If you’re heading offshore, you need an experienced team

For advisers only.
Not for use with customers.

We are a leading financial services provider, with a reputation of trust, commitment and integrity, offering financial solutions to customers throughout their lives. Friends Provident International has over 35 years of international experience and, as part of the Aviva group, our heritage dates back over 300 years.
Wealth management

- Offshore bonds’ gross roll up status shelters ongoing gains, as well as investment income from higher or additional rate tax. Deferring the ongoing tax liability to a later point can be highly effective when combined with the following exit strategies:
  - Encashing policies when an individual falls into a lower tax band.
  - Potential to absorb policy gains using the £5,000 starting rate band.
  - Leaving the UK – encashing policies in a jurisdiction with lower rates of tax.
  - Assignment of individual policies to lower tax payers, e.g. non-working spouse, or children going to university.
  - Using Top Slicing Relief to potentially reduce tax on policy gains.

Income seekers have the ability to take 5% tax-deferred withdrawals per annum.

- They offer a means of preserving the personal income tax-allowance, where investment income takes an individual above the £100,000 threshold.
- No reporting of gains, interest and dividends in annual tax returns.
- Time Apportionment Relief reduces the chargeable gain by the periods the client has not been a UK tax resident.

Retirement/Pension planning solutions

- Offshore bonds offer alternative retirement planning opportunities for individuals who:
  - Are pension capped in terms of the lifetime allowance which is currently £1.25 million, reducing to £1m from April 2016.
  - Are affected by the annual allowance of £40,000 or the money purchase annual allowance of £10,000.
  - Wish to retire and take a tax efficient income before age 55.
  - Do not have UK relevant earnings to allow them to make significant pension contributions, but have capital to invest tax efficiently for retirement.

- Offshore bonds can be used by trustees as a tax efficient, administration friendly investment platform for QROPS.
Trusts and Inheritance Tax (IHT) planning

- Offshore bonds shelter gains and investment income from immediate taxation at the trustee tax rates of 45% (non-dividend income) and 37.5% (dividend income).
- The trustees hold one non-income producing asset i.e. the offshore bond, therefore reducing the trustees’ administration and tax reporting burden.

A full range of ‘packaged’ trusts available for effective IHT planning:
- Flexible Future Benefit Trust – for gifting to a discretionary trust but retaining access to capital on set future dates.
- Discounted Gift Trust – for those who can afford to gift but need income.
- Loan Trust – to freeze the IHT liability.
- Capital Access Trust – for those who can gift but need access to capital.
- Gift Trust – for outright gifts.
- Absolute trusts can be used for school fees planning.
- The annual 5% tax-deferred withdrawal allowance enables income to be taken tax efficiently, where the trust allows.
- Individual policy segments can be assigned tax efficiently to beneficiaries by the trustees.

Non-UK domiciles

Offshore bonds can offer a means of mitigating the annual remittance basis charge (which is based on length of UK residence).

- The annual 5% withdrawal allowance can potentially be used to bring capital into the UK on a tax-deferred basis, provided the source of the premium contains capital that has not previously been mixed with income/gains, or has previously been taxed in the UK.
- Excluded Property Trusts – wrapping investments within an offshore bond written under trust, prior to a non-domiciled individual becoming deemed ‘domiciled’, ensures non-UK assets will remain outside of the UK IHT net.
Corporate Investment

- Cash and investment administration
  convenience of holding all investments
  within one wrapper, benefiting from
  institutional fund and cash
  deposit terms.

Friends Provident International has received 5 Star Ratings for its Reserve Advance and Succession Planning Bond products by independent financial research company Defaqto.

www.fpinternational.com
For further information on the benefits of investing offshore, visit us at www.fpinternational.com, call us on 0845 611 1000, or email uksales@fpiom.com
Expertise on your doorstep

We help our clients to achieve their financial objectives by developing and enhancing solutions that focus on their needs.

Our experience in offshore bonds means we can be very flexible and offer a comprehensive range of services to investors.

Our offshore bonds are written from the Isle of Man, which over the years, has developed as one of the largest and most respected international financial centres.

Financial strength

The Aviva group is a financially strong company. This is reflected by the following ratings:

- Standard & Poor’s: A- (Strong) as at August 2013.
- Moody’s: A3 (Strong) as at April 2014.
- Fitch: A+ (Strong) as at July 2014.

For Friends Provident International, the AKG rating is B+ (Very Strong) as at March 2014.

Going above and beyond with a wide range of services

We have developed a range of products and services which meet the requirements of the offshore investor. These include a range of added value services such as:

- Dedicated sales consultants on hand to give you the support you need, when you need it.
- A highly experienced and qualified Technical Services team to provide you with an invaluable source of tax, trust and estate planning information in various jurisdictions.
- A comprehensive range of product and trust literature accompanied by supporting tools and information to support discussions with your clients.
- Access to an increasing number of leading platform links, including Ascentric, Raymond James, Seven Investment Management and Novia.

Whether it’s access to technical expertise, first-class service or product solutions, we have a team of experts and range of services to help ensure you have a successful business fit for what can be a complex marketplace.
Important information

The information given in this document is based on Friends Provident International’s understanding of current law and Isle of Man and UK taxation practice as at June 2015, which may change in the future. Whilst we have made every effort to ensure the accuracy of the information, legislation is subject to change and we cannot accept any responsibility for any act or failure to act, based on this document.

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