

Key Features of the Delta Discounted Gift Trust Account

This Key Features booklet provides a summary of the key features of the Delta Discounted Gift Trust Account (the 'Account').

Canada Life International Limited ('CLI', 'we', 'us', or 'our'), provides you with this information to help you to decide whether the Delta Discounted Gift Trust Account is right for you.

In the UK, the Financial Conduct Authority ('FCA') is a financial services regulator. Although we are not authorised or regulated by the FCA, we are required to make available important information to help you decide whether the Delta Discounted Gift Trust Account is right for you.

You should read this booklet carefully, together with the Key Information Document, your personal illustration and the relevant Fund Information Guide(s), so that you understand what you are buying and then keep these documents safe for future reference.

If you still have questions about the Delta Discounted Gift Trust Account after reading this booklet, your Financial Adviser should be able to help. You may be charged for any advice given.

Delta Discounted Gift Trust Account

The Delta Discounted Gift Trust Account is an international single premium whole of life assurance contract, issued by Canada Life International Limited in the Isle of Man, held within an absolute or discretionary discounted gift trust.

It is designed for someone who wants to reduce their potential inheritance tax (IHT) bill and is happy to give away a sum of money to a trust to do so, while retaining some access to the trust through regular, fixed payments to support their existing income or other financial planning needs. It also provides the opportunity to link the performance of the Account to our International Core Fund range of over 140 carefully selected funds.

Its aims

What the Delta Discounted Gift Trust Account is designed to do:

- To potentially provide an immediate reduction in your inheritance tax bill
- To allow you to take regular withdrawals which are fixed at outset and continue until your death, or until the death of the surviving second owner, where there are joint settlors, or until the Account value falls to zero
- To allow you to build up a sum of money outside your estate potentially free from IHT for your beneficiaries
- To provide the potential for long term capital growth by allowing you to invest your money in a fund or range of funds to meet your investment needs
- To let you vary your choice of funds over time, to match any changes in your circumstances or attitude to investment risk
- To pay out a death benefit after the death of the life assured or, where there are multiple lives assured, after the death of the last life assured

Your commitments

What we ask you to do

- To satisfy yourself that you understand the features and the risks of the Account and the associated trust so that you can decide whether it is likely to meet your needs and expectations
- To invest at least £25,000 (or currency equivalent) into the Account
- To transfer the legal ownership of the Account to the trustees from the outset
- Once it is issued, the Account cannot be partly or fully surrendered during your lifetime, or in the case of joint owners, during the lifetime of both owners
- To regularly review your circumstances with your financial adviser so that your Account continues to meet your needs
- To keep us informed of any future changes of address so that we can keep in contact with you

Risks

What you need to be aware of

- If you die within seven years of setting up the Account, your initial investment may become chargeable to IHT at the full rate. Some reduction in the amount of IHT payable may be available if you die more than three years after setting up the Account

- You cannot alter the regular withdrawals or cash in the Account during your lifetime, or in the case of joint owners, during the lifetime of both owners
- The ongoing value of your Account is not guaranteed and can go down as well as up. The past performance of your choice of funds is not a guide to their future performance. This means you may get back less than you invested or less than the amount shown in your personalised illustration
- Some funds have higher levels of risk than others (and potentially higher rewards) and their performance is likely to be more volatile as a result. Where a fund invests in assets in a currency that is different to the currency of the fund, there may be additional investment risk due to exchange rate fluctuations. It is important to regularly review your attitude to risk with your financial adviser so that your Account performs in line with your expectations. A full list of the funds available can be found on our website: www.canadalife.co.uk/fund-centre/international-core-fund-range/
Please discuss this with your financial adviser
- Some funds may be less accessible than others during adverse market conditions (for example where assets may be difficult to liquidate at short notice, such as commercial property) and this may impact on our ability to switch your fund or pay regular, one-off withdrawals or full surrenders
- If you exercise your right to cancel the Account within 30 days, you may get back less than you invested
- The effect of our charges could be higher than shown in your personalised illustration
- In the event that the Isle of Man policyholder's compensation scheme is enacted because of the insolvency of another Isle of Man insurer, we may be asked by the Isle of Man Financial Services Authority to pay a levy to fund the scheme. We reserve the right to deduct this levy from your Account, which could total up to 2% of the Account value at the time
- If the value of your Account falls below a minimum level, we reserve the right to cancel the Account and pay you the value at the time, less any outstanding charges
- Tax legislation and insurance regulation could change in the future, which may affect the future tax treatment of this Account

