



# Key Features Document

Transact Offshore Bond



**Integralife International Limited**

A firm authorised and regulated by the Isle of Man Financial Services Authority

The provider of the Transact Offshore Bond is IntegraLife International Limited. The purpose of this document is to help you, in conjunction with the Key Information Document (KID), to decide whether the Transact Offshore Bond you are applying for 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.

You must also read the Offshore Bond Key Information Document which you can download from Transact Online at [www.transact-online.co.uk](http://www.transact-online.co.uk). This document provides more information on the risks, costs and benefits of the Transact Offshore Bond (Bond).

If you have been advised in relation to opening a Bond your financial adviser ('adviser') will provide you with a statement of demands and needs. If you have not been advised then, in our opinion, the Bond meets the demands and needs of clients, or lives assured, under 80 who wish to invest a sum of at least £20,000 for a period of five years or longer in a tax efficient manner.

### Its aims

- To give you the opportunity to invest at least £20,000 with the aim of increasing the value of your investment over the medium to long term (meaning at least five years and more usually a period of ten years or more).
- To allow your investment to grow in a tax efficient way.
- To allow you to link the value of your Bond to a wide range of investments with the flexibility to switch between them.
- To allow you to make one-off or regular withdrawals.
- To provide a cash sum if you die.

### Your commitment

- To invest a minimum premium of £20,000 either as a single lump sum or as an initial lump sum of £1,000 plus additional payments of at least £1,000 per month for a further 19 months.
- The Bond is a medium to long term investment, so you should aim to invest for five years or more.
- You must maintain a minimum cash balance equal to 2% of the value of the investments linked to your Bond. If you don't, or if the cash balance is insufficient to cover regular withdrawals or pay our charges, we may at our discretion sell investments. These investments are to be chosen by us, within the wrapper to restore the cash balance to 2% plus the value of any regular withdrawals planned for the next three calendar months. We may refuse to carry out any purchase instructions until such time as the balance is restored to 2%.

### Risks

- The FCA has made rules under the Financial Services and Markets Act 2000 for the protection of retail clients. However, these will not apply to you. Additionally you will not be protected by the Financial Services Compensation Scheme if we are unable to meet our liabilities to you. Please see the section 'Compensation' for full details about applicable compensation schemes.
- There are risks associated with the investments you choose to link to your Bond. You should ensure you understand the level of risk you are taking with your chosen investment. A more detailed overview of the types of risks associated with particular investments is set out in the Transact Guide to Investment Risks.
- Some of the investments available are linked to stockmarkets and other investments. This means that their value can fall as well as rise and you may get back less than you originally invested.
- Your adviser's, your discretionary investment manager's or our charges may increase.
- The tax rules related to your Bond could change at any time. Any tax liability will depend on your personal circumstances.
- Your Bond contains a cash balance which we use to make all debits from and all credits to your Bond. It is deposited with one or more banks chosen by us and if a bank were to fail, you may lose some or all of this money.
- Withdrawals may reduce the value of your Bond especially at times when the investment growth is low or when the level of withdrawals is higher than the growth of your chosen investments, after charges.
- Purchases and sales of some investments must be reported to the FCA. If we do not hold sufficient information about you to submit transaction reports you may not be able to buy and sell these investments until the information is provided to us.
- You should contact your adviser if you are unsure about any of the risks associated in the investments held in your Bond.

### Your questions answered

#### What is the Transact Offshore Bond?

- It is an investment that has been designed to accept either a single lump sum payment or a lump sum paid over regular intervals.
- It is designed for investors who want the maximum choice and control of their investments within a tax efficient structure.
- You can invest in the Bond together with your spouse or partner. It is also available to trusts and companies.
- It has no minimum duration but you should view it as being for the medium to long term; so you should aim to invest for at least five years.

### How flexible is it?

- You can make additional payments, subject to a minimum payment of £1,000, either as one-off payments or at regular intervals.
- Your Bond will be made up of 1,000 identical policies or 'segments' (although you can apply for a smaller number with a minimum of 100). This allows you to take money out by cashing in individual whole segments, or by cashing in equal amounts from each segment.
- You can change investments.
- You can take your money out as one-off withdrawals, regular withdrawals, or both.

