

# International Bond at a glance

## An adviser's guide to our International Bond



Our trust solutions have been designed to help with asset protection and inheritance tax planning. So if your client's bond is held in a trust, some of the flexibility mentioned in this guide may not be available. Please see the relevant Trust – Questions and Answers guide. You can find this at [adviserzone.com](https://adviserzone.com)



You will find important information about the Guaranteed Maturity Value is contained in the International Bond – Capital Redemption Option Key Features Document (IB17CRB) and Policy Provisions (IB62CRB). You can find these at [adviserzone.com](https://adviserzone.com)

### For adviser use only

**Our International Bond is a flexible offshore bond, designed to meet your clients' needs in a constantly changing investment and tax-planning environment.**

We've built our International Bond (IB) with three types of customer in mind – individuals, trustees and corporate clients. In addition to offering the usual investment and charging options, our bond gives you and your clients:

- Flexible payment options
- A wide range of investments
- Control over withdrawing money
- A flexible product and adviser charging structure

The International Bond is available on either a Capital Redemption or Life Assurance basis and your client is free to select the option which best meets their needs.

Laws and tax rules in the UK and Ireland may change in the future, and tax can also depend on your clients' personal circumstances and where they live in the UK. The information here is based on our understanding in August 2020, and only applies if your client is resident in the UK for tax purposes.

### Why choose Standard Life International?

#### Helping your client decide

If your client elects to set up the bond on a Life Assurance basis, the bond will come to an end on the death of the sole or last surviving life assured and we do not guarantee the value of the bond.

If your client elects for the bond to be set up on a Capital Redemption basis, there are no lives assured. The bond will have a fixed term of 99 years and upon expiry we will pay the bond owner the higher of (i) the cash-in value of the bond on the maturity date and (ii) the guaranteed maturity value.

If, during the life of the bond, the value of the bond falls to or below the guaranteed maturity value, we may decide to take control of the investment decisions. We will give you and your client reasonable notice of any such decision and we will proceed to move investments into the IB bank account and/or other low risk asset classes chosen at our discretion. We will not apply any charges for moving investments in this way, although there may be some transactional costs. These are not likely to be material. We will control the investment decisions until the bond value reaches at least 125% of the guaranteed maturity value or is otherwise redeemed. Once the value of the bond has increased (to 125% of the guaranteed maturity value), we will notify you and your client so that we can once again invest according to your client's instruction. We will continue to control the investment decisions in the absence of any instruction from you or from your client. We shall have no liability to your client for any loss suffered as a result of us choosing to exercise this right to control the investment decisions.

Your client can make withdrawals or surrender the bond at any time (whether it is set up on a Life Assurance or Capital Redemption basis), subject to the terms of the relevant Key Features Document and Policy Provisions

**International Bond** – Life Assurance Option Key Features Document (IB17)

**International Bond** – Life Assurance Option Policy Provisions (IB62)

**International Bond** – Capital Redemption Option Key Features Document (IB17CRB)

**International Bond** – Capital Redemption Option Policy Provisions (IB62CRB).

### **Extra control when withdrawing or gifting money**

Our International Bond is made up of identical segments. Segments allow your clients to take or gift money from their bond tax-efficiently. And, when segments are assigned, our International Bond allows each group of segments to be treated differently to match the goals of the person who owns them.

The IB can be split into a maximum of 9,999 segments, subject to a minimum investment of £200 per segment.

### **Flexible payment options to meet your clients' changing needs**

Your client can pay a single lump sum payment into their International Bond or they can set up a direct debit to make recurrent single payments. And these recurrent payments can be stopped, started and changed. So as your clients' lives change, their investment can adapt.

These options are not suitable for certain trusts such as Loan Plans and Discounted Gift Plans.

### **A wide range of investments**

The International Bond gives access to:

- A wide range of insured and mutual funds, with no charge for switches between these funds
- Access to investments on the Elevate platform via the Elevate General Investment Account (Elevate GIA). Elevate Portfolio Services Limited trades as Elevate and is part of the Standard Life Aberdeen group
- A range of discretionary investment managers, with clients able to benefit from our relationship with Aberdeen Standard Capital and multi-custodianship facilities
- A range of deposits including fixed rate accounts, fixed term accounts and structured deposits

Your client can also invest in other permitted assets, where we agree to this.