Other documents you should read

Before you invest you should read the following documents, which are all available from your financial adviser or direct from us. Our contact details are in the 'How to contact us' section of this document:

- Delta Discounted Gift Trust Account Key Information Document
- Fund Information Guide(s) for each of your fund choices
- Discounted Gift Trust Client Guide
- Delta Discounted Gift Trust Account Policy Provisions. These are the full terms and conditions of the Account

Is the Delta Discounted Gift Trust Account suitable for me?

This Account may be suitable for you if:

- You are resident in the UK, Channel Islands or Isle of Man and are aged between 18 and 89
- You have at least £25,000 or more to invest
- You wish to make an immediate reduction in your potential IHT bill by putting a sum of money into trust for your chosen beneficiaries, while retaining access to a regular fixed withdrawal from the trust
- You want regular fixed withdrawals for life, or in the case of joint owners, for the lifetime of both owners
- You would like the opportunity to build up a sum of money outside your estate, which is potentially free from IHT
- You are prepared to accept a degree of investment risk and are looking for a wide range of funds in which to invest
- You understand that performance of your Account is linked to the funds you choose to invest in
- You can withstand fluctuations in the value of your Account and have other short-term funds to rely on, outside of this Account
- You can regularly review your Account and your fund choices, to ensure it continues to meet your needs

When is the Delta Discounted Gift Trust Account not appropriate?

This Account may not be appropriate if:

- You do not expect to have an IHT liability on your death
- You do not wish to give away ownership of your investment to the trustees of a trust
- You have less than £25,000 to invest
- You are uncomfortable investing with a company based outside of the UK
- You do not want regular fixed withdrawals for life, or you want a variable income from your investment
- You are not prepared to take any investment risk or want a guaranteed return
- You may want more access to the Account in the future
- You do not plan to regularly review your fund choices
- You are a US national/citizen

Do I need advice?

We are an insurance provider and cannot give personal recommendations about the products it offers.

We recommend that you engage with a financial adviser to discuss your financial objectives, to identify the most suitable solution to meet your needs. If you do not have a financial adviser, you can find one local to you by using the following website: www.unbiased.co.uk

Questions and Answers

What is the Delta Discounted Gift Trust Account?

Each Delta Discounted Gift Trust Account is made up of two key elements:

- A series of up to 10 single premium whole of life assurance policies, and
- The choice of either a absolute or a discretionary discounted gift trust to which you assign legal ownership of the Account. You and your financial adviser will choose which of these options is best for your circumstances at the outset

The Account is designed to reduce your IHT liability, while giving you access to a fixed regular payment for life. It also gives you the opportunity to grow the trust capital outside of your estate for your beneficiaries, potentially free from IHT.

Accounts can be issued in GBP, EUR, or USD. The minimum amount you can invest is £25,000 (or currency equivalent) and there is no maximum amount. Once the Account is set up, you cannot add any additional amounts to it.

At the outset, the applicant(s) must be between the ages of 18 and 89.

You will need to decide who to nominate as a life assured on the Account, and this cannot be you or your spouse/civil partner. There can be up to six lives assured. Lives assured can be any age from three months up to age 79 for single life Accounts. For joint Accounts the maximum age of the youngest life assured must be no more than 79.

All applicants must live in the UK, Isle of Man, or the Channel Islands at the outset.

Once the Delta Discounted Gift Trust Account is set up, there are limits to how flexible it can be. For example, you cannot add any more to the Account once it has commenced or change or stop the payments you receive from the trust. This is so that it can retain its key purpose of helping to reduce your potential IHT liability.

