



# Key Features of the Wrap Offshore Bond

Provided by RL360 Insurance Company Limited (RL360)

 20 minute read

## Important information you need to read and understand before you invest



The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, James Hay Partnership, to give you this important information to help you to decide whether the Wrap Offshore Bond 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.



# What you should know before you invest

## **What is the purpose of this Key Features Document?**

This Key Features Document, along with your Key Features Illustration and Key Information Document provided by your financial adviser, gives you a summary of information to help you decide:

- if you want to invest in the Wrap Offshore Bond
- whether the Wrap Offshore Bond is right for you.

## **What is a Wrap Offshore Bond?**

The Wrap Offshore Bond is an investment linked policy of insurance. It can be set up as:

- a whole of life assurance policy (meaning it continues until the death of the last life assured)
- a capital redemption policy with no lives assured and a maturity date which is 99 years after the start date.

## **The relationship between James Hay and RL360**

- RL360 is part of International Financial Group Limited. RL360 is based on the Isle of Man and provides offshore savings, protection and investment for customers in 170 different countries.
- James Hay acts as an insurance intermediary in relation to the Wrap Offshore Bond
- James Hay distributes the Wrap Offshore Bond provided by RL360
- James Hay arranges the Wrap Offshore Bond with RL360 on your behalf
- James Hay does not receive any payment from RL360 for doing this.

# Key features of the Wrap Offshore Bond



## Its aims

The aim of the Wrap Offshore Bond is to allow you the opportunity to invest your cash sum with the aim of increasing its value.

Your Wrap Offshore Bond will allow you to link to a wide range of investments, with the flexibility to switch between them.

It provides you with the facility to make withdrawals at any time.



## Your commitment

Before buying the Wrap Offshore Bond, you should consider in consultation with an FCA regulated financial adviser (financial adviser) whether you have sufficient investment experience and are prepared to be responsible for making decisions about how your money is invested during the time that your Wrap Offshore Bond is open.

You will need to:

- make a single payment into your Wrap Offshore Bond of at least £100,000
- pay the charges set out in the Wrap Charges Schedule
- regularly review your investments
- consider this type of investment as a medium to long term commitment.

Please note that you must have an FCA regulated financial adviser appointed at all times during the period you hold the Wrap Offshore Bond.



## Understanding the risks

There are risks associated with investing your money via a Wrap Offshore Bond which, depending on how they are managed, could affect the value of your Wrap Offshore Bond in the future. These are detailed below. You may be able to reduce the impact of some of the risks, as you are able to control:

- the amount you put in
- the investments you select
- if you choose to take withdrawals.

However, other factors that contribute to the different risks involved in having a Wrap Offshore Bond may be outside of your control. For example, the Government may change the tax rules applicable to Offshore Bonds and this could affect the tax treatment of your Wrap Offshore Bond.

**To understand the risks associated with investing via a Wrap Offshore Bond and how the amount of money you get back out may be affected, we strongly suggest you read on.**

### **Applying for the Wrap Offshore Bond**

If you open a Wrap Offshore Bond and later change your mind and choose to cancel it, you may get back less than you paid in. Please refer to the Wrap Offshore Bond Terms and Conditions for further information which is available on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

### **Transferring investments in**

If you transfer existing investments into your Wrap Offshore Bond, they may need to be transferred as cash and you may not get the benefit of any investment increases whilst the transfer is being processed.

### **Investing your money in your Wrap Offshore Bond**

The value of your investment can fluctuate up and down and it is possible that you may get back less than the amount you originally invested.

Depending on the type of investments you choose to invest in, there will be different risks that will affect the value of your investment. For example:

- foreign investments will be affected by changes in the rate of currency exchange
- investments in stocks and shares will be affected by fluctuations in the stock market
- cash deposits will be affected by changes in interest rates.

