



Key Features of the Offshore Savings Account

This Key Features booklet provides a summary of the key features of the Offshore Savings Account (the 'Account').

Canada Life International Limited ('CLI', 'we', 'us', or 'our'), provides you with this information to help you to decide whether the Offshore Savings 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 Offshore Savings 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 Offshore Savings Account after reading this booklet, your Financial Adviser should be able to help. You may be charged for any advice given.



Offshore Savings Account

The Offshore Savings Account is a group of regular premium whole of life assurance policies, issued by Canada Life International Limited in the Isle of Man.

It is designed for investors looking to save a regular amount each month or each year to build up a capital sum over the medium to long term.

Its aims

What the Offshore Savings Account is designed to do

- To potentially increase the value of the money you invest over time
- To let you build your investment by paying regular payments on a monthly or yearly basis, with an option to also pay single amounts into the Account
- To let you invest your money in a fund or range of funds to meet your investment needs
- To let you vary your choice of investments over time, to match any changes in your circumstances or attitude to investment risk
- To allow you tax efficient access to your Account, through regular or one-off withdrawals
- To come to an end and pay out a death benefit on the death of the sole life assured, or where there is more than one life assured, on the death of the last remaining life assured
- To provide additional estate and tax planning opportunities through a range of suitable trusts

Your commitments

What we ask you to do

- To satisfy yourself that you understand the features and the risks of the Account so that you can decide whether it is likely to meet your needs and expectations
- To invest a minimum regular premium of £500 each month or £6,000 each year (or currency equivalent) into the Account
- To be able to commit to a regular premium payment term of at least three years (the minimum contribution period)
- You decide how long you want to invest for (there is no fixed Account term, although you cannot surrender the Account within the three year minimum contribution period)
- 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. Moving to a new country of residence may mean that we are unable to accept further premiums from you

Risk factors

What you need to be aware of

- The ongoing value of your Account is not guaranteed and can fall as well as rise. The past performance of your choice of investments 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
- If you stop paying regular premiums within the minimum contribution period, we will continue to deduct the establishment charge from your Account until the end of the minimum contribution period
- Some investment options have higher levels of risk than others (and potentially higher rewards) and their performance is likely to be more volatile as a result. It is important to regularly review your attitude to risk with your financial adviser so that your Account performs in line with your expectations. Details of the fund choice are available on our website; www.canadalife.co.uk/fund-centre/
- Some investment options 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 investments or pay regular, one-off withdrawals or full surrenders
- Where your Account holds funds in a currency that is different to your Account currency, there may be additional investment risk due to exchange rate fluctuations
- 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
- If you take more out of your Account than originally planned, then the value of your Account may be less than indicated in your personalised illustration
- 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
- In the event that the IOM 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
- 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, please 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.

- Offshore Savings Account Key Information Document
- Fund Information Guide(s) for each of your investment choices
- Offshore Savings Account Client Guide
- Offshore Savings Account Policy Provisions. These are the full terms and conditions of the Account

Is the Offshore Savings Account suitable for me?

This Account may be suitable for you if:

- You are resident in the UK, Channel Islands or the Isle of Man and are aged between 18 and 89
- You want to make regular minimum monthly savings of £500 or regular minimum yearly/annual savings of £6,000 over a period of at least three years and are prepared to accept a degree of investment risk on your money
- You want to invest your money to generate a future capital lump sum in a tax efficient manner
- You want the option to be able to take tax-deferred withdrawals from the Account
- You are looking for a wide choice of asset classes and fund types in which to invest
- You have already considered and/or utilised other tax-free investments/savings ways to invest

When is the Offshore Savings Account not appropriate?

This Account may not be appropriate for you if:

- You are not prepared to take any investment risk or want a guaranteed return
- You cannot commit to a three-year savings period as a minimum
- You are a US national/citizen

Do I need advice?

We are an insurance provider and cannot give personal recommendations about the products we offer.

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

Trust registration

If your Account is to be issued in trust, the Trustees have an obligation to register the trusts with the UK 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

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.

Questions and Answers

What is the Offshore Savings Account?

The Account is designed for medium to long term savings and can be used to save money for many purposes, such as a special event or purchase, your retirement, or children's school and university fees.

The Account is a group of regular premium whole of life assurance policies. You pay a regular amount to us (the premium), which is invested in your choice of unit linked investments to build up a future capital lump sum.

You can invest any amount subject to the minimum of £500 monthly or £6,000 yearly (or currency equivalent). At the outset, you can choose to denominate your Account in either sterling (GBP), US Dollars (USD) or euro (EUR), but once issued we cannot change the Account currency.