Once the Account has been set up and is outside of the cooling off period it cannot be unwound and the funds paid back to you.

The amount you receive from the trust is fixed at the outset and cannot be changed or stopped. If you are the sole applicant, the payments to you from the trust will cease on your death. If you apply with someone else, the payments from the trust will continue until both of you have died.

What trusts are available?

At the outset, you need to choose either the Discretionary Trust or the Absolute Trust. These trusts operate differently and are covered by different tax rules, and you should discuss the choice of trust with your financial adviser.

- An absolute trust enables you to select the beneficiaries at outset and what share of the trust you want them to have. These names and amounts cannot be changed
- A discretionary trust provides more flexibility by allowing the trustees to decide who benefits after your death from a class of beneficiaries, how much they receive and when. No beneficiary has a right to the trust fund, except at the trustees discretion

Under both types of trust, you will automatically be one of the trustees and you must appoint at least one other trustee. As the trust has an obligation to provide you with the fixed regular payments, no money can be distributed to any of the beneficiaries before you, (and your spouse/civil partner if jointly held), have died.

Trust registration

If the Account is issued in Trust and the settlor and trustees are based in the UK, the Trustees have an obligation to register the trust with HM Revenue and Customs on the online Trust Registration Service (TRS) within 90 days of each trust's creation. Full details of how to register a trust can be found on the following dedicated website: UK HMRC TRS website: www.gov.uk/guidance/register-a-trust-as-a-trustee

A step by step guide on how to register a trust can be found on our dedicated TRS hub at www.canadalife.co.uk/technical-support/registering-your-trust/

Professional Trustee Service

We offer an optional Professional Trustee Service, where you can choose to appoint a corporate trustee to take over the responsibilities of the trust, which includes the registration of the trust through HMRC's Trustee Registration Service.

Questions and Answers

How does the Account work?

You complete the application form as the applicant or settlor of the trust. You can be a sole settlor/applicant or can apply jointly with your spouse/civil partner. Within the application form you will be asked to provide details of the lives assured and the trustees.

In addition to the application form, you will also be asked to complete a separate trust deed.

We initially issue the Account to you as the settlor of the trust, but it is then assigned to the trustees, who become the legal owner of the Account.

At the outset, you and your financial adviser decide which of the available funds is most suitable for you. We use your investment to buy units within the fund or funds of your choice. You can see in the Personal Example how much of your money has been used to buy the units. The fund(s) you choose may invest in assets such as stocks and shares, property, gilts, corporate bonds, or cash. The value of these assets will dictate the value of your units, which can fall as well as rise and are not guaranteed. Any income these assets produce (such as dividends or rent from property) may also increase the value of the units.

The Account comes to an end if the Account value falls to zero, on the death of the life assured (for sole life Accounts) or when the last life assured dies (for multiple life assured Accounts).

Paying fees to your financial adviser

You can ask us to deduct amounts from your Account to pay any fees due to your financial adviser or fund adviser. We can also pay an initial fee from your premiums before they are applied to the Account.

We can make one-off or regular adviser charges should you request it, and you can start, stop, or vary them as appropriate.

This will be shown in your personalised illustration.

However, there may be income tax implications depending on how any adviser charges are paid and you should speak to your financial adviser in respect of this.

Where and how is my money invested?

Your premium is invested in your selection of funds from the Canada Life International Core fund range. Each fund is divided into equal parts called units. You can choose up to ten different funds and for the funds you choose, we will allocate units to your Account based on the price of those funds at the time. The ongoing value of your Account will be the current value of all the units.

What funds are available?

The Canada Life International Core fund range offers a full range of funds that cover the major geographic areas and sectors as well as some specialist funds. They include funds we manage as well as a wide range of funds managed by other companies. The funds you can choose from have different objectives and risks. Your financial adviser can help you choose the funds most likely to meet your investment needs.

