gain for UK residents and you may be liable to Income Tax.

## TAXATION OF PROCEEDS

Investment gains arising on a Delegation investment bond are liable to Income Tax but only when proceeds are taken and a chargeable event occurs. This means that tax on investment gains may be deferred until you choose to take the proceeds from the bond and create a chargeable event. For example, this can give you an opportunity to defer paying tax on any gains (if applicable) until you are in a lower tax bracket when any proceeds are taken. It is also important to remember that, should you select a life assurance bond, the death of the last life assured would also trigger a chargeable event and bring the bond to an end.

## WHAT ARE MY TAX LIABILITIES?

When you surrender or take a withdrawal from your Delegation bond, the proceeds are paid to you without deduction of tax. The responsibility for personal tax on the proceeds from the bond is yours and normally depends on your country of residence and personal circumstances.

## WHAT HAPPENS TO MY BOND WHEN I DIE?

**Life assurance** - If you are the last or sole life assured, then the bond will end on your death and any proceeds will be distributed to the personal representatives of your estate. The proceeds available will be the surrender value of your Delegation bond plus £1 per policy segment still in force. The value of the bond for the purposes of any chargeable event gain will be the value immediately before death and any growth before we are informed is ignored.

Payment of any proceeds will only be made on receipt of all necessary documentation and verification of identity; including proof of who has the right to receive the proceeds. Please also be aware that we will not be able to release any proceeds until monies are transferred from your appointed EMC. Depending on the assets selected by your chosen EMC, there may be a delay before proceeds are able to be distributed.

**Capital redemption** - A capital redemption bond does not end on your death or the death of any other party, providing your personal representatives with many options, including assigning the bond to the Beneficiaries of your estate.



Please see our separate **Tax Information Client Guide** for detailed information regarding the UK taxation of gains including how 'income' from your bond is taxed.



Any adviser charges agreed to be paid from the bond will be treated as a withdrawal and will form part of your 5% annual tax-deferred entitlement. If an adviser charge would take you over your 5% annual tax-deferred entitlement, this would trigger a chargeable event and could have potential tax consequences. You should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

If a chargeable event occurs due to the bond being brought to an end following your death, payment of adviser charges from your bond will be stopped. This means any outstanding payments that are due to the financial adviser may still need to be settled. Your estate will need to settle any outstanding adviser charges directly with your adviser.



# WHAT ARE THE CHARGES FOR DELEGATION?

The information below is a summary of the charges applicable to your bond. You must read this section together with the **Delegation Guide to Charges** document. To see how charges could affect your investment, over the short to long term, you should request a **Personal Illustration** and any applicable disclosure documents from your financial adviser.

## PRODUCT CHARGE

The size of the investment will determine the percentage of the Ongoing Product Management Charge that will be applied.

## EXTERNAL MANAGER AND/OR CUSTODIAN (EMC) CHARGES

The EMC will charge their own fee for the service they provide. The fee they charge will be taken from the External Managed Account, not the Dealing Account.

## CONDITIONAL BOND CHARGES

Conditional charges are charges that depend on the investment choices your nominated EMC makes and options you choose for your bond. Conditional charges include:

- › Payment charges
- › Dealing Account debit interest
- › Additional Single Premium charges
- › Valuation charges
- › Adviser charges (if taken from the bond)
- › One off charge if the investment conversion facility is used. Other fund charges may then apply such as dealing charges, which are detailed in the **Investment Conversion Facility Form**.
- › Where more than one EMC is appointed an administration charge will be payable for each additional EMC.

## FUND CHARGES AND INVESTMENT COSTS

Charges for the underlying funds and assets along with any investment costs, including EMC and fund manager fees, will depend on the investments the EMC chooses. As your nominated EMC can select from a wide range of assets, including collective investment schemes (funds) and stocks and shares, the assets will have different charges. The charges can be changed by the underlying asset manager or stockbroker prior to investment or during the term of the investment, and are not guaranteed. In addition, when assets within the portfolio are changed, the actual charges will change accordingly. You can obtain the charges for specific assets selected by the EMC from your financial adviser.



