

# TAX AND OTHER IMPORTANT INFORMATION FOR CYPRUS



This document provides the applicant with important information before investing in the European Executive Investment Bond (ref E04v3) and the European Collective Investment Bond (ref E05v2) provided by Utmost PanEurope dac.

## INFORMATION ABOUT THE COMPANY

Utmost PanEurope dac is limited by shares.

### **Our Registered Office address is:**      **Our Administration Centre address for correspondence is:**

Utmost PanEurope dac  
Navan Business Park  
Athlumney  
Navan  
Co. Meath  
C15 CCW8  
Ireland

King Edward Bay House  
King Edward Road  
Onchan  
Isle of Man  
IM99 1NU

Registered Number: 311420 Ireland

**E-Mail address:** [IOM.admin.ireland@utmostinternational.com](mailto:IOM.admin.ireland@utmostinternational.com)

Please note that we are unable to communicate client-specific information or enter into contracts via the internet.

Utmost PanEurope dac is regulated by the Central Bank of Ireland and provides investment linked life assurance policies in various EEA countries by way of freedom to provide services under the European Life Assurance Directives as incorporated into local laws.

## INVESTMENT RISK AND RESPONSIBILITIES

Our insurance products are 'unit-linked' which means the premium is allocated to notional units which are valued with reference to the underlying investments. We do not give investment advice and the fact we may allow or refuse a particular investment does not indicate any judgement by us about its investment potential or the propriety of the provider of the investment.

We accept no responsibility for the investment performance of any investment in the policy. The value of stocks and shares and units can fall as well as rise and they, as well as bank deposits and cash holdings, could in exceptional circumstances become valueless either temporarily, because of suspension, or permanently. In addition, if any of the assets are denominated in a foreign currency, then there will be exchange rate risks. You accept this risk when you take out the policy.

There are no investment guarantees and there is no guarantee of a return of capital, so you could receive back less than the premium you paid – this is particularly true in the early years. We may, however, sometimes provide investments which may offer a guaranteed return at some future date. We offer an investment range with varying risk characteristics shown in the fund factsheets which are available from your financial adviser or from our website [www.utmostinternational.com](http://www.utmostinternational.com).

Some investments may have restrictions on when they can be bought and sold. This may be particularly true of funds which invest in illiquid markets such as immovable property. If there are difficulties liquidating any investments, we reserve the right to defer transactions until such time as liquidity can be obtained.

By requesting any investment you accept these investment risks and responsibilities.

## TAXATION

### **Tax on Utmost PanEurope dac**

We are established in the Republic of Ireland and 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.

### **Tax relief and tax benefits**

#### › **Irish Tax**

There is no policyholder liability to Irish tax provided that we have an appropriate declaration that the policyholder is non-resident in Ireland at inception of the policy.

#### › **Cyprus Tax**

##### **1. Total surrender**

Total surrender proceeds are generally not taxable.

##### **2. Partial surrender**

Part surrender proceeds are generally not taxable.

### 3. Death benefit

Death claim proceeds are generally not taxable.

### 4. Tax relief on premiums

It is our understanding that it is not possible to claim tax relief on premiums paid to the European Collective Investment Bond and the European Executive Investment Bond.

#### › Stamp duty

The amount of stamp duty payable under the Cypriot Stamp Duty Law in respect of life assurance policies depends on the amount payable on the death of the relevant life assured or at the expiry of the policy as follows.

Stamp duty is payable at the inception of the policy and when additional premiums are paid.

Whilst the life cover in the event of death is 101% of the Surrender Value, for the purposes of Cypriot stamp duty only, the taxable amount is 101% of the premium.

The minimum initial premium for the European Collective Investment Bond is €37,500 and for the European Executive Investment Bond is €75,000.

The minimum additional premium for the European Collective Investment Bond is €3,750 and for the European Executive Investment Bond is €7,500.

The current Stamp Duty rates are as follows:

Insured amount	Stamp duty
a) Does not exceed €850	€2.00
b) Exceeds €850 but not more than €1,700	€4.00
c) Exceeds €1,700 but not more than €8,500	€7.00
d) Exceeds €8,500	€18.00

As the minimum initial premiums for both the European Collective Investment Bond and European Executive Investment Bond exceed €8,500, the stamp duty payable will be €18.00.

As the minimum additional premiums, when multiplied by 101%, for both the European Collective Investment Bond and European Executive Investment Bond are in excess of €1,700 but not more than €8,500, the stamp duty payable will be at least €7.00.

Stamp duty is payable by the policyholder but will be deducted by Utmost PanEurope dac from the premium and paid to the Inland Revenue of Cyprus on the policyholder's behalf.

#### Tax on fund switching

There is no tax on switching investments inside the policy.

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## LANGUAGE, APPLICABLE LAW OF THE CONTRACT AND HABITUAL RESIDENCE

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All 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. For Cypriot applicants for whom English is not the first language we will require a request in both English and Greek, accompanied by a declaration of knowledge of the English language.

Our policies are normally subject to the law of the country of habitual residence of the applicant and so will normally be governed by Cypriot law (and the jurisdiction of the Cypriot courts) for Cypriot residents as well as any pre-contractual relations.