The full list of available funds in the Canada Life international Core fund range can be found on our website: www.canadalife.co.uk/fund-centre/international-core-fund-range/

Who can make investment decisions?

You can make your own decision on which funds to choose. Your financial adviser can help you decide which funds are suitable for you, or you can nominate a fund adviser to make these decisions for you, providing they are suitably qualified for this role. Your financial adviser and/or fund adviser may make a charge for providing this advice.

Can I change my fund choices?

Yes, you can change your underlying funds at any time. There is currently no charge for switching between the available funds, but we do reserve the right to introduce a switching charge in future if it should become necessary.

What might I get back?

The personalised illustration shows what you might get back at various stages in the lifetime of the Account, but please bear in mind that the value of your Account is not guaranteed; it can fall as well as rise and you may get less back than invested.

You should not invest money in an Account if you think you might need access to it other than from the fixed regular payments. Once set up, you cannot surrender your Account at any time.

What are the charges and what are they for?

There are several different charges that may be deducted from your Account. The extent to which these charges apply to your Account will be based on the options you choose. Your personalised illustration will show how the charges will affect your Account based on the amount you invest, example growth rates and the charging options you've chosen. It will also detail any Adviser Charges you have asked us to pay on your behalf.

Charge name	Description	
Establishment Charge	A monthly charge we deduct for setting up your Account. At the outset, you must choose one of the charge options that will apply for the lifetime of the Account. Payment of this charge does not impact on your 5% tax deferred allowance.	
	Initial Charge Option	
	5-year Charge Option	
	A one-off up-front charge of 1% of the premium paid deducted as a single fixed amount from your premium immediately after it is invested in the Account.	
	An ongoing charge based on the premium amount, taken monthly for 5 years from the commencement of the Account. The charge is tiered so that a higher initial premium will attract a lower % charge.	
	Premium amount	% charge deducted
	£25,000 – £49,999.99	0.021% per month (total equivalent charge over 5 years = 1.26%)
	£50,000 or more	0.013% per month (total equivalent charge over 5 years = 0.78%)
Administration fee	An ongoing annual charge we deduct for administering your Account. The charge amount can be increased by us in future based on the rate of inflation in the Isle of Man. Payment of this charge does not impact on your 5% tax deferred allowance.	
	£157.40 each year – deducted at the outset and at each subsequent Account anniversary.	

Continued over

Questions and Answers

Charge name	Description
Full Surrender charge	A one-off charge that may apply if the trustees fully surrender your Account or any of the policies that make up the Account. The extent of any full surrender charge will depend on the Establishment Charge option that you choose and the length of time your Account has been in force. Payment of this charge does not impact on your 5% tax deferred allowance.
	Initial Charge Option
	Ongoing Charge Option
	No full surrender charge.
	If the trustees fully surrender your Account, or any of the policies that make up the Account we will deduct a full surrender charge equivalent to any outstanding establishment charge for the month in which the Account or policy is fully surrendered.
Fund Manager Charges	The manager of any underlying funds linked to your Account may apply initial charges and/or ongoing annual management charges to cover the costs and expenses of managing the assets. Where an initial charge applies, this will be deducted from your premium before it is invested. For ongoing annual management charges, you will not see these as deductions from your Account because they are already allowed for in the price of the underlying asset. Your financial adviser will provide you with details of the fund manager charges that apply to your choice of funds. Payment of these charges does not impact on your 5% tax deferred allowance.
Professional Trustee Service	The cost of this service varies depending on the service provided by the Professional Trustee: (i) Limited service - if you only require the Professional Trustee to register the trust with the UK Trustee Registration Service, a one-off fee of £200 is deducted from your premium, or (ii) Full service - if the Professional Trustee is to be appointed as the Account owner and be responsible for operating the Account, an initial charge of £500 is deducted from your premium and an ongoing charge of £350pa is deducted from the Account at each subsequent anniversary. We can make deductions from your Account to pay the professional trustee for the services they provide but there may be income tax implications in respect of this which you should discuss with your financial adviser. Please note, payment of this charge does impact on your 5% tax deferred allowance.
Adviser Charges	We can make deductions from your Account to pay your financial adviser for the advice that they may have given you, and to pay your fund adviser (if appointed). These deductions will only be made based on a direct instruction from you. If at a future date you wish to alter the level of these payments, please contact us at the address shown in the 'How to contact us' section of this document. Please note, payment of this charge does impact on your 5% tax deferred allowance.
Other potential charges that could be applied	Endorsement charge - Where it is necessary for us to endorse your Account for whatever reason, we deduct a one-off charge of £250 from the Account. Assignment charge - Where you ask us to assign individual policies or the Account to a new Account owner, we deduct a one-off charge of £250 from the Account. UK inter-bank payments - When making payments from your Account, we may charge a fee depending on the method of payment you choose. We do not currently make a charge for inter-bank payments made by Bankers Automated Clearing Service (BACS), but we do make a charge of £9.25 for Fastpay payments or £22 for any payments made by the faster Clearing House Automated Payment System (CHAPS). Overseas inter-bank payments - We will pass on any charges applied by our bank and the recipient bank. Foreign exchange charges - If you pay a premium to your Account or ask us to send a payment from your Account in a currency other than your Account currency, we will use an exchange rate determined by us at the time that may include an element of profit for us. Isle of Man Policyholders Compensation Scheme, or similar levy - We reserve the right to impose an additional charge to cover any levy, duty, tax, or other charge that may be imposed on us or the account holder by any government, statutory or regulatory agency or authority including, but not limited to, any levy imposed on us under the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 (as amended from time to time), or otherwise. Payment of these charges does not impact on your 5% tax deferred allowance.

