

Offshore Investment Bond



expert financial navigation



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Introduction to the Offshore Investment Bond

The Offshore Investment Bond is a single premium whole of life policy meeting the requirements of Isle of Man Law. The contract has a Policyholder and single or multiple Lives Assured. Each policy has a segregated underlying investment portfolio which may be invested in a multitude of ways.

The Bond may be owned by any legal person. This means that any individuals over the age of 18, trusts or corporate entities may apply.

In the event of the death of the Life Assured or, in the case of joint Lives Assured, the first or last of the Lives Assured to die (as specified in the Application Form) the Bond will terminate with payment of the sum assured. The amount paid is equal to 100% of the realised value of the underlying assets plus £100, less any outstanding charges.



Fund options

The Bond allows you to invest in cash or pooled fund investment options (e.g. unit Trusts, OEICs and mutual funds).

There is virtually no limit to the different fund options that IOMA Life permits – for complete details please contact IOMA Life.



What are the tax benefits?

As IOMA is an Isle of Man company, it is not liable for corporation tax, capital gains tax or income tax in respect of the assets allocated to your Bond. It is not required to deduct tax at source on behalf of investors or their taxation authorities so your wealth rolls up tax-free. The only exception may be withholding tax, which is tax withheld by some countries on dividend income and interest.

Your liability to income tax will depend on your own personal circumstances. However, based on current legislation, a UK resident can take withdrawals of up to 5% per annum of your original investment and defer any income tax charge. Any amount you do not take one year can be rolled forward. Any withdrawals over this limit could give rise to a UK income tax liability.

IOMA Life is required to issue a chargeable event certificate to HM Revenue & Customs to report certain events where benefits are received from the Bond by a UK-resident individual, company or trust.



Investor protection

The Offshore Investment Bond is underwritten and issued by IOMA based in the Isle of Man. As an established offshore investment centre with a stable and independent legal, political and regulatory framework and with confidentiality maintained, the Isle of Man provides an ideal location for investment.

The Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 protect investors by providing a statutory guarantee equal to 90% of the amount of any liability of the insurance company under any life policy in accordance with the provisions of the Financial Supervision Act 1988. This compensation, without limit, would be received in the unlikely event that the insurer became unable to meet its liabilities. IOMA Life policyholders would be eligible for this compensation.

However, the compensation is not payable in the event of the failure of providers of underlying investments within your Offshore Investment Bond. Alternative compensation arrangements may apply in such circumstances and you should seek further details from your adviser.

IOMA is authorised by the Isle of Man Government Insurance and Pensions Authority (IPA) and is authorised and regulated by the Financial Conduct Authority (FCA).



The charges

Initial charge

An Initial Charge of 0.9% will be levied on all premiums paid into your Bond.

Annual management charge

An annual management charge of 0.9% will be levied on the value of your Bond. This charge will be deducted proportionately, quarterly in arrears.

Custodian and dealing charges

All dealing and custody charges levied by any third party which IOMA Life appoints to deal with the investments allocated to your Bond will be payable out of such investments. Details of up to date charges are available from IOMA Life on request.

Fund management charge

There will be charges within the fund options you select for investment within your Bond levied by the managers of those funds. Initial fund commissions and trail fund commission available to IOMA Life will be paid to your Bond account. Further details can be obtained from IOMA Life.



How to apply

Investments can be made by individuals, jointly, trustees or corporates. Individuals must be over the age of 18 and under 85. Individuals over the age of 85 may apply to IOMA, but acceptance of the application may be on nonstandard terms.

There is no minimum or maximum investment. You may invest by Cheque, banker's draft or electronic transfer.



Further information

The information contained in this document is based on IOMA Life's understanding of law and taxation practice in the Isle of Man and the UK as at the time of issue. Whilst this interpretation is believed to be correct, the taxation position of the Bond in the UK, the Isle of Man and any other jurisdiction relevant to you is not guaranteed and is subject to changes in legislation. You are strongly recommended to consult a professional adviser to satisfy yourself as to your tax position.

This brochure should be read in conjunction with the Key Features Document of the Offshore Investment Bond and the appropriate application form.

The Policy Terms and Conditions and Policy Schedules contain the full terms of the contract, a copy of which can be obtained from IOMA Life upon request.

IOMA is authorised by the IPA and its policyholders receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. These regulations apply to all policies issued after 5th April 1988. Holders of policies will not however be protected by the UK Financial Services Compensation Scheme should the company be unable to meet its liabilities.