**For further information on the risks that are specific to a particular investment, please read the Guide to Investment Risk available on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk) or speak to your financial adviser.**

If the returns on your Wrap Offshore Bond investments are poor, they may not cover the level of charges applied and the value of your Wrap Offshore Bond could significantly reduce in value over time. You should regularly review the performance of your chosen investments to check that they remain suitable for providing you with the benefits you require in the future.

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders protection scheme, which covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liability where it is unable to meet its financial obligations.

However, the Isle of Man scheme is only in relation to RL360 becoming insolvent and does not relate to specific underlying investments chosen by you, with the assistance of your financial adviser.

All underlying investments are made and held in the name of RL360 and therefore you will not be eligible to take advantage of any investor compensation scheme or the Depositors Compensation Scheme, which you may otherwise have been able to apply to if you had directly invested with the underlying fund manager, bank or building society.

In addition, owners of policies issued by RL360 are not protected by the Financial Services Compensation Scheme established under the UK Financial Services and Markets Act 2000 should RL360 be unable to meet its liabilities to them.

To understand how this may affect your Wrap Offshore Bond, please see the 'Other useful information' section later in this Key Features Document.

### **Withdrawals from your Wrap Offshore Bond**

The value of your Wrap Offshore Bond is not guaranteed. Its value will depend on a number of factors including:

- what you have paid in
- how your investments have performed
- the charges that have been deducted.

The level of the withdrawals you can make will depend on:

- the value of your Wrap Offshore Bond
- whether you are able to sell your investments.

High levels of inflation could reduce the value of your Wrap Offshore Bond in real terms.



## Questions and answers

### Is the Wrap Offshore Bond the correct product for me?

The Wrap Offshore Bond may be right for you if you:

- have an FCA regulated financial adviser
- are looking to build capital growth
- want to save money in a tax efficient investment environment
- want access to a wide variety of investments
- are willing to accept a degree of risk with your capital.

If, with your financial adviser, you decide the Wrap Offshore Bond is right for you, please note that James Hay does not carry out periodic suitability checks to ensure the product continues to be right for you. These may be completed by your financial adviser.

### Who can take out a Wrap Offshore Bond?

You can take out a Wrap Offshore Bond as:

- an individual aged between 18 and 80, resident in the UK for tax purposes and not a US citizen. The maximum age for the youngest life assured is 75 years old
- a company investment, if the company is resident in the UK and the Memorandum and Articles of Association give appropriate investment powers
- a trustee investment, if the sole or majority of the trustees are resident in the UK and the trust deed gives appropriate investment powers.

### Can the Wrap Offshore Bond be shared with someone else?

Normally you will not be able to share ownership of your Wrap Offshore Bond with anyone else.

However, if the investment is an investment of trust assets, all the trustees will share ownership.

In addition, if the investment is an investment of corporate assets, the company will own the assets on behalf of its shareholders.





### How much can I pay in?

The minimum investment required to open your Wrap Offshore Bond is £100,000. There is no maximum investment amount.

Some investments available under the Wrap Offshore Bond may have a minimum or maximum investment amount. Please speak to your financial adviser for further details.

You can make regular or occasional payments at any time and you can vary the amount and frequency of your payments in.

### What tax will I pay?

There is no liability to tax on the income or capital gains of the assets within your Wrap Offshore Bond. So, apart from any withholding tax deducted at source on income from assets held in some countries, your Wrap Offshore Bond grows in a tax efficient manner.

The tax treatment of benefits you take from your Wrap Offshore Bond will depend on your country of residence, citizenship or domicile and personal circumstances at the time. For example, UK resident policyholders will have a possible income tax liability on a chargeable event (such as a surrender or withdrawal exceeding 5% of the amount invested per policy year) which they would have to report on their Self-Assessment Tax Return. Please note, when you create a chargeable event, full details of the chargeable event will be provided to HM Revenue & Customs if the value of the gain is in excess of half the basic rate threshold.

This information is based upon our current understanding and application of legislation and HM Revenue & Customs practice. The tax treatment depends on your individual circumstances, which may change. There are also separate tax provisions governing trusts and corporate entities, details of which can be provided on request.

