

TAX AND OTHER IMPORTANT INFORMATION FOR GIBRALTAR

FOR GIBRALTAR BASED TRUSTEES ONLY



This document was last updated in February 2020. Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs. This document provides the policyholder with important information before investing in the European Executive Investment Bond, European Collective Investment Bond or the European Capital Account provided by Utmost PanEurope dac.

INFORMATION ABOUT THE COMPANY

Utmost PanEurope dac is limited by shares.

Utmost PanEurope dac

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Our Administration Address for correspondence is:

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Registered Number: 311420 Ireland

E-Mail address: IOM.admin.ireland@utmostinternational.com

We are regulated by the Central Bank of Ireland and are permitted to carry out unit-linked life assurance business. We are conducting business on a freedom of services basis into Gibraltar.

TYPE OF POLICY

The Policy is a unit-linked, single premium, whole of life assurance policy which provides benefits on the death of the last life assured. Unit-linked means that part of the premium – the 'Allocation Percentage' – buys notional units in our internal unit-linked policyholder funds. In the case of the European Executive Investment Bond or the European Collective Investment Bond, the contract itself represents a unique unit-linked fund – the 'Portfolio fund'. The investments of the portfolio fund for the European Executive Investment Bond and the European Collective Investment Bond can include Internal Funds, External Funds, Transaction Accounts and Bank Deposits. Investments can also be made into stocks and shares for the European Executive Investment Bond.

The choice of investments for the European Capital Account is restricted to Internal Funds.

The payment methods include cheque, telegraphic transfer and investment transfer for the initial single premium for the European Executive Investment Bond or the European Collective Investment Bond. You may offer to pay additional single premiums using these methods for the European Executive Investment Bond or the European Collective Investment Bond.

The payment methods include telegraphic transfer and credit card for the initial single premium for the European Capital Account. You may offer to pay additional single premiums or the initial regular premium using these methods for the European Capital Account.

INVESTMENT RISK AND RESPONSIBILITIES

You (or your Fund Adviser) decide which investments are most suitable to your needs.

We accept no responsibility for the investment performance of an investment. The value of shares and Units can fall as well as rise and they, as well as bank deposits, could in exceptional circumstances become valueless either temporarily, because of suspension, or permanently. You accept this risk by taking out this Policy.

We do not give investment advice. The fact that we may allow or refuse a particular collective investment scheme, stock, share or Bank Deposit as an investment does not indicate any judgement by us about its investment potential or the propriety of the provider of the investment.

In particular, there is no guarantee of return of capital so you may receive back less than you have paid, particularly in the early years.

We may allow investments which advertise guaranteed returns. It is for you (or your Fund Adviser on your behalf) to satisfy yourself of the likelihood of the guarantee being met. We accept no responsibility for, and offer no advice about, the value of any such guarantee.

We offer an Internal Fund range with varying risk characteristics, shown in the fund factsheets with information about the fund. These are available from your adviser or from our website www.utmostinternational.com.

We offer an External Fund range with varying risk characteristics, information for these funds is available upon request from Utmost PanEurope dac although you may or your Fund Adviser may prefer to contact the fund provider directly or through its website.

We offer a Transaction Account which is invested in accordance with our Treasury policy which is available upon request from Utmost PanEurope dac.

We offer Bank Deposits and public company shares with varying risk characteristics. Such investments will not have the same type of information as for Internal and External Funds. As such it will normally be for you or your Fund Adviser to access the relevant information yourselves.

By requesting investment into an External Fund, stock, share or Bank Deposit, you or your Fund Adviser on your behalf, expressly agree to accept the risk that for any reason whatsoever management of the investment may not be in accordance with its objectives and parameters. This includes negligent and fraudulent activity.

In addition, you accept any risk entailed in any change to such objectives and parameters and it is your personal responsibility to monitor the External Fund, stock, share or Bank Deposit to the extent you or your Fund Adviser consider necessary.