Your financial adviser will be able to explain how the charging structure works. The product charges, fund charges (where known) and any adviser charges agreed to be paid from the bond will be shown in your Personal Illustration given to you by your financial adviser.



Administration charges will be increased on 1 January each year in line with the UK Retail Prices Index (RPI) without any notification to you or, where applicable, your Trustees. Any increases may be rounded to the higher pound.

Payment charges are based on the bank charges we incur in making the payment and are subject to increase without notice where the charges incurred by us increase.



For full details of our charges and adviser charges, see our separate **Delegation Guide to Charges** available on our website [www.utmostinternational.com](http://www.utmostinternational.com) or from your financial adviser on request.

# APPLYING FOR DELEGATION

Before applying for Delegation, make sure you have spoken to your financial adviser and that they have answered any questions you may have.

Please ensure that they have also given you: a **Key Features Document**, a **Personal Illustration**, any applicable disclosure documents, and our **Delegation Guide to Charges** document.

- › **Tax Information Client Guide**
- › **A Guide to Trusts.**

To help your understanding we also suggest you read this guide alongside the brochures listed opposite.

# 1

## CHOOSE

You should decide your contract type, who you would like to nominate to manage your bond and agree any applicable charges. Decide and agree your adviser charges.

# 2

## APPLY

With the help of your financial adviser, complete the application form including your nominated EMC's investment mandate and, if appropriate, the Adviser Charges section.

# 3

## START

The bond will not be issued unless all necessary documentation has been received and accepted by us, your nominated External Manager and/or Custodian has been successfully appointed and an External Managed Account is in place.

## 1. YOUR CHOICES

Before investing you must choose:

- › the type of bond i.e. life assurance or capital redemption
- › the amount and frequency of any regular withdrawals
- › the currency the bond is to be held in i.e. Sterling, US Dollar or Euro
- › how you would like to pay adviser charges to the financial adviser
- › if the bond is to be held on a sole or joint applicant basis
- › your trust arrangements if you wish your bond to be issued in trust from inception.
- › your investment amount
- › who you wish to nominate as EMC to be appointed to manage your investment

## 2. COMPLETING THE APPLICATION FORM

Next you will need to complete, with the help of your financial adviser, the appropriate Delegation application form ensuring you have completed, and attached securely to your application, your nominated EMC's own investment mandate. Your bond cannot be issued until we receive your fully completed application form, EMC investment mandate and supporting Anti-Money Laundering documentation. If you would like us to facilitate any adviser charge payments to your financial adviser, you should complete the 'Adviser Charges' section of the relevant application form or the separate **Adviser Charges Pack**.

Under anti-money laundering regulations we are required to verify the identity and address of each investor, the source of wealth and the source of funds being invested. Our application form has been designed to assist with the collection of this information.

Once complete, your financial adviser will then send us a digitally completed copy of the form or send it to us by post for processing.

If you would like your bond to be issued in trust from inception, you will also need to complete a separate Trust Deed.

## 3. STARTING THE BOND

The bond will only be issued when all necessary documentation has been received and accepted by us, the EMC has been successfully appointed and an External Managed Account is in place. The bond will then start when your premium has cleared in our account.



Due to current low interest rates, we do not pay credit interest on premiums received prior to bond issue. No interest will be paid on any charges for advice being facilitated by us outside of the bond.

# HOW WE WORK

## CANCELLATION

You have 30 days to cancel the bond. The 30 days begin on the day you receive the **Your Right to Change Your Mind Form**. If, for any reason, you decide that you do not want to take out this bond, just return the form with your original policy documents within 30 days to the address on the form and the amount we will give you back is calculated as noted below.

The calculations will be based on the price on the next available dealing date from when the form is received.

If you exercise your right to cancel the bond during the 30 day cancellation period, we will not return any amount relating to adviser charges already paid to your adviser. If necessary, you will need to reclaim any refundable adviser charge payments directly from your adviser.

Any repayment due to you on cancellation will be paid as soon as possible after the assets linked to your bond have been cashed in.

If your nominated EMC chooses to link your policy to assets which cannot easily be cashed in, such as fixed-term deposits or funds with infrequent dealing days, then whilst you may exercise your right to cancel, it may be some considerable time before the asset can be sold or redeemed and your money returned to you.