Habitual residence is generally the same as tax residence so you will be resident when you:

**a)** Spend at least 183 days each tax year in Cyprus

OR

**b)** Spend at least 60 days in the tax year in Cyprus and meet all of the following conditions:

- i)** You do not spend more than a total of 183 days in any other country within the tax year **and**
- ii)** You are not tax resident in another country for the same tax year **and**
- iii)** You carry out business activities in Cyprus and/or work in Cyprus and/or are a director in a Company that is tax resident in Cyprus at any time of the tax year in question **and**
- iv)** You maintain a permanent residence in Cyprus which is either owned or rented.

A person will be considered tax resident in Cyprus if either A or B are satisfied.

#### 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.

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## REQUEST FOR POLICY WITH JOINT POLICYHOLDERS

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Cyprus, in common with most civil law jurisdictions, does not recognise joint ownership in the UK common law sense of 'survivorship'. Whilst jointly owned policies where the benefit is payable on a sole or first death are not uncommon, our policies provide for payment on the death of the last survivor of the lives assured.

Before requesting us to consider an application from joint applicants we would recommend that you obtain independent tax and legal advice. Any such policy will be issued on the express understanding that we accept no responsibility for the taxation or other consequences flowing from such request.

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## NOMINATIONS

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You are able to nominate beneficiaries to receive the benefits from your policy. The beneficiaries you nominate must be your legal heirs. A nomination can be made in your application or in writing at any later date. Unless you made an irrevocable nomination or the nomination is expressly accepted by beneficiaries by notification to us, you can cancel it or replace it by a new one at any time by notifying us in writing.

Nominations and their revocation will not be recognised by us unless they have been received in writing bearing your signature at our Office. Please note that receipt by fax or other electronic means will not be considered as adequate.

Despite the above, you may also create, change or revoke a nomination in your will.

Payment of death benefits where there is a valid nomination

If the death benefit is payable on the death of the policyholder then there is no 'probate delay' and we are able to pay the nominated beneficiary on production of proof of the death and entitlement to receive the payment. Nominations to legal heirs of the policyholder are unlikely to be disputed. However, a nomination to someone who is not a legal heir may be challenged by the legal heirs.

Payment of death benefits where there is no valid nomination

If the policyholder had not made (or had revoked) a nomination then the persons legally entitled to the proceeds of the policy will be the legal representatives under the will or intestacy. They will then have to distribute the assets of the estate to those entitled under the will or the Cypriot intestacy laws if applicable.

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## SURRENDER CHARGES

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An Early Surrender Charge may apply to your European Collective Investment Bond or European Executive 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.

Please note that this charge is not a penalty. For certain charging structures 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.

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## CHANGING THE TERMS OF THE CONTRACT

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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, if you wish, terminate the contract by exercising your right to terminate the policy by surrender.

By completing the application form you accept that we have this right. Further details are given in your Policy Terms document.

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## CANCELLATION RIGHTS

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You may cancel the policy within 30 days of the earliest date you know the contract 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.

Utmost PanEurope dac will return the initial premium amount minus any investment loss caused by a decline due to market fluctuations which have occurred between the date you have paid the premium and the date on which the written notice of cancellation is received at Utmost PanEurope dac's Office. No product charges will be applied to the amount returned. This amount will be repaid to you within one month of Utmost PanEurope dac receiving written notice of cancellation.

The way of calculating the amount to be returned can be determined in the following way:

**Amount to be returned = Lump sum of the premium that was recorded multiplied by A/B**

Whereby:

**A** = offer price on the date when the right of revocation was exercised in accordance to Article 134(6) of the Law and

**B** = offer price on the date when the lump sum of the premium which was recorded.

The maximum amount of A/B is 1. A similar right will apply if you pay an additional lump sum premium.

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## COMPLAINTS AND OUT OF COURT CLAIM SETTLEMENT PROCEDURE

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If your complaint is about the advice you have been given, such as the underlying investment options, or the way in which a product was sold to you, you should contact your financial adviser in the first instance.

You can also write to our complaints team at this address:

Utmost PanEurope dac  
King Edward Bay House  
King Edward Road  
Onchan  
Isle of Man  
IM99 1NU

**Tel:** +353 (0)1479 3900

**Email:** [IOM.complaints@utmostinternational.com](mailto:IOM.complaints@utmostinternational.com)

What if you are not satisfied with the outcome?

If the complaint isn't resolved satisfactorily, or within a period of two months starting on the date when the complaint was received, then you can contact the Financial Services and Pensions Ombudsman using the contact details below.

Financial Services and Pensions Ombudsman  
Lincoln House  
Lincoln Place  
Dublin 2  
Ireland D02 VH29

**Tel:** +353 (0)1567 7000

**Email:** [Info@fspoi.ie](mailto:Info@fspoi.ie)

**Website:** [www.fspoi.ie](http://www.fspoi.ie)

The Financial Services and Pensions Ombudsman is a statutory officer who deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers. It is a free service to the complainant. Further details of the service can be found on their website at [www.fspoi.ie](http://www.fspoi.ie)

Utmost PanEurope dac has not omitted to disclose to any interested person any material information in relation to the insurance contract.

This document is based on our understanding of the taxation and legal framework in Cyprus as at September 2019. While every effort has been made to ensure the accuracy of this document, we have only been able to indicate the general position and 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.

**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](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. Registered No 311420.

Administration Centre for correspondence: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.

Tel: +353(0)1 479 3900 Fax: +353(0)1 475 1020.

Registered Office address: Navan Business Park, Athlumney, Navan, Co. Meath, C15 CCW8, Ireland.

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

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