The value of the portfolio fund investments determines the fund value of the Policy. These values can fall as well as rise. In addition, if any of the investments are denominated in a foreign currency, there will be exchange rate risks.

Depending on the investments of the funds, there may be limits on the liquidity of the investments, which may include a restriction on the days on which units may be created or cancelled. This may be particularly true of funds investing in immovable property, where the value is generally a matter of a valuer's opinion rather than fact. If there are difficulties liquidating any investments of the funds, we may defer any transactions involving allocation, cancellation or fund switch of units until such time as we consider appropriate.

By requesting investment into an External Fund, Internal Fund, Bank Deposits, Transaction Account, stock or share, you or your Fund Adviser on your behalf, accept these investment risks and responsibilities.

TAXATION

Tax on Utmost PanEurope dac

We are established in the Republic of Ireland and as such we are not liable to payment of Irish tax on income or capital gains attributable to our policyholder funds. There may be an amount of withholding tax on income, which cannot be reclaimed.

Fund adviser fees

When a Fund Adviser fee is charged to the Portfolio Fund, the deducted fee will include any Irish Value Added Tax (VAT) due (currently 23%).

Tax relief and tax benefits

As you are habitually resident in Gibraltar and we have not obtained taxation advice for Gibraltar, you should be aware that we have not been able to research the taxation and legal status of life assurance policies in Gibraltar.

We recommend that you seek independent taxation advice as to whether this type of contract is eligible for tax relief or subject to any liability to tax in Gibraltar.

There is no policyholder liability to Irish tax, provided we have an appropriate declaration of residence outside Ireland signed by the policyholder, or, for Trust cases, where it is signed by the settlor or the pensioner Trustee company.

It is possible that our 'portfolio bonds' (E04/5) may not receive the same tax treatment as other life insurance policies due to the type of investments they can hold.

In Gibraltar there may be:

- › No liability to any tax on the benefits payable (perhaps depending on the type of policy, its duration or the reason for the payments, for example a payment on death).
- › A tax liability either each year or upon any payment being made from the Policy.

It is also possible that there may be a tax on switching the funds or other investments under the contract.

It is also possible that any preferential tax treatment associated with the contract may be altered or lost where the Policy is assigned or surrendered.

Other taxes and levies could also be relevant such as insurance premium tax, wealth tax, gift and inheritance taxes.

LANGUAGE AND LAW OF THE CONTRACT AND HABITUAL RESIDENCE

All of the documents we provide will be in the English language. Consequently we are only prepared to consider applications from Applicants who request receipt of documents in English.

The law that your Policy will be subject to is the law of the Republic of Ireland unless you request otherwise in your application and we agree to a different law being applied.

CHANGE OF COUNTRY OF RESIDENCE

You must advise us if you change your country of habitual residence.

It will be for you to ascertain whether you will have any tax liabilities and/or reporting obligations to the tax authorities in your new country of residence.

LIVES ASSURED

The prior agreement of the life assured should be obtained, where the policyholder (including corporate trustees) intends to sign the application on behalf of the life assured (provided this is permitted in Gibraltar). Where this relates to a QROPS trustee application, it is prudent to also obtain the member's request for the following (where applicable):

- › To invest into the Policy;
- › For pre contractual documentation and Policy documents to be in the English language; and
- › For the contract to be subject to Irish law.

ILLUSTRATIONS

The illustrations we produce are for guidance only and should not be regarded as a legally binding contract.

While the proceeds of the Policy are not currently liable to deduction of tax in the Republic of Ireland, it is your responsibility to make yourself aware of the tax obligations in your country of residence.

The values shown in the illustration take into account the Utmost PanEurope dac annual management charge. They do not include underlying fund annual management charges that may also apply, these are available on request. The actual return may be different, as due to the nature of this type of investment the value of units and their yield may go down as well as up.