Can I take money out?

The Delta Discounted Gift Trust Account is designed to pay you fixed regular payments, monthly, quarterly, half-yearly or yearly, throughout your lifetime. The amount and frequency of the regular withdrawal cannot be changed or stopped.

Regular withdrawals will always be taken across all the underlying policies that make up your Account.

Once the Account has been set-up, you cannot surrender it at any time during your lifetime, or your spouse/civil partner's lifetime if jointly held.

The trustees can make withdrawals from the Account or surrender any of the individual policies that make up the Account at any time, although during your lifetime this would be limited to the payment of any trust expenses, such as for any ongoing advice or for any trust related tax liabilities. There may be income tax implications in respect of this which you should discuss with your financial adviser.

Financial adviser charges - We can pay an initial adviser charge from your investment before or after it is applied to your Account, and you can ask us to deduct single or ongoing adviser charges at any time. In all instances where we make payments from your Account to your financial adviser, for UK resident Account holders these payments count towards your 5% tax deferred allowance (please see 'What taxes are applicable?' for more details).

Fund adviser charges - If a fund adviser is appointed, we can deduct their charges from your Account. Fund adviser charges for UK resident Account holders **do not** count towards your 5% tax deferred allowance (please see 'What taxes are applicable?' for more details).

Taking withdrawals, surrendering individual policies, or the entire Account will have specific tax consequences for UK resident and UK taxpaying applicants, trustees and beneficiaries and we strongly recommend that you seek advice from your financial adviser before proceeding to fully understand the implications of your actions.

What if my circumstances change?

You should inform your financial adviser of any change in your circumstances.

What taxes are applicable?

This document assumes that you, the trustees, and the beneficiaries are UK resident and domiciled for taxation purposes. If you are in any doubt about your tax status you should consult your financial adviser.

The following information is based on our understanding of current UK and Isle of Man tax legislation although the tax treatment of your Account will depend on your country of tax residency at the time you make withdrawals. The tax position of your Account may change in future, and you may be subject to additional taxes or costs which we have not considered.

We strongly recommend you seek your own independent tax advice.

Corporation tax

We pay no corporate taxes in the Isle of Man on the capital growth or income which accrue to any of the funds linked to your Account. By contrast, UK life assurance funds must pay tax at a rate of 20% on both income and gains.

