

# Isle of Man Supplement

## Supplement to Brochures and Key Features Documents for Investment Bonds (Single Premium Life Assurance Policies) for Residents of the Isle of Man ("the Island")

Please read both pages of this supplement and keep it with your Key Features document for future reference.

The brochure and Key Features documents produced by Prudential International Assurance plc ("Prudential International") are specifically designed for residents of the United Kingdom. Prudential International's printed information concerning Investment Bonds, is prepared for the understanding of, and can only fully apply to, those persons ordinarily resident and domiciled in the United Kingdom. Accordingly, the information contained in this Supplement amends such printed information including brochures, Key Features documents and, where applicable, post sale information, to cover the circumstances relating to residents of the Island.

Please therefore read any such brochures, Key Features documents, post sale information, and any other printed information in conjunction with this Supplement.

In particular, please note that the "5% tax-deferred allowance" referred to in these documents is a UK HM Revenue & Customs "allowance" only and does not apply to policyholders resident in the Island as far as Isle of Man taxation is concerned.

Prudential International's Investment Bonds invest in units in various Unit-Linked Funds and/or units in the With-Profits Fund as detailed in the relevant Key Features document.

### Taxation of Benefits

Regular withdrawals, partial and full surrenders from Investment Bonds on an annual or more frequent basis will be subject to Isle of Man income tax in the hands of residents on the Island.

Any withdrawals, part or full surrenders on a less frequent basis are generally not subject to charges to Isle of Man income tax but residents of the Island should always be aware of the anti-avoidance provisions contained in Schedule 1 of the Isle of Man Income Tax Act 1980.

Consultative documents were published which propose a new deemed income taxation charge on withdrawals from insurance bonds held by Manx-residents, but only within the first 6 years of the bond's commencement. The Assessor of Income currently uses this as guidance, but the provisions do not yet form part of Isle of Man tax law.

These provisions give the Assessor of Income Taxes the power to raise assessments to income tax where he is of the opinion that a transaction was entered into with a view to avoiding or reducing income tax.

## Inheritance Tax

As a resident of the Island, no inheritance tax is payable in the Isle of Man. United Kingdom inheritance tax should not arise on benefits when they become payable if, at the time of death, you are not domiciled or deemed to be domiciled within the United Kingdom.

The above information is based on Prudential International's understanding of current legislation as at November 2016 and does not intend that this interpretation should be relied on in any particular case. You should speak to a specialist tax adviser if you require further details in relation to taxation in the Isle of Man. This legislation (particularly relating to taxation) is liable to amendment and statutory interpretation by the taxation authorities, the government of the Island and its courts. Future changes in law and taxation cannot be anticipated.

## Policyholder Protection Arrangements

Residents of the Island are not protected by any local statutory compensation schemes.

Investors may not receive full repayment of their original investment on the termination of the bond or plan.



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