The amount you will get back may be less than the initial investment. If the value of the investment falls before we receive your cancellation form, an amount equal to the fall in value will be deducted from any refund you receive. This deduction will be in addition to any adviser charges we have paid on your behalf. In calculating the fall in value, we will include any third party costs we have incurred, such as any penalties applied by a deposit taker for breaking a cash deposit early.

If the value of the investment has increased you will only get back the amount of your initial investment, minus any adviser charges paid.

If you do not exercise your right to cancel within the 30 days cancellation period, your bond will continue in accordance with the policy terms and conditions.

## COMPLAINTS

If, for any reason, you are dissatisfied with the service provided by us, please address your complaint to our Client Services team at the following address:

**Post:** Utmost PanEurope dac  
Ashford House  
Tara Street  
Dublin 2  
D02 VX67  
Ireland

## OMBUDSMAN

We will do everything in our power to resolve a complaint and in many cases can rectify the issue direct with you. However, on occasion you may wish to deal with an outside mediator to obtain a resolution. Ireland offers the protection of a Financial Services and Pensions Ombudsman Scheme.

The Scheme is specifically aimed at individuals, limited companies with a turnover of less than €3 million, charities, club trusts and partnerships. For further information on this, please visit [www.fspo.ie](http://www.fspo.ie)

## The Ombudsman's contact details:

**Post:** The Financial Services and  
Pensions Ombudsman  
Lincoln House  
Lincoln Place  
Dublin 2  
D02 VH29

**Tel:** 00353 1 567 7000

**Email:** [info@fspo.ie](mailto:info@fspo.ie)

**Web:** [www.fspo.ie](http://www.fspo.ie)



Making a complaint does not affect your right to take legal proceedings.

## ADVICE

Utmost PanEurope dac does not give investment, legal or tax advice.

## CHANGES TO THE INFORMATION YOU PROVIDE TO US

After you have completed your application form, you must tell us if any of the information relevant to the bond changes.

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## ABOUT US

We do not pay Capital Gains Tax or Income Tax in Ireland on investments held on behalf of our investors, so any investment gains are allowed to grow free of these taxes. The only tax to which funds may be liable is that which is deducted at source. This is known as Withholding Tax and cannot be reclaimed.



This information is based on our interpretation of current law and taxation practice in Ireland and the UK as at 1 March 2021.

This may be liable to change in the future so there is a risk that the value of the tax benefits provided by this bond could change.

## AUTHORISED

We are authorised by the Central Bank of Ireland (as our home state regulator).

## POLICYHOLDER PROTECTION

In the event that Utmost PanEurope dac is unable to meet its liabilities to its policyholders, policyholders will not be able to claim under the UK Financial Services Compensation Scheme. However, a strong regulatory environment exists in Ireland, which is designed to protect policyholders.

Solvency II requirements mean that in the unlikely event of insolvency of the life insurer, policyholders will have first claim in respect to the assets representing the technical reserves, provided the cost of the liquidation are met. The Central Bank of Ireland (CBI) also regulates the activities of any Irish authorised life insurer and has continuous oversight over the governance, risk management and controls through reviews and inspections. The CBI also puts in place approval processes for key individuals to make sure they have the necessary skills to perform key functions. Speak to your financial adviser for further information.



As the underlying assets are held in our name, you do not have any automatic right to compensation should the underlying fund manager or deposit taker fail. In these circumstances our liability to you will be limited to such amounts, if any, that we can recover from any third party.

# FINDING OUT MORE

Your financial adviser will be able to help you with any questions you may have about Delegation that are not answered in this Product Guide or Key Features Document. It is important that you discuss your financial needs and circumstances with a financial adviser so that you can find out what's right for you, before deciding to invest in this bond or making any financial decisions.

## KEY POINTS SUMMARY

To help you with your decision, we have provided a brief key points summary of Delegation, as shown below.