If you become a US taxpayer your Wrap Offshore Bond will not qualify as a life insurance contract for US tax purposes. As a result, increases in the cash value would be subject to current federal income taxation and death benefit proceeds would not be excludable from the recipient's income.

It is possible to pay any adviser charges from your Wrap Offshore Bond up to certain limits. However, any such payments are treated as withdrawals and so may have tax consequences.





### How can I pay premiums into my Wrap Offshore Bond?

Premiums must be paid by bank transfer from your Investment Portfolio Product Bank Account.

We no longer accept cheque payments into our products.

### What can I invest in?

Through the Wrap Offshore Bond you can invest in a wide range of investments, including collective investment funds (such as unit trusts and OEICs), investment trusts and fixed term deposits.

You can change investments at any time, unless an investment has restrictions. These will be covered in the literature or terms and conditions for the relevant investment you or your financial adviser has chosen.

For further information on the investments available to you under the Wrap Offshore Bond, please see the Wrap Offshore Bond Permitted Investments List which is available on our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).

### What are the charges?

Full details of our charges are given in the Wrap Charges Schedule. You may pay charges to other parties depending on the investments you select. You may also pay charges to your financial adviser. These charges can be paid out of your Wrap Offshore Bond.

Our charges are normally deducted from your Investment Portfolio Product Bank Account. If there is insufficient money available in your Investment Portfolio Bank Account we will ask you to either sell some investments within your Wrap Offshore Bond or you can pay us directly.

### Can I have an illustration?

Your financial adviser will provide you with an illustration before you make an application for the Wrap Offshore Bond. Please contact your financial adviser for more details.







### When can I make withdrawals?

You can make withdrawals from your Wrap Offshore Bond at any time by giving one month's notice. These can be single or regular withdrawals.

Regular withdrawals are made by BACS to an account in your name that you nominate. Single withdrawals are paid by cheque payable to you, or telegraphic transfer.

The minimum regular withdrawal is £200. The minimum single withdrawal is £500.

After any withdrawal there must be a minimum amount of £10,000 remaining in your policy.

Please note payments cannot be made to third parties.

The payment currency for your Wrap Offshore Bond is £ sterling only.

### What happens when I die?

In the event of your death, your Wrap Offshore Bond will form part of your estate and may be subject to inheritance tax.

#### Life assurance version

If you are the sole life assured, a death benefit which is 101% (if under 75, at date of death) or 100.1% (if 75 or over, at date of death) of the surrender value of your Wrap Offshore Bond, will be paid to:

- your personal representatives, if you were the policy owner
- the trustees, if it was a trustee investment
- the company, if it was a corporate investment.

After this payment is made your Wrap Offshore Bond will be closed.

If there are one or more surviving lives assured, payment of a death benefit is deferred until the death of the last life assured.

#### Capital redemption version

No payment will be made on your death and your Wrap Offshore Bond will continue until the maturity date.

Unless you represent a company or a trust, your personal representatives may take over the ownership on your death.

For more details on what happens if you die, please refer to the James Hay Wrap Technical Guide and the James Hay Wrap Offshore Bond Terms and Conditions. Copies of these documents can be obtained from our website at [www.jameshay.co.uk](http://www.jameshay.co.uk).





### **What happens at the maturity date? (Capital redemption version only)**

At the maturity date, which is 99 years after the start date, we will pay out the surrender value plus a guaranteed amount of £100.

### **Can I change my mind?**

You have the right to change your mind and cancel your Wrap Offshore Bond. On receipt of your Wrap Offshore Bond application form, we will send you a cancellation notice.

You will have 30 days from receipt of this notice to tell us that you have changed your mind and wish to cancel your application. For further details, please see the Wrap Terms and Conditions.

