

# Wealth Preservation Europe Account

International estate planning solutions designed for you

## Key Features

This document shows the main points about your Wealth Preservation Europe Account. Please read it with your Key Information Document and personal illustration and keep it with the documents relating to your Wealth Preservation Europe Account. The Key Information Document and personal illustration show what you may get back from your investments.

The Financial Conduct Authority (“FCA”) is an independent UK financial services regulator, which sets rules in respect of the promotion of financial products. Although Canada Life International Assurance (Ireland) DAC (‘we, us, our’) is not authorised nor regulated by the FCA, we are required to make available important information to help you decide whether the Wealth Preservation Europe Account is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

# The Wealth Preservation Europe Account

The Canada Life International Assurance (Ireland) DAC Wealth Preservation Europe Account (the account) is designed for someone looking to reduce his or her potential UK inheritance tax (IHT) bill and who is happy to give away some of their wealth in order to do so.

It also provides the opportunity to link the performance of the Account to a wide range of investment funds or cash deposits. The account also provides optional annual payments to support existing income or other financial planning needs.

## Its aims

- To build up a sum of money outside your estate, which is potentially free from IHT.
- To pay you money out of the account on each anniversary date, if required.
- To allow you to invest in a fund or range of funds and cash deposits to meet your investment needs.

## Who is the Wealth Preservation Europe Account for?

The Wealth Preservation Europe Account may be suitable for you if:

- You are aged between 18 and 89, have £50,000 or more to invest and are prepared to accept a degree of investment risk on your money.
- You are looking for the potential for tax efficient capital growth for your beneficiaries whilst maintaining an option to an annual payment if required, virtually free of tax over at least 10 years.
- You are looking to reduce your inheritance tax liability by making a gift into trust for your chosen beneficiaries.
- You are looking for a wide range of collective investment schemes or permissible assets in which to invest.
- You have already considered and/or utilised other tax-free investments/savings ways to invest.
- You are resident in the UK, Channel Islands or the Isle of Man.

## When is the Wealth Preservation Europe Account not appropriate?

The Wealth Preservation Europe Account will not be appropriate if:

- You are looking to protect your investment or want a guaranteed return.
- You are under the age of 18 or over the age of 89.
- You have less than £50,000 to invest.
- You are looking for a short term investment of less than 10 years.
- You are looking to have full access to your investment at any time.
- You want to make additional investments into this Account.
- You are not resident in the UK, Channel Islands or the Isle of Man.

## Your commitment

- To invest a minimum single premium of £50,000 into the life assurance policies set up for the account.
- To transfer the legal ownership of the policies into a trust called the Initial Trust.
- To transfer the rights of the policies into a trust called the Settlement.
- As a Trustee of the Initial Trust, you and the other Trustee(s) of the Initial Trust must act upon the instructions of the Trustees of the Settlement. We will deal with Trustees of the Initial Trust.

## Questions and Answers

### Risk factors

There are circumstances which could reduce the value of your investment or the tax benefits derived from the account. This could mean that the amount you or your beneficiaries receive is reduced.

- Tax legislation may change in the future or you/the Trustees may change country of residence. Therefore, you/the Trustees should take professional tax advice to determine if your tax position has changed.
- The value of your investment can go down as well as up and you or your beneficiaries may not get back the full amount invested. How any of the funds have performed in the past is not a guide for how the funds will perform in the future.
- Some funds have higher levels of risk than others. Details of permissible assets are available on our website: [www.canadalifeinternational.ie](http://www.canadalifeinternational.ie). Please discuss this with your professional adviser.
- 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 the account commences.
- If the account is cancelled within 30 days, you or the Trustees of the Settlement may get back less than you paid in. Please refer to 'Can I change my mind?' on page 6 for further information.
- The account includes a trading cash account from which all fees, policy charges, fund adviser fees and adviser charges are debited. It is important to monitor this account and maintain a positive balance. If the cash account becomes overdrawn then it will attract debit interest. Please refer to our document 'Tips on how to manage your cash account' (reference 6934) for more information.

### What is the Wealth Preservation Europe Account?

The Wealth Preservation Europe Account consists of a group of Canada Life International Assurance (Ireland) DAC policies and two trusts. This structure allows you to potentially reduce IHT while retaining an income from your investment.

- You pay an amount of money (the premium) into a number of life assurance policies.
- You can invest any amount into the policies as long as you invest a minimum of £50,000. You cannot pay in any further premiums.
- The account can only be held in sterling.
- The maximum number of identical policies is 99,999. We will allocate the maximum number of policies based on your chosen premium, the maturity term and the minimum policy size of £10.
- You select a maturity date for each policy which must be an anniversary of the start date of the account (no later than the year the youngest life assured reaches age 101). Two or more policies can have the same maturity date.
- The legal ownership of the identical policies is immediately transferred into a trust called the Initial Trust. You are automatically a Trustee of the Initial Trust. You must appoint at least one other UK resident Trustee to this Trust.
- All other rights under the policies are transferred into a trust called the Settlement. You must appoint at least two UK resident Trustees to this Trust. You can be a Trustee of the Settlement if there is at least one Trustee who is not your spouse, civil partner or a beneficiary of the Settlement.