The projected benefits may not materialise, are merely indicative and market conditions may result in returns which are far inferior to the lowest projected return indicated.

The annualised rate is an indication of the average growth of the fund over one year and that any sharp fluctuations in the performance of the fund over a period of time are not necessarily represented by the performance of the fund over a period of time and are not necessarily represented by the performance rate of the annualised rate indicated.

The charges schedule of the Policy will confirm the charging basis chosen by you. Please ensure that the charging basis shown in the illustration, matches the charging basis chosen by you.

PAYMENTS OF CLAIMS

Payment of death benefits where there is a valid trust

If the death benefit is payable on the death of the life assured then provided there is a corporate trustee or at least one remaining trustee then there is no 'probate delay' and we are able to pay the trustees on production of proof of the death.

SURRENDER CHARGE

European Capital Account

An Early Surrender Charge will apply to your European Capital Account if the relevant life assured dies or the Policy is surrendered within the first five years from the payment of a premium.

The Early Surrender Charge for the European Capital Account is designed to compensate us for the excess expenses we have suffered by not collecting all of the costs of establishing the Policy from your premium at the time of its payment.

European Executive or Collective Investment Bond

An Early Surrender Charge may also apply to your European Executive Investment Bond or European Collective Investment Bond depending on the charging structure chosen. If the charge applies to your Policy then it will be shown in the Charges Schedule. It will also show the amount, duration and the basis for calculating the charge.

For certain charging structures for the European Executive Investment Bond and European Collective Investment Bond, some of the expenses associated with your Policy are deferred so that a greater unit Allocation Percentage applies. The charge is designed to recompense us for the expenses we would otherwise be unable to recoup if you do not maintain your commitment beyond the early years.

Please note that these charges are not penalties.

CHANGING THE TERMS OF THE CONTRACT

We reserve the right to amend certain contractual provisions as explained in the Policy Terms. For example we may increase some of the charges. In the event of such amendment, you may terminate the contract if you wish by exercising your right to terminate the Policy by surrender.

By completing the application form you accept that we have this right.

CANCELLATION RIGHTS

You may cancel the Policy within 30 days of the earliest date you know the contract has started by giving written notice to us at our Office. Normally, this will be the date you receive our letter confirming the date the contract for your Policy started.

Upon receipt of the written notice of cancellation we will refund the premium you have paid at the contract date or, if the value of the investments has fallen, the value of the allocated units on the working day following the working day we receive your written communication.

This cancellation right does not apply to any variation of the contract, for example if we agree to you paying a lump sum premium after the Contract Date.

COMPENSATION SCHEME

You will not have access to an Irish compensation scheme.

COMPLAINTS AND OUT OF COURT CLAIM SETTLEMENT PROCEDURE

The Codes of Practice of the Irish Insurance Federation aim to provide the highest level of service and attention to customer expectations and to resolve any complaints fairly and quickly.

If you need to complain, please first write to Utmost PanEurope dac's Compliance Officer at our administration centre address.

If you are not satisfied with our response you can complain to:

Irish Financial Services Ombudsman Bureau
3rd Floor Lincoln House
Lincoln Place
Dublin 2
Ireland

This document is based on Utmost Pan Europe's understanding of the taxation and legal framework in Gibraltar as at 26 September 2017. However, we have only been able to indicate the general position, so whilst every effort has been made to ensure the accuracy of the document, we do not give tax or legal advice and can accept no responsibility for any act or failure to act based upon its content. Therefore we strongly recommend you to seek independent taxation and legal advice regarding the suitability of any particular product to your own personal circumstances.

Issued September 2017.

Important note: The product(s) named in this document and to which this document relates is accurate as at December 2021 and is subject to change.
To ensure applicability with respect to a product and, if applicable, a related policy, before taking any action, please liaise with your adviser and/or contact us directly.

A WEALTH *of* DIFFERENCE

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. Registered No 311420.

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

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