### **What other documents should I read?**

We ask that you also read the Wrap Offshore Bond Key Features Illustration provided by your financial adviser. In addition, you should read the:

- Wrap Offshore Bond Key Information Document
- Wrap Charges Schedule
- Wrap Offshore Bond Permitted Investments List
- Wrap Offshore Bond Terms and Conditions
- Wrap Technical Guide.

These documents provide you with more detailed information on the Wrap Offshore Bond.

If after reading the documentation you are unclear about any aspect of the Wrap Offshore Bond, or you are unsure whether the Wrap Offshore Bond is right for you, please speak to your financial adviser.





## What correspondence and communications will I receive?

We will issue:

- a cancellation notice that gives you the right to change your mind and cancel your Wrap Offshore Bond (unless you've waived these rights in your application form)
- a quarterly valuation statement for your Wrap Offshore Bond
- other necessary correspondence depending on the day-to-day operation of your Wrap Offshore Bond.

We will send this correspondence to your financial adviser, apart from cancellation notices which we will send to you. The only correspondence we will send to both you and your financial adviser is your quarterly valuation statement.

Our standard methods of communication are letter, secure electronic messaging (through our secure website James Hay Online) and by telephone. We do not consider standard email to be secure and so we will not normally communicate in this way if the communication includes personal information or instructions relating to your Wrap Offshore Bond or investments.





## Other useful information

### Law

Your Wrap Offshore Bond is subject to the law of the Isle of Man as stated in the Wrap Offshore Bond Terms and Conditions issued by RL360 Insurance Company Limited.

### Compensation

The investments linked to your Wrap Offshore Bond are owned by RL360, and therefore, as a corporate investor, they will not be eligible for compensation under any investment compensation schemes.

If you link your Wrap Offshore Bond to any cash deposit account your investment may not be covered in full by any depositors compensation scheme (DCS), should the deposit account provider become insolvent. The amount (if any) which is recovered under the scheme could be substantially less than the amount you might have been able to recover had you owned the cash deposit account(s) yourself. This situation is likely to be the same for any investment or deposit account held in any jurisdiction as RL360 are a corporate client and are unlikely to be eligible to claim under any available compensation scheme.

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders protection scheme, which covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liability where it is unable to meet its financial obligations. RL360 reserve the right to adjust the returns to cater for any levy or charge made on it under the regulations or similar legislation.

Holders of policies issued by RL360 will not be protected by the Financial Services Compensation Scheme established under the UK Financial Services and Markets Act 2000 should RL360 be unable to meet its liabilities to them.

### Making a complaint

If you wish to complain about any aspects of the service that you have received, please contact us via the James Hay Complaints Manager using any of the methods detailed in the 'How to contact us' section overleaf.

Complaints about this product that we cannot address may be referred to the Financial Services Ombudsman Scheme in the Isle of Man or the Financial Ombudsman Service in the UK, depending on the parties involved. Further details are available on request.

The Financial Services Ombudsman for the Isle of Man:

Thie Slieau Whallian  
Foxdale Road  
St John's  
Isle of Man  
IM4 3AS

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

**Telephone:** 0800 023 4567

Calls to this number are normally free for people ringing from a 'fixed line' phone - but charges may apply if you call from a mobile phone.

**Telephone:** 0300 123 9123

Call to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs.

**Email:**

[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**Website:** [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Further details are available in our Guide to our Complaints Procedure, which is available on our website. Making a complaint will not affect your right to take legal proceedings.

## What do I do next?

If you need advice on how to proceed, you should contact your financial adviser.

If you need more help or information regarding the administration or features of a Wrap Offshore Bond, please contact us via secure message or write to us at:



**James Hay Partnership, Suite 202**  
**Warner House, 123 Castle Street,**  
**Salisbury, SP1 3TB**

You can call us on the number below:



**03455 212 414**

Lines are open from 8.30am to 5.30pm  
Monday to Friday. To help us improve our  
service, we may record or monitor calls.

All of our other literature named in this document can be found on our website:



**[www.jameshay.co.uk](http://www.jameshay.co.uk)**

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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