

TAX INFORMATION FOR IRISH RESIDENTS

This document was last updated in October 2021. Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs.

This document provides important information about the tax treatment of your policy should you become resident in Ireland. The companies listed below do not accept business from Irish residents. However, if you are an existing policyholder who moves to Ireland this will be applicable to you.

This information relates to life or redemption bonds (policies) issued on or after January 2001 by the companies below.

- › Utmost PanEurope dac
- › Utmost International Isle of Man Limited

This guide does not cover tax treatment of trustee or corporate investors.

Details on residency can be found here <http://www.revenue.ie/en/tax/it/leaflets/res1.html#section1>

TAXATION

Policyholder taxation – after becoming resident in Ireland

All references to tax refer to Irish tax unless otherwise stated.

The investment return on premiums paid into a single premium life or redemption investment bond is allowed to grow tax-free. It is only when payments are made to policyholders that tax applies.

Utmost PanEurope dac – Life assurance bond:

Policyholders are taxed only on the occurrence of a chargeable event. Chargeable events are defined as follows:

- › Maturity
- › Death resulting in termination of the policy
- › Surrender in whole or in part
- › Assignment in whole or in part (if assignor is also resident in Ireland)*
- › Every eight year period beginning from the start of your policy (and each subsequent eight year period)

* Certain assignments are not chargeable, for example security assignments and assignment between spouses.

The chargeable event calculation differs depending on the event:

Maturity/full surrender/full assignment	=	Policy proceeds/value less premiums paid
Partial surrender/partial assignment	=	Proceeds/value of policy assigned less proportionate part of premiums paid
Eight year Period**	=	Value of policy less premiums paid

Current tax rate applicable on chargeable events is 41% and this tax is withheld by Utmost PanEurope dac where applicable.

** The tax paid may be credited against tax due on surrender/assignment

Utmost International Isle of Man Limited – Life assurance bond:

Life policies issued by foreign life assurance companies (not located in an EU member state) are subject to capital gains tax (CGT) in Ireland. Gains made on such policies are currently taxed at a rate of 40%. No indexation of the original cost (premium) is allowable for such a policy.

As Utmost International Isle of Man life assurance bonds are subject to CGT, the eight year chargeable event described above does not apply.

Assignment of the policy between spouses and civil partners living together will not be considered a disposal for CGT purposes as these assignments are considered as exempt.

Utmost International Isle of Man Limited – Capital redemption bond (CRB)

There is no specific provision of Irish tax legislation which covers the tax treatment of CRBs issued by non-Irish companies.

Each investment would need to be reviewed and may be subject to income tax or CGT. Specific tax advice should be obtained prior to redeeming such a contract to understand how these will be taxed in Ireland.

Personal portfolio policies

The rules dealing with 'personal portfolio' life policies are complicated and the following should be taken as a high level summary only.

The question of whether a particular policy falls within the definition of a personal portfolio policy must be determined on a case by case basis, and specific advice should be taken before the policy is taken out.

Very broadly, these are personalised life assurance policies where the policyholder (or a connected person), directly or indirectly, has influence over the selection of assets. A policy will not be a 'personal portfolio' life policy where the only assets permitted for selection consist of:

- › units in a unit trust and similar undertakings,
- › an internal fund provided by the assurance company,
- › cash, or
- › any combination of the above.

Where the above exceptions do not apply, and the policy is considered a personal portfolio, a higher rate of tax applies on chargeable events (as described above). In such cases, the tax rate is increased to 60% in respect of any life policy which is a 'personal portfolio' policy.

Tax in country of prior residence

Because each country has different tax residency rules, it might be that tax is due in another country if you meet their residency rules as well as Ireland's. You should speak to your financial adviser to ensure correct disclosure of your investments in the relevant countries.

Your investment may rise or fall in value and you may not get back what you put in.

This document is based on Utmost International's interpretation of the law and HM Revenue and Customs practice as at May 2017. We believe this interpretation is correct, but cannot guarantee it. Tax relief and the tax treatment of investment funds may change.

The value of any tax relief will depend on the investors individual circumstances.

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

Utmost International Isle of Man Limited is registered in the Isle of Man under number 24916C.

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

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