Each Account is made up of ten identical policies. You may find this structure useful as it can be used to make future withdrawals from your Account more tax efficient (please refer to the 'What taxes are applicable?' section).

How does the Offshore Savings Account work?

You can apply for an Account on your own, or with someone else (which is known as a joint Account). All applicants must complete the application form and be aged between 18 and 89 when the Account starts.

You will not automatically be recorded as a life assured on the Account unless you complete the relevant section of the application form. If you want someone else or several other people to be lives assured, you must provide their details on the application form. The Account can hold up to six lives assured and there must be at least one life assured who is no older than 79. Setting up the Account with multiple lives makes it possible for the Account to continue after your death, and in that case, it would end on the death of the last life assured to die.

How much can I invest?

You can pay the regular monthly and yearly premiums by direct debit. The single and yearly premiums may be paid by cheque or by direct bank transfer. For US Dollar or euro premiums the currency equivalent will apply.

Minimum initial premium		
Monthly	Yearly	Single
£500	£6,000	£7,500

Minimum additional premium		
Monthly	Yearly	Single
£125	£1,500	£7,500

These minimums are net of any adviser charge deductions.

How flexible is it?

To maximise the opportunity for capital growth, you need to be able to continue to pay your regular premium for at least the first three years (the minimum contribution period), if not longer. You can increase the amount of your regular premiums at any time.

You can stop paying altogether without penalty at any time. However, if you stop paying your premium during the minimum contribution period, we will continue to take the establishment charges each month until the end of this period. Any adviser charge payments will stop as soon as you stop paying premiums.

Once the minimum contribution period has ended, you can reduce the regular premium amount if you wish, subject to the minimum premium level in the table above. Single premiums can be added at any time.

Questions and Answers

Where are my premiums invested?

Your premiums are 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 a number of units to your Account as each premium is received by us 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. The full list of available funds in the Canada Life international Core fund range can be found on our website canadalife.co.uk/fund-centre/

Who can make my investment decisions for me?

You can make your own decision on what investments to invest into. Your financial adviser can help you decide which funds are suitable for you, for which there may be a charge, or you can nominate a fund adviser to make these decisions for you, providing they are suitably qualified for this role.

Can I change my investments?

Yes, you or your fund adviser can change your choice of funds at any time. There is no charge for changing your choice of funds.

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.

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 <small>A charge we deduct for setting up your Account</small>	Regular premiums	One-off single premium
	During the three year minimum contribution period we deduct an establishment charge of 1.25%pa of the annualised regular premium amount by cancelling units in your choice of funds. This is deducted monthly, so the amount we deduct each month is calculated as $\frac{1}{12} \times 1.25\%$ of the annualised regular premium amount. We continue to deduct this charge during the minimum contribution period, even if you stop paying regular premiums. After the minimum contribution period has ended, we continue to deduct an establishment charge of 1.25% from each regular premium received, however, if you stop paying regular premiums the establishment charge will also stop.	For each one-off single premium received, we will deduct a one-off establishment charge of 1.25% of the single premium amount by cancelling units in your choice of funds.
Switching charge	There are currently no dealing charges within your Offshore Savings Account; all switches are free of charge, although we do reserve the right to introduce a switching charge in the future.	

Charge name	Description
Fund Manager Charges A charge we deduct for setting up your Account	<p>As the fund manager of the CLI Core Fund range, we charge a fund management charge to cover the costs and expenses of managing the underlying assets. You will not see this as a deduction from your Account because it is allowed for in the price of the funds.</p> <p>Your financial adviser will provide you with details of the Fund Manager Charges that apply to your choice of funds. Alternatively, you can access fund information including fund managers charges through the fund centre on our website www.canadalife.co.uk/fund-centre/international-core-fund-range/fund-research-centre/</p>
Adviser Charges	<p>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) by cancelling units in your chosen funds. 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 payments to your financial and/or fund adviser, please contact us at the address shown in the 'How to contact us' section of this document.</p>
Professional Trustee Service	<p>The cost of this service varies depending on the service provided by the Professional Trustee:</p> <ul style="list-style-type: none"> (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.
Other potential charges that could be applied	<p>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.</p> <p>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.</p> <p>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 £21 for any payments made by the faster Clearing House Automated Payment System (CHAPS).</p> <p>Overseas inter-bank payments - We will pass on any charges applied by our bank and the recipient bank.</p> <p>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.</p> <p>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.</p>

Your financial adviser will provide you with a personal illustration, which will detail and reflect the charges applicable to your Account.