Capital gains tax

Any investment gains made because of switching the underlying funds within your Account do not give rise to a UK capital gains tax liability. Any benefits taken from the Account are not subject to Capital Gains Tax but may be subject to income tax.

Questions and Answers

Income tax

UK resident Account holders are assessed under income tax when certain transactions occur. These transactions are known as chargeable events and if a chargeable event occurs, a chargeable gain calculation is made to establish if any income tax is payable. The main chargeable events are:

- When the Account ends because a Life Assured dies and the death benefit becomes payable
- If the Account or any of the individual policies within it are assigned to a new owner for money or money's worth
- For any withdrawals that exceed the 5% tax-deferred allowance in any policy year, or the cumulative 5% tax deferred allowance over the lifetime of the Account
- If you fully surrender the Account or any of the individual policies within it

If a chargeable gain arises it will be assessed to income tax. Who is liable to any assessed income tax liability will depend on the type of trust chosen (discretionary or absolute) and the circumstances at the time, but it could be the settlor, the trustees or the beneficiaries of the trust. Any income tax payable will be subject to the assessed individual's highest marginal rate of income tax at the time. Top slicing relief may be available.

What is the 5% tax deferred allowance?

You can withdraw up to 5% of the initial premium each year for up to 20 years without any immediate liability to income tax. This is known as the 5% tax-deferred allowance. Unused amounts can be 'stored' for use in later years, including years beyond year 20.

Deferring an assessment to income tax may be beneficial for several reasons, such as if you expect your level of income to fall in future, or if you plan to move abroad away from the UK tax net. If you withdraw more than a total of 5% of the premium each policy year, the excess will give rise to an immediate income tax charge at your highest marginal rate. Top-slicing relief may be available.

Any financial adviser charge deductions or payments of professional trustee fees or other trustee expenses such as tax liabilities from your Account may count towards your 5% tax deferred allowance and may have tax implications. It is important that you discuss these with your financial adviser. Any fund adviser charges **do not** count towards your 5% tax deferred allowance.

Inheritance tax

By choosing the Delta Discounted Gift Trust Account, you are making a gift into a trust which will have different Inheritance tax implications for you depending on which type of trust you choose (absolute or discretionary).

Any investment growth within the Account will not form part of your estate, but if you die within seven years of the gift there may be an IHT liability on the gift made.

What if my country of residence changes?

Your personalised illustration is based on your present country of residence. If you become resident in a different country after your Account is set up, please tell us immediately.

If you intend to move permanently to another country, we strongly recommend that you seek independent financial and tax advice before making the move so that you can fully understand how the move will affect the way your Account is treated in your new country. In most instances we can continue to administer your Account without any changes, but there may be countries in which we are prohibited from conducting business. If you move to such a country, you may no longer be able to pay any premiums into your Account or switch funds and may be required to fully surrender the Account.

What happens to the money if I die?

The trustees must inform us of your death, or the death of both of you where there are two applicants.

The regular withdrawals continue until all the applicants have died. The trustees must then decide whether to:

- Surrender all or part of the Account by way of a one-off withdrawal, regular withdrawals, surrendering individual policies or the Account in full, and pay the proceeds to the beneficiaries; or
- Leave the Account invested to allow the beneficiaries to continue to benefit from the potential for capital growth if a life assured remains. The Account can continue until the death of the last life assured. Where the Account ends in the event of the death of the last life assured, the death benefit payable to the trustees is the Account value at the time, less any outstanding charges, plus an additional £100

Contact

How is a death claim made?

The trustees should contact their financial adviser or our claims department at the address shown in the 'How to contact us' section of this document. We will advise them what information and documentation we require to process the claim. The death benefit is paid to the trustees when all the underlying assets have been settled and all the required documentation has been received by us.

How can I find out the current value of my Account?

If you register for a MyAccess account through the 'Log in' link on our website www.canadalife.co.uk you can obtain an indicative Account value at any time. We will provide you with an annual valuation statement and you can also contact us at any time to obtain an indicative value, although please note this is not guaranteed.