### **An explicit and flexible product charging structure**

For investments other than insured funds:

- A simple stepped product charge, which reduces when your customer invests more with us
- Additionally, there are no initial or switch charges for mutual funds

For insured funds your client will pay a fund management charge which may be offset by a large fund discount based on the value of the overall investment in the International Bond.

### **Transparent quotations**

Where your client is investing in funds, the ongoing fund charge (total of fund management charge plus additional expenses) is included in fund projections and reduction in yield figures.

### **Online fund switching**

Once we are instructed to buy, sell or switch insured or mutual funds, you can have confidence that the transaction will be processed. The online trading service used by Standard Life International is only available to advisers. It is fully automated and you can instruct us to buy, sell or switch insured or mutual funds online.

The system produces a confirmation schedule at the end of the process, helping you create a compliant audit trail.

### **Family wealth transfer support**

Estate planning and asset protection are all about ensuring that family wealth passes into the right hands at the right time, with minimum liability to inheritance tax.

Your clients aren't only looking for effective family wealth transfer solutions; they also want expert guidance, and the sort of support that helps them make the right decisions.

All round family wealth transfer support is provided, including help with trusts, investment guidance for trustees and family wealth planning.

### **Tax advantages to our Dublin base**

Being based in Dublin offers you some tax advantages:

- Ireland has a Double Tax Treaty with the UK, which allows us to reclaim any recoverable tax from HM Revenue & Customs
- Discretionary investment managers fees on offshore bonds from Dublin-based providers are free from VAT

### **Handling probate on death**

We try to make things easier when a bond owner dies. Normally we'll only ask for a UK grant of probate to pay out the proceeds of a bond on a client's death. In some cases we may ask for an Irish grant of probate, for example:

- If we believe that an Irish will is in existence; or
- If the bond owner was resident in Ireland at the time of death.

Where a bond is set up on a Life Assurance basis, the bond must come to an end following the death of the last life assured. When set up on a Capital Redemption Bond basis, there are no lives assured so the bond continues after death by passing to the surviving bond owner(s) or personal representatives of the deceased.

## Solid foundations

Standard Life International is based in Dublin and sells unit linked policies to residents in the UK, Channel Islands and Isle of Man. We have entered the UK's Temporary Permissions Regime which means we are deemed authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in respect of our UK business. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime,

which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

## Service and support

Get answers to technical queries online using Techzone; the team of technical experts have many of years combined experience in the financial services industry. You can also keep up-to-date with breaking news such as legislation changes, and access technical briefings covering a wide range of topics at [adviserzone.com](http://adviserzone.com)

## Product charges

You can see the charges in detail and the effect of their value on your client's bond in their personal illustration which should be viewed in conjunction with the relevant Key Features Document and Key Information Document. Or, where relevant, the Key Investor Information Document or Supplementary Information Document.

If your client invests in anything other than insured funds, they will pay a stepped product charge for each investment type as per the table below. Our product charge reduces when your client invests more with us.

Stepped product charge – yearly rate (%)				
Total International Bond value	Mutual Funds	Whole of market funds <sup>1</sup>	Deposit accounts <sup>3</sup>	Discretionary investment managers <sup>4</sup>
£0 – £149,999	0.70	0.80	0.55	0.55
£150,000 – £249,999	0.65	0.75	0.50	0.50
£250,000 – £499,999	0.50	0.60	0.35	0.35
£500,000 – £749,999	0.45	0.55	0.30	0.30
£750,000 – £999,999	0.40	0.50	0.25	0.25
£1m and over	0.35	0.45	0.20	0.20

Stepped product charge – yearly rate (%)	
Total International Bond value	Elevate General Investment Account <sup>2</sup>
£0 – £100,000	0.55
£100,000 – £150,000	0.45
£150,000 – £250,000	0.40
£250,000 – £500,000	0.25
£500,000 – £750,000	0.20
£750,000 – £1m	0.15
Over £1m	0.10

If your client invests in insured funds then they will pay a fund management charge which will be offset by a large fund discount if their bond is worth £150,000 or more.