### What might I get back?

- The amount you get back is not guaranteed and depends on a number of factors, such as:
  - How much you have invested
  - The length of time you have invested for
  - The performance of the investments you have chosen
  - How much the charges are
  - The amount of any withdrawals you have taken.
- Your personal illustration will also give you an idea of what you could get back.

### Can I take money out?

- You can make a withdrawal at any time, subject to a minimum withdrawal of £100.
- You can make regular withdrawals on a monthly, quarterly, half-yearly or yearly basis, subject to a minimum withdrawal of £100 each time.
- Any withdrawal must not reduce the value of your Bond to below £5,000.

### Where is my premium invested?

- We will use your premium to buy the investments you choose. Currently you can choose collective investment schemes such as:
  - Unit trusts
  - Open ended investment companies (OEICs)
  - HM Customs and Revenue (HMRC) approved investment trusts
  - Appropriately structured exchange traded funds (ETFs).
- You can also hold cash but you cannot hold foreign currency for speculative purposes.
- The investments will always belong to us but you are entitled to the value of the Bond, which is calculated by reference to the value of the investments you have chosen.

### What happens to my bond if I die?

- If you die, and you are the sole life assured, the Bond ends and the proceeds will be paid out to your personal representatives or trustees, as appropriate.
- If other lives are covered in addition to your life, the Bond can continue until the last life covered dies. The Bond will then end and the proceeds will be paid to your personal representatives or trustees, as appropriate.
- If you are not one of the lives assured the Bond can continue until the last life covered dies. The Bond will then end and the proceeds will be paid to you, your personal representatives or trustees, as appropriate.
- The amount paid will be equal to the proceeds of the sale of the investments, plus the cash balance, less any expenses, taxes, duties and charges in connection with the sale, plus £100.

### What are the charges?

The charges you may pay from your Bond are set out in the Key Information Document (KID) and your personal illustration, and can be broken down as follows:

- **Transact charges:** We have set out all our charges in the Transact Charges Schedule, which you can find on Transact Online or obtain from your adviser.
- **Adviser charges:** We can pay any charges agreed between you and your financial adviser from your Bond or a fee payment wrapper. We require an express instruction from you before we can pay the adviser charge. Adviser charges can be 'initial' or 'ongoing'. Initial charges are deducted when cash is first used to purchase investments or when cash is paid into your Bond. Ongoing charges are deducted every month based on the value of your portfolio and/or when investments are changed. You can specify the payment rate and frequency of payments to your adviser from your Bond in our Portfolio application form and amend it using our Adviser Payment Amendment Instruction Form. Adviser charges paid from the Bond are treated as withdrawals and will reduce the annual 5% deferred withdrawal allowance.
- **Underlying investment charges:** There may be costs involved in the purchase and holding of investments in your Bond, which will be payable by you directly to the investment provider. We may receive a rebate of some of these costs which we will allocate to your Bond in their entirety. Any cash rebates received will be used to purchase units in one or more rebate re-investment funds and these will be allocated to your Bond.
- **Discretionary investment manager charges:** Where you appoint a discretionary investment manager on your Bond, and have agreed to pay them for their service, the charges associated for their service can also be paid from your Bond. You will need to give us an instruction to pay your discretionary investment manager in our Appointment – Third Party application form or otherwise authorise us to do so in writing. Discretionary investment charges paid from the Bond are treated as withdrawals and will reduce the annual 5% deferred withdrawal allowance.
- Please be aware that you may be liable for other taxes and costs not payable via us or imposed by us.

### What about tax?

- This section applies if the Bond is owned by an individual or individuals resident in the UK. If the Bond is held by trustees, or owned by a company, or partnership, or by an individual not resident in the UK, different tax rules may apply and you should consult your financial adviser for more information.
- We have tried to ensure this information is correct and in accordance with our understanding of the law and practice in the UK and Isle of Man. Any tax liability will depend on individual circumstances and it may change at any time.
- We do not provide tax advice and you should consult your adviser on whether or not the Bond is suitable for you, both at the outset and throughout the life of your Bond, based on your tax position.
- We do not pay tax in the Isle of Man on any investments linked to your Bond, so any investment gains are allowed to grow free of tax.
- However some of the investments within your Bond may be subject to tax in their country of origin, which we cannot reclaim.
- Each year you can withdraw up to 5% of the total amount you have invested (up to a maximum of 100% after 20 years) without any immediate tax liability. Any income tax payable is deferred until you cash in your Bond, or until the withdrawals exceed 5% in a policy year if earlier, and depending on your personal tax circumstances at that time you may have tax to pay. Any withdrawals made after 20 years will be subject to tax and there is no deferral option. Any unused 5% allowance can be carried forward and used in later years.
- If you cash in your Bond or take out more than your accumulated 5% entitlements in any one year, the amount of gain or the amount in excess of the 5% entitlements will be subject to income tax in the year in which the excess of entitlement or gain is made. For tax purposes the excess or gain is treated as savings income. We will provide you with a Chargeable Event Certificate that will provide the information you require to complete your tax return. We may be required to send a copy of this certificate to HMRC.
- If you are a higher or additional rate tax payer and can defer cashing in your Bond until your taxable income falls, you may be able to reduce or avoid tax on the gains. You should speak to your adviser about this.

### Can I change my mind?

- After we have opened your Bond and after any additional premium is added to your Bond we will send you a letter confirming this. You will then have 30 days starting from the day you receive your letter to change your mind and cancel your Bond. This does not apply if you've become the owner of a policy due to an assignment.
- If you decide to cancel, you should write to us via secure email or at the address given in the 'How to contact us' section.
- Once we have received your notification, we will give you your money back less any payments, charges and fees deducted in accordance with the Terms and Conditions for the Transact Wrap Service. If the investments linked to your Bond have fallen in value, you will get back less than you invested.
- If you do not cancel your Bond it will continue in force in accordance with the Transact Offshore Bond Policy Terms and Conditions.

### How will I know how my bond is doing?

- We will provide you with statements and/or valuations every three months.
- You can also get valuations at any time by visiting Transact Online.

### How to contact us

- If you require any further information please contact us at the address below. Please remember that we will not be able to give you investment advice; you will need to contact your adviser for this.
- If you want to make an additional payment, one-off withdrawal, fund switch, or cash in your Bond, please contact your Client Service Manager at the following address:

IntegraLife International Limited  
Second Floor  
18/20 North Quay  
Douglas  
Isle of Man  
IM1 4LE

**Telephone:** +44 (0)1624 654 600

**Fax:** +44 (0)1624 654 644

**Email:** [Ilint@integrafin.co.uk](mailto:Ilint@integrafin.co.uk)

- We may monitor your calls for training purposes or to improve our services. We are required to record incoming and outgoing calls for regulatory reasons and will retain recordings in accordance with the Privacy Policy. We will provide copies of calls to you upon request.

### Other information

#### Complaints

- If for any reason you are not happy with our service, you may raise your concerns with us in the most convenient way for you. This includes in writing, by email, phone or in person. You can use the contact details provided above.
- We will handle your complaint in line with our complaints procedure and the IOMFSA rules governing complaints. We will provide a copy of our complaints procedure on request and will, in any case, send you a copy with our letter acknowledging your complaint.
- If we do not deal with your complaint to your satisfaction you can refer the matter to the Financial Ombudsman Service for the Isle of Man at:

#### **Financial Services Ombudsman Scheme**

Isle of Man Office of Fair Trading  
Thie Slieau Whallian  
Foxdale Road  
St John's  
Isle of Man, IM4 3AS

**Telephone:** +44 (0)1624 686 500

**Email:** [ombudsman@iomoft.gov.im](mailto:ombudsman@iomoft.gov.im)

- Please note the Scheme is only available to private individuals who are customers of financial firms.

## Terms and Conditions

- This Key Features Document provides a summary of the Bond. It doesn't include all the definitions, exclusions, and terms and conditions. These are shown in the Policy Schedule and the Transact Offshore Bond Policy Terms and Conditions.
- If you would like a copy of these documents please ask your adviser or us.

## Law and language

- The Bond is governed by the laws of the Isle of Man and the Isle of Man courts will have exclusive jurisdiction to decide any disputes that may arise.
- The Transