

**For financial advisers only**

## **Utmost International Isle of Man offshore bond investments on ARC – your questions answered**

We've partnered with Utmost Wealth Solutions, to provide access to their Utmost International Isle of Man Ltd offshore bond investments through the Aegon Retirement Choices (ARC) General Investment Account (GIA).

The following questions and answers should help as you go through the process.

If you have any further questions, please get in touch with your usual Aegon contact.

### **Questions and answers**

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## **Are you launching your own offshore bond?**

No. We're partnering with Utmost Wealth Solutions to provide a streamlined application process for their bond products to invest into the ARC GIA.

## **Who can invest into the Utmost Wealth Solutions offshore bond?**

Investments are made by Utmost Wealth Solutions on behalf of the underlying bondholder(s) into an ARC GIA. All bondholders must be habitually resident in the UK.

## **Which Utmost International Isle of Man offshore bonds are covered by the agreement?**

At present investments will only be accepted into the ARC GIA from new or existing:

- Evolution Bonds
- Estate Planning Bonds

**We appreciate there are other bonds made available directly or as part of Utmost's acquisition of other providers, but these are not currently available. We'll keep you updated with any news on further bonds that become accepted through our relationship with Utmost Wealth Solutions.**

## **How do the bond / annual charge work?**

The bond product fees are paid to Utmost Wealth Solutions from the bond product.

The annual charge is paid to Aegon through the GIA the bond invests into and are subject to the adviser firm platform terms.

## **How do I set up adviser charges and where will they get taken from?**

When you complete a new Utmost Wealth Solutions bond application, you'll also need to complete the adviser charge section. This sets up the adviser charge expectation for both the initial and ongoing fees to be paid through the bond product under your terms as agreed with the bondholder(s).

**Important – General adviser charging (for example advising on the suitability of an offshore bond) must not be set up and taken through the ARC GIA. General adviser charges should be taken from the bond and will reduce the amount of the 5 percent tax deferred allowance available to the bondholder(s).**

## **How do I set up investment charges and where will they get taken from?**

When you complete a new Utmost Wealth Solutions bond application, you'll also need to complete the investment options section and be appointed as the investment adviser for the portfolio. Dependent on your firms' permissions and what you've agreed with the bondholder, this could be either in an advisory or DFM capacity. This sets up the investment adviser charge expectation with investment management fees to be paid through the bond product under your terms as agreed with the bondholder(s).

**Important – Investment management fees must not be set up and taken through the ARC GIA. Instead, these charges should be taken from the bond.**

## **What charges are taken from the ARC GIA?**

The following can be taken from the GIA and will not impact your clients 5% withdrawals: ARC annual charge, investment fund charges, which includes MPS funds run by authorised platform DFMs.

## **How do I apply for the Utmost International Isle of Man offshore bond on behalf of my client?**

You'll need to complete the Utmost International Isle of Man offshore bond application form and submit this to Utmost Wealth Solutions. Once this is completed, Utmost Wealth Solutions will complete our ARC GIA application form on behalf of the bondholder(s) and Utmost Wealth Solutions will be the customer recognised by us.

## **How will the name appear for the Utmost International Isle of Man offshore bond on ARC?**

To make it clearly visible the accounts that are held by Utmost on behalf of the underlying bondholder(s) we apply a strict naming. As an example '**Utmost International Isle of Man HXR1234**'.

## **What income options are available and how regularly can they apply?**

The GIA allows regular withdrawals either monthly, quarterly or yearly. We also have ad hoc withdrawals. The withdrawals are paid to Utmost Wealth Solutions and allocated to the relevant bond product, to then be paid to the bondholder.

## **Who manages the GIA investment strategy?**

To have the correct authority to manage the GIA holding, you'll need to be appointed as the adviser to manage the investment strategy, either in an advisory or DFM capacity. Once this is confirmed by Utmost Wealth Solutions, you can trade on the account.

## **What fund range is available to invest in with the Utmost Wealth Solutions offshore bond?**

ARC's full range of funds are available. However, so your client remains compliant with Utmost Wealth Solutions Terms and conditions, you must follow the Investment Parameters guide as issued by Utmost Wealth Solutions. You should also take great care in only investing in permitted investments to avoid highly personalised bond rules applying, which can result in the bondholder being taxed on deemed gains.

## **Can my client see their Utmost Wealth Solutions offshore bond GIA on ARC?**

No. Bondholders aren't able to view their ARC GIA that the Utmost Wealth Solutions offshore bond is invested into. Our client in this partnership relationship is Utmost Wealth Solutions. They have made the investment on behalf of the bondholder(s). As we do not receive any information on the bondholder(s) from Utmost Wealth Solutions, we cannot create view access for your client.

## **Can the GIA be placed in trust?**

No. The GIA is owned by Utmost Wealth Solutions on behalf for the bondholder(s). It's therefore the bond that must be placed in trust, then all of its assets will fall under that trust.

## **Can withdrawals be paid directly to the bondholder(s)?**

No. This is not possible for the following reasons.

1. The GIA investment is owned by Utmost Wealth Solutions on behalf of the bondholders, so the withdrawal can only be paid to their bank account and then into the bond product.
2. Any withdrawals need to be accounted for by Utmost Wealth Solutions for their own records and chargeable event reporting, for example whether or not inside or outside of the 5% tax deferred withdrawal limits. The bondholder will be taxed in accordance with the chargeable event rules applying to the bond.

## **Can the Utmost Wealth Solutions offshore bond owned asset from a different platform be re-registered to ARC?**

No. Any assets owned by the Utmost Wealth Solutions offshore bond on different platforms will need to be sold down and the proceeds returned to the Utmost Wealth Solutions offshore bond. Once the proceeds have been received, an ARC GIA form can be completed as per the new business process. So Utmost Wealth Solutions will need to complete an ARC GIA application to open a product.