Questions and Answers

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 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, such as the United States of America, 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.

What might I get back? Is there any guarantee of Account value?

The value of your Account is not guaranteed; it can fall as well as rise and you may get less back than invested.

Can I take my money out?

Yes, there are several ways that you can take your money out, but please note that taking money out of your Account will affect the amount you will get back in the future and there may be some tax to pay (please refer to the 'What taxes are applicable?' section).

Once the minimum contribution period has been completed, you can take one off or regular withdrawals from your Account, provided at least £1,000 (plus any outstanding charges) is left in the Account after the withdrawal has been taken.

You can also fully surrender any of the ten identical policies that make up the Account, or fully surrender the whole Account once the initial three year minimum contribution period has been completed.

There is no charge for taking money from the Account, although we may make a charge for some bank payment methods (please refer to the 'What are the charges and what are they for?' section).

How quickly will I receive the money?

We will make the requested payment as soon as we have received all the required documentation from you, and we have received settlement for the sale of your funds. We can pay the proceeds by BACS without charge to your UK bank account, or by Telegraphic Transfer to your UK or foreign bank account for an additional charge.

What happens if I die?

If you are the only life assured, in the event of your death we will pay a death benefit.

If there is more than one life assured at the time, the Account can continue until the death of the last life assured, at which point the death benefit is payable.

The death benefit is the unit value of the Account following notification of death, less any outstanding fees and charges, plus £100 (or currency equivalent).

The death benefit is paid when all the funds have been settled and all the required documentation has been received by us.

Please note that if the Account is not held in trust, for UK residents we may require both a UK and an Isle of Man Grant of Probate before we can pay the death claim.

We strongly recommend that you consider using our Probate trust, which avoids all probate requirements and ensures that in the event of a death claim, the Account passes to your beneficiaries without delay.

How is a death claim made?

To claim the death benefit, the claimant should contact your financial adviser or our claims department at the address shown in the 'How to contact us' section. We will then let them know what information and documentation we require to process the claim.

What taxes are applicable?

The following information is based on our current understanding of current UK and Isle of Man tax legislation which may change in the future. The tax treatment of your Account will depend on your country of tax residency at the time you make withdrawals or fully surrender your Account.

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 funds within your Account do not give rise to a UK capital gains tax liability.

Any withdrawals taken from the Account are not subject to Capital Gains Tax but may be subject to income tax.

Income tax

UK resident Offshore Savings 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 any tax liability. 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
- 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 (not capital gains tax). This will be based on your highest marginal rate of income tax at that time. Top-slicing relief may be available.

What is the 5% tax deferred allowance?

You can withdraw up to 5% of your 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 year, the excess will give rise to an immediate income tax charge at your highest marginal rate. Top-slicing relief may be available.

The use of adviser charge deductions from your Account will affect 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

Inheritance tax planning is becoming increasingly relevant, as more individuals fall within its remit.

We offer a Gift Trust option (both bare and discretionary) which can be used to help to reduce the impact of inheritance tax on your estate, and this trust can be added at the outset or to an existing Account after it has been issued.

We also offer the Probate Trust which can be considered at the outset or added to an Account after issue. The Probate Trust has no effect on inheritance tax, but it does allow your beneficiaries to have access to the value of your Account on your death immediately, without the need to obtain UK or Isle of Man Grant of Probate.

Please contact your financial adviser if you require any more information on any of these trust options.

Questions and Answers

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 if you are looking to surrender your Account.

Can I change my mind?

Yes, under Isle of Man insurance regulation, you have the right to cancel your Offshore Savings 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 Offshore Savings 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 regular premiums paid, we will refund the premium in full, less any payments already paid to your financial adviser and / or fund investment adviser. 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 deals infrequently or 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.

How to contact us

If you have any questions regarding your Offshore Savings 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:

By Post

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



Call Us

+44 (0) 333 015 1382



By email

focus@canadalifeint.com



Online

www.canadalife.co.uk



Further information

How to 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 'How to contact us' 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.

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 Offshore Savings Account?

The Offshore Savings Account is issued in the Isle of Man and is subject to Manx Law.

Is there any investor protection available with the Offshore Savings 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 investments linked to the policies?

The individual investments 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 investment 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 investment vehicle or structure 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 investment, we would recommend contacting the individual organisation whose investments are being considered.

Some compensation schemes in other jurisdictions have a maximum amount they will pay out to each client of the investment in question. As the underlying investments belong to us, there will only be one holder of each investment, and although several investors may have their policies linked to a particular investment, 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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