Past investment performance is not necessarily a guide to future performance.

IOMA Life does not give investment advice, legal advice or tax advice and can accept no responsibility for the tax implications for any Bond owner in any jurisdiction.

IOMA is not subject to the same regulatory system as that applicable in the UK and the rules and regulations made by the FCA under the Financial Services and Markets Act 2000 for the protection of investors may not apply to persons outside the UK.



The UK Finance Act 1998 (“the Act”) contains provisions pursuant to personal portfolio bonds.

Whilst every effort has been made to ensure that the Bond does not constitute a personal portfolio bond, IOMA Life is not providing any advice as to the tax implications of investing in the Bond.

The UK Finance Act 1998 further requires that, in certain circumstances, IOMA Life must disclose information concerning UK resident policyholders to the UK Inland Revenue. This disclosure may be required when an event occurs which results in a gain being realised. Disclosure will be dependent upon the amount of any gain and whether or not we are aware or believe that the policyholder was resident in the UK at the time the event occurred.

Your tax position will depend on a number of factors including your personal circumstances, both at outset, and throughout the life of your Bond. In particular you should ensure that you are able to satisfy any local tax, exchange control or insurance legislation or regulations applicable.



About the Isle of Man

The Isle of Man has established itself as the pre-eminent international financial centre as a result of its stable and independent legal, political and regulatory framework. Its benefits are as follows:

- It has an AA+ credit rating by S&P and Moody's.
- It is completely independent on matters of direct taxation.
- It is not a member of the European Union, but enjoys a special relationship through protocol 3 of the United Kingdom's Treaty of Accession of 1972.
- It affords policyholders of Isle of Man life assurance companies the security provided by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991.
- It enacts its own legislation, generally based on English Law, applied by its own judiciary.
- Its Parliament, Tynwald, is the oldest continuous democratic government in the world.



IOMA Life

- Isle of Man Assurance (IOMA), trading as IOMA Life, is the oldest independent insurance company in the Isle of Man.
- The IOMA Group has over 25 years of success in international financial services.

Solvency facts

- IOMA seeks to write only unit-linked business within its long-term business fund and does not look to accept any major or undue risk onto its balance sheet.
- This means that the assets held within IOMA's long-term business fund at least directly match its liabilities to policyholders.
- The Isle of Man Government Insurance and Pensions Authority (IPA) requires all life companies to hold an additional minimum of 0.25% of the value of unit-linked business in reserves. The IPA monitors this solvency quarterly.
- IOMA is required to have an independent actuarial report undertaken annually on the assets it owns.

Financial strength facts

AKG Actuaries and Consultants Limited provide financial strength reports on the offshore long term insurance industry. The firm rates:

- IOMA's Unit Linked Financial Strength as Good.
- IOMA's quality of service, something the company prides itself on, as Very Good.

Copies of the report can be obtained on request from IOMA Life.



Investor protection facts

- Due to the unit-linked nature of its business, liabilities to policyholders are matched by assets held on behalf of the policies.
- The Isle of Man Government Life Assurance (Compensation of Policyholders) Regulations 1991 provides the ultimate level of protection. All IOMA policyholders, individual, corporate or Trustee, are protected under this legislation. A policyholder is entitled to compensation equal to 90% of policy value in accordance with the provisions of the Financial Supervision Act in the event of the insurer being unable to meet its liabilities. This protection is in place irrespective of the size of the life insurance company in the Isle of Man.

How is IOMA Life regulated?

- IOMA is an authorised insurer on the Isle of Man and is regulated by The Isle of Man Government Insurance and Pensions Authority which regularly audits the management and financial stability of all authorised insurers.
- IOMA is regulated by the Financial Conduct Authority (FCA) in respect of UK business.



Contact us

For further information on the Offshore Investment Bond please contact your financial adviser, or IOMA Life:

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Isle of Man Assurance Limited ("IOMA") trading as IOMA Life and IOMA Insurance. Authorised and regulated by the Isle of Man Financial Services Authority. A list of the names of directors and officers of the company is available for inspection at the registered office of the company. Company registered in the Isle of Man No. 003792C. Registered Office: IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP, British Isles Tel: +44 (0) 1624 681200 Fax: +44 (0) 1624 681391. E-mail: info@iomagroup.co.im Web: www.iomagroup.co.im