MEDIUM TO LONG TERM INVESTMENT	Delegation is designed to be a medium to long term investment (meaning five to ten years or longer).
TAX-EFFICIENT	Ireland's favourable tax environment means Utmost PanEurope dac is able to provide flexible products designed for tax-efficiency. We do not pay Capital Gains Tax or Income Tax in Ireland on investments held on behalf of investors, so any investment gains are allowed to roll-up free of these taxes. The only tax to which funds may be liable is that which is deducted at source and which cannot be reclaimed. This is known as Withholding Tax.
CHARGING STRUCTURE	An Ongoing Product Management Charge will be applied to the bond and the amount payable is dependent on the amount you choose to invest. See the <b>Delegation Guide to Charges</b> document for more information.
TAX-DEFERRED 'INCOME'	You can take an 'income' in the form of withdrawals of capital of up to 5% of your original investment each policy year with no immediate Income Tax charge until all your original investment has been withdrawn. Taking withdrawals may reduce the value of the capital invested, depending on fund performance.
ASSET SELECTION	For Delegation to be taxed the same as any conventional international bond, one of the key criteria is that the policyholder is unable to select the bond's assets, or influence their selection either directly or indirectly. The full responsibility of selecting assets is that of the appointed discretionary EMC. The investment conversion facility is also available for those whose circumstances change.
WIDE RANGE OF INVESTMENTS	Your nominated EMC can have access to a broad range of assets that includes those not normally available to UK investors in a standard investment bond, including but not limited to: collective investment schemes, equities, convertibles, warrants, government and corporate debt, medium term notes, partly paid shares, bonds, certain derivatives and structured products.
SIMPLER UK TAX RETURNS	You don't have to declare gains on an international bond until a chargeable event occurs. Chargeable events include surrender of policies, withdrawals or adviser charges over and above the annual 5% tax-deferred entitlement and assignments for consideration (value).



- › The value of the bond can fall as well as rise. Taking into account market fluctuations and charges, you could get back less than you invest
- › The tax treatment of the bond could change in the future and depends on your individual circumstances
- › Any adviser charges, to be paid from the bond (which you have agreed with your adviser), will be treated as a withdrawal and will form part of your 5% annual tax-deferred entitlement. This could have potential tax consequences and you should discuss this with your financial adviser before making a withdrawal, surrender, or payment of adviser charges from the bond.

# NEXT STEPS

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A financial adviser will be able to tell you more about:

- › Utmost PanEurope dac
- › the tax implications specific to your circumstances
- › charges.

**You should contact your financial adviser:**

- › if you have a question
- › if you would like more information
- › if you would like a revised **Personal Illustration**.

If you do not have a financial adviser, you can find one in your area by contacting the Institute of Financial Planning by telephone on +44 (0)20 7645 0777 or at [www.financialplanning.org.uk](http://www.financialplanning.org.uk)

If you would like more information about our range of products and services, call our Welcome team on **+44 (0)1624 653 251** or visit our website **[www.utmostinternational.com](http://www.utmostinternational.com)**. Your call may be recorded for training and quality purposes.

# CONTACT US

To find out more about Delegation  
please contact us.

 +44 (0)1624 653 251

 [welcome@utmostwealth.com](mailto:welcome@utmostwealth.com)

 Utmost PanEurope dac  
Ashford House  
Tara Street  
Dublin 2  
D02 VX67  
Ireland

 [www.utmostinternational.com](http://www.utmostinternational.com)

Please note that emails are not secure  
as they can be intercepted, so think  
carefully before sharing personal or  
confidential information in this way.

Telephone calls may be recorded.

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[www.utmostinternational.com](http://www.utmostinternational.com)

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Utmost PanEurope dac is regulated by the Central Bank of Ireland (No 311420). Its registered office is Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland.  
Utmost PanEurope dac is a Category A Insurance Permit holder with the Jersey Financial Services Commission.

Utmost Wealth Solutions is registered in Ireland as a business name of Utmost PanEurope dac.

Utmost Trustee Solutions Limited is registered in the Isle of Man under number 106739C.

Registered Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Licensed by the Isle of Man Financial Services Authority.

Utmost Trustee Solutions is registered in the Isle of Man as a business name of Utmost Trustee Solutions Limited.

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Financial Services register number: 1007096.

The rules made under the Financial Services and Markets Act 2000 (as amended) for the protection of retail clients in the UK do not apply.

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