# Questions and Answers

## How does the Wealth Preservation Europe Account work?

- The account can be held in your name only at the start.
- You must be aged 18 or over when the account starts.
- Trustees must be aged 18 or over.
- You are automatically a life assured.
- If you want someone else or several other people to be lives assured, you must provide their details on the application form.
- The policies can have up to six lives assured.
- There must be at least one life assured who is no older than 79.
- By setting up the policies with multiple lives assured, the account could continue even after your death.
- The account will end on the death of the last life assured.
- The Trustees of the Settlement will make all the decisions about the policies. They will instruct the Trustees of the Initial Trust to complete the necessary paperwork and send it to us.
- You must name the beneficiaries when you establish the Settlement. The beneficiaries must be a named person or people or an identifiable group of people (such as ‘my grandchildren’). These are the people who can benefit from the Settlement. The Trustees can, with your consent, change the beneficiaries at any time, but you cannot be a beneficiary.
- At each account anniversary when one or more policies reach their maturity dates, the Trustees of the Initial Trust, acting on the instructions of the Trustees of the Settlement, must tell us whether to:
  - allow all of the policies to mature, or
  - allow some of the policies to mature and defer the maturity date of the remaining ones, or
  - defer the maturity dates of all of the policies.
- If a policy matures during your lifetime, the maturity proceeds belong to and are payable to you.
- Deferred policies are given new maturity dates.
- Following the death of the last life assured, the death benefit is payable to the Trustees of the Initial Trust for the benefit of the beneficiaries of the Settlement.

- The Trustees of the Settlement can instruct the Trustees of the Initial Trust to pay the death benefit to them or to the beneficiaries of the Settlement, or to reinvest the proceeds elsewhere for the benefit of the beneficiaries of the Settlement.
- If instructed to do so by the Trustees of the Initial Trust we can make partial surrenders from the account to pay for any ongoing advice received by the Trustees of the Settlement from a professional adviser or fund adviser.
- The policy provisions are governed by Irish law. There is one exception to this – the provisions identifying the selected lives assured are governed by the laws of the Isle of Man. Under Irish law, you must have an ‘insurable interest’ in the selected lives assured. Under Irish law, this is limited to your spouse and people who owe you a debt. For each policy, the provisions identifying ‘the lives assured’ are governed and interpreted in accordance with the laws of the Isle of Man. This will give you flexibility not available under Irish law to identify individuals other than your spouse as the lives assured under the account.

## Where is my premium invested?

- You make the initial decision as to what fund or funds to link the policies to. Each fund is divided into equal parts called units and we use your premium to buy as many units in your chosen fund(s) as possible. Cash deposits are also available.
- The Trustees of the Settlement will make future investment decisions. They will instruct the Trustees of the Initial Trust to complete the necessary paperwork and send it to us.
- The Trustees of the Settlement can instruct the Trustees of the Initial Trust to nominate a fund adviser. They must hold an appropriate authorisation or approval from their regulator to perform this role.
- You and the Trustees can choose from a wide range of third party funds and cash deposits. You should seek advice from your professional adviser as to what is the most suitable investment for you for which there may be a charge.

- The value of the units linked to the policies (the unit value) will vary from day to day: some funds value their units daily; others will be weekly or monthly. This is the valuation date. The value of all the units allocated to your policies is the policy value.
- There is no maximum number of funds that you or the Trustees can invest into.

### What are the charges and what are they for?

- We will deduct an amount from the policies to pay for setting them up (known as an Establishment Charge) and for their ongoing administration (known as an Administration Charge).
- We may increase the policy charges if the cost of managing the policies increases.
- We can make deductions from the policies to pay a professional adviser for the advice that he/she may have given, and to pay a fund adviser if appointed. These deductions will only be made if we receive written instructions from the Trustees. If at a future date the Trustees wish to alter the level of payments to the professional and/or fund adviser then these should be made in writing and sent to us at the address shown on page 7.

Other additional charges and fees may apply to the policy/account. Full details are shown on the 'Wealth Preservation Europe Account Key Information Document' (reference IOM01000) and in the charges and fees document (reference IOM01353) which are available to download from our website: [www.canadalifeinternational.ie](http://www.canadalifeinternational.ie) or can be requested by calling +44 (0) 1624 820200.

Your professional adviser will obtain a personal illustration for you, which will detail the charges applicable to your policies.

### What if my country of residence changes?

The enclosed illustration is based on your present country of residence. You must inform us if you or any Trustee of the Initial Trust or Trustee of the Settlement Trust become resident in a different country.

- Your/The Trustees personal circumstances including taxation position may change as a result of moving to a different country. You/The Trustees should take professional tax advice in these circumstances.

### Can I take my money out?

- You can only get money out of the account when policies mature during your lifetime. The maturity proceeds payable will be the unit value of a policy on its maturity date.
- Withdrawals are not permitted.
- The Trustees of the Settlement can instruct the Trustees of the Initial Trust to surrender policies at any time before they reach their maturity date. Any surrender proceeds are payable to the Trustees of the Initial Trust for the benefit of the beneficiaries of the Settlement.