Can I change my mind?

Yes, under Isle of Man insurance regulation, you have the right to cancel your Account within 30 days of receipt of your documents.

To exercise your right to cancel, please complete and return to us the cancellation notice provided to you with your Account documents. You can also cancel your Account before you receive your documents by contacting us or your financial adviser.

On acceptance of your cancellation notice, for any single premiums paid, we will refund the amount invested, less any payments already paid to your financial adviser and/or fund investment adviser and less any fall in the value of your funds. Should a rise in the investment value occur, we will retain the surplus and only the premium invested will be returned. This means that the refund you receive may be less than your original premium.

Please note that if your Account is linked to a fund which for whatever reason is suspended from trading, then we may delay the repayment of the part of your Account linked to that fund until full settlement is received by us.

If you have any questions regarding your Account, we recommend that you contact your financial adviser in the first instance. Where this is not possible, you can contact us in the following ways:

Call us:
+44 (0)333 015 1382



Email us:
focus@canadalifeint.com



By post:
Canada Life International Limited
Canada Life House
Isle of Man Business Park
Douglas
Isle of Man
IM2 2QJ



Online:
www.canadalife.co.uk



Further Information

How do I make a complaint?

If you need to complain about any part of the service we have provided, please contact us, using the details in the 'Contact' section. If you are not happy with our response you have the option to refer it to the Isle of Man Financial Ombudsman, which is an independent body that can consider your complaint and our response impartially to reach a conclusion.

You can contact the Financial Services Ombudsman as follows:

Financial Services Ombudsman Scheme for the Isle of Man
Thie Slieau Whallian
Foxdale Road
St John's
Isle of Man
IM4 3AS

Phone: +44 (0)1624 686500
E-mail: ombudsman@iomoft.gov.im
Website: www.gov.im/oft

Referring a complaint to the Ombudsman may preclude you from taking legal proceedings.

What law applies to the Delta Discounted Gift Trust Account?

The Delta Discounted Gift Trust Account is issued in the Isle of Man and is subject to Manx Law.

Is there any investor protection available with the Delta Discounted Gift Trust Account?

Yes, our Account holders are protected by the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991.

Under these regulations, if we cannot meet our obligations to Account holders because we have become insolvent, you may be entitled to compensation from the Isle of Man Financial Services Authority of an amount of up to 90% of our liability under the Account.

The Isle of Man Policyholders Compensation Scheme provides protection to all Account holders, no matter where they live.

The Isle of Man Policyholders Compensation Scheme is funded by a levy contribution imposed on all authorised Isle of Man Life Assurance Companies.

If a levy contribution is imposed on the Company because of the insolvency of another authorised Isle of Man Life Assurance Company, we reserve the right to deduct such levy contribution from the Account value at the time.

The total amount of any levy contributions required to be paid will not exceed 2% of the Account value at the date on which the insolvent insurer became insolvent.

Further information regarding the Isle of Man Policyholders' Protection Scheme is available from the Isle of Man Financial Services Authority's website at:
<https://www.iomfsa.im/consumer-material/compensation-scheme-life-assurance/>

What protection is there for funds linked to the Account?

The individual funds an Account is linked to are not covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991, as these regulations only apply to an authorised Isle of Man life assurance company which has itself become insolvent.

The compensation offered for an individual fund depends upon what type of investment vehicle or structure is involved (that is, whether it is a unit trust, a cash deposit or other), what jurisdiction the fund is constituted under and whether it is authorised by a regulatory body.

Therefore, where there is concern about the level of compensation offered for an individual fund, we would recommend contacting the individual organisation whose funds are being considered.

Some compensation schemes in other jurisdictions have a maximum amount they will pay out to each client of the fund in question. As the underlying fund belong to us, there will only be one holder of each investment, and although several investors may have their Accounts linked to a particular fund, the compensation scheme would only treat us as a single investor. Therefore, any compensation received would have to be split between all of our relevant Account holders – as would be the case with any life assurance or other company in this situation.



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