

Assignment of Investment Bond Segments Total Control for the Customer



As you might know we've recently improved our assignment process and implemented changes that will significantly increase the flexibility of our award winning bond products, including our 5 star Defaqto rated International Bond, Capital Investment Bond and Tailored Investment Bond.

What's changed?

A bond holder may choose to assign some or all of their segments to another party. This could be for a number of reasons including Trustee Investing, Inheritance Tax, university fees planning or a divorce settlement. Our new process provides more flexibility for both the assignor (original owner) and assignee (new bond owner).

From now on the assignee will receive a new bond number for the assigned segments. This will enable the assignee to:

- Select their own investment strategy
- Select their own withdrawal strategy
- Assign segments to other parties if they wish to do so

The assignor will retain the original bond number and will have the flexibility of having their own investment and withdrawal strategy. Both parties have full and independent control of their policies.

You might reasonably ask whether giving assigned segments a new bond number counts as a fundamental change to the policy, causing a chargeable event. The answer to this is NO.

HM Revenue & Customs have confirmed their position to us in a letter dated 21st October 2008 from their Chief Compliance Officer, within which they say the following,

"Based on my understanding, I can say that provided the renumbering follows an assignment, is simply an administrative exercise and with no changes made to the policy terms and conditions, then the renumbering will not be treated as a chargeable event".

Standard Life offers you an unprecedented level of investment control and flexibility within the onshore and offshore bond markets, which means that you can recommend us to your clients with even greater confidence.