### Paying fees to a professional or fund adviser

- **Adviser charges** – We can pay an initial adviser charge from the investment before or after it is applied to the account, and you can ask us to deduct single or ongoing adviser charges at any time.
- **Fund adviser fees** – If a fund adviser is appointed we can deduct their fees from the account.

### What happens when I die?

- The Trustees must inform us of your death as your right to receive an income stops on your death.
- If you are the only life assured the account will end.
- If there are remaining lives assured, the Trustees of the Settlement can decide whether to surrender some or all policies or leave some or all policies invested.
- The account can continue until the death of the last life assured.

### What happens when the last life assured dies?

- On the death of the last life assured, we will pay the death benefit to the Trustees of the Initial Trust.
- The death benefit is the unit value of the policies calculated at the next valuation date following receipt of written notification of death less any outstanding fees and charges plus £100.
- The death benefit will be paid out once all the investments have been settled and all the required documentation has been received by us.

# Questions and Answers

## How is a claim made?

- To make a claim the Trustees of the Settlement should contact their professional adviser or our customer support team at the address shown on page 7. We will then let them know the information and documentation we require to process the claim.

## Can I change my mind?

- Yes, you have the right to change your mind and cancel the account within 30 days of receiving the document 'Notice of the right to cancel' from us.
- Any fall in value of the policies will be deducted from the amount returned. Should a rise in investment value occur, we will retain the surplus and only the amount invested will be returned.

- You should be aware that if you choose to cancel an account and the policies are:
  - linked to a deposit which has a term of more than 30 days; or
  - linked to a fund which deals monthly, quarterly or less frequently,

then the following will apply:

- The policies will be cancelled on the date we receive the cancellation notice, however we may delay the repayment of the part of the account linked to the deposit or fund described above until the deposit matures or the dealing date for the fund is reached and full settlement is received by us.
- If the Trustees have asked us to make any payments to a professional adviser or fund adviser and we have made these payments then we will be unable to refund the deductions. Please contact the relevant adviser(s).

## What taxes are applicable?

- The underlying funds that are linked to the Wealth Preservation Europe Account grow virtually free of tax (they may suffer some withholding taxes on dividends. In some circumstances CLIAI may be able to reclaim taxes deducted on UK dividends).
- You or the Trustees of the Settlement may have to pay IHT in the future. You should discuss this with your professional adviser.
- If you are UK resident for tax purposes, and a policy matures or is surrendered during your lifetime, there may be a charge to income tax. If the amount paid out is greater than the premium paid into that policy, the difference is subject to income tax. Income tax is payable by you at your highest rate.
- If a policy matures or is surrendered after the tax year of your death and the amount paid out is greater than the premiums paid in to that policy, the difference will be subject to income tax. Income tax is payable by the Trustees of the Settlement at the Trustee rate of income tax.
- On the death of the last life assured, if the surrender value of the policies immediately before death is greater than the premiums paid in, the difference will be subject to income tax. If you are the last life assured to die, your estate will be liable to any income tax. If you are no longer living when the last life assured dies, the Trustees of the Settlement will be liable for any income tax due.
- Adviser charge deductions will affect your, or the Trustees of the Settlement's, income tax position. The deductions will be treated as reducing the premium paid into the policies. If in any year the deductions exceed 5% of the premium paid at outset, you, or the Trustees of the Settlement, will have an income tax liability.

This is based on our understanding of relevant legislation as at July 2019 and could be subject to change in the future.

## Contact

You should contact your professional adviser in the first instance.

If you have any questions you can contact us in the following ways:

### Call us:

+44 (0)1624 820200



### Email:

focus@canadalifeint.com



### By post:

Canada Life International Assurance (Ireland) DAC  
Canada Life House  
Isle of Man Business Park  
Douglas  
Isle of Man  
IM2 2QJ



### Online:

www.canadalifeinternational.ie



## Further Information

### How to complain

If you or the Trustees are not happy with our response you can contact:

**Financial Services Ombudsman**  
3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2

Phone: +353 1662 0899

Website: [www.financialombudsman.ie](http://www.financialombudsman.ie)

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

### What legal system applies to the account?

The laws of Ireland will apply to your account with the exception that any provision relating to the life/lives assured (and particularly, the insurable interest of the Policyholder in such life or lives assured), is governed by the laws of the Isle of Man, as explained above.

### Regulation

We are authorised and regulated by the Central Bank of Ireland. We are also authorised as a Category A Permit holder by the Jersey Financial Services Commission.

### Terms and conditions

This document is a brief guide to the key features of the Wealth Preservation Europe Account. You can read the full terms and conditions in the 'Wealth Preservation Europe Account Policy Provisions' (reference CLIA47) which, together with the application form, makes the legally binding contract between you and us.

**Please note that Canada Life International Assurance (Ireland) DAC does not carry out insurance business in or from the Isle of Man.**



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Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820 201 [www.canadalifeinternational.ie](http://www.canadalifeinternational.ie) Member of the Association of International Life Offices.

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