Total International Bond value	Tiered large fund discount (%)
Up to £149,999.99	0
£150,000 – £249,999.99	0.05
£250,000 – £499,999.99	0.20
£500,000 – £749,999.99	0.25
£750,000 – £999,999.99	0.30
£1m and over	0.35

Large fund discounts are applied by creating units proportionately across insured funds, monthly in arrears. The details will be in their personal illustration.

The fund management charge covers management of funds and administration costs. These are included in the unit price and collected daily. Go to [www.adviserzone.com](http://www.adviserzone.com) for more details.

Charges are applied monthly in arrears to assets held at that time. We review our charges regularly and they may be increased to reflect increases in overall costs or changes in the assumptions made. Any changes to our charges won't increase our profit margins above reasonable levels.

Additional expenses vary depending on the fund. The exact amount is included in the personal illustration.

## Notes on dealing and custodial charges

- <sup>1</sup> Whole of market – some fund providers may also apply early withdrawal charges, see the fund's prospectus for details
- <sup>2</sup> Elevate GIA – the Elevate GIA Charges Information Document details charges specific to investments made on the platform

- <sup>3</sup> Deposit accounts – it usually takes 2-3 days (although it can be up to 5 days) for money to be transferred to or from a deposit account. The account provider may charge your client for transfers to or from their account, and the charge may be greater for a same-day transfer. Some providers also apply early withdrawal charges if your client cashes in their investment before the end of the deposit term, and some providers won't allow your client to cash in their investment before the end of the deposit term. See [www.adviserzone.com](http://www.adviserzone.com) for the latest details
- <sup>4</sup> Discretionary investment managers – some managers may apply their own dealing and custodial charges

#### Discretionary charges

We may need to make changes to our charges to reflect the costs we incur managing a fund. For example, if the fund manager experiences a significant number of investors leaving the fund and needs to apply an adjustment to reflect the cost of selling assets.

#### Adviser charging

On instruction from you and your client we will facilitate the payment of an adviser charge. Setting the amount of the adviser charge is a matter for you and your client.

You can choose this charge to be applied in the following ways:

#### Initial adviser charge

The charge is applied to single payments your client pays into the International Bond. You can ask us to deduct this:

- before the payment is invested in the bond
- after payment is invested in the bond.  
If you take the charge in this way, it will form part of your client's tax deferred allowance

#### Ongoing adviser charge

To facilitate ongoing services to your client. We will deduct this charge yearly, half-yearly, quarterly or monthly as agreed between you and your client and notified to us.

#### Ad Hoc adviser charge

You can agree this charge with your client at any point in time by notifying us in writing.

#### Regular Initial adviser charge

This charge will only apply if your client pays Recurrent Single Payments to their bond and tells us the total charge, frequency term and amount.

#### Paying adviser charges

We will deduct money from your client's IB bank account to pay any adviser charges or from the insured funds specified by your client. We will not take money from other linked assets.

#### International Bond (IB) bank account

For all investments apart from insured funds, your clients will need to keep funds in an IB bank account to manage the charges and any withdrawals.

It's important that clients keep enough money in their IB bank account to cover this. We suggest that clients keep around 2% of the total value of their investments under the bond, plus the amount to cover regular withdrawals, in the account.

We've got processes in place to help you make sure that your client's bank account doesn't have a negative balance.

#### Need help?

If you'd like more information on our International Bond, we've got a dedicated team ready to support you.



**0345 300 4273**

(Mon to Fri, 9am to 5pm). Call charges will vary.



**[service@standardlife.ie](mailto:service@standardlife.ie)**

**There is no guarantee that any email sent to us will be received, or will not have been tampered with. You should not send personal details by email.**



**Speak to your account manager to find out more.**

Standard Life International dac is part of the Phoenix Group and uses the Standard Life brand under licence from the Standard Life Aberdeen Group. You can find out more about the strategic partnership between the Phoenix Group and Standard Life Aberdeen Group at [www.thephoenixgroup.com](http://www.thephoenixgroup.com)

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Standard Life International dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2. [www.standardlife.co.uk/International-Bond](http://www.standardlife.co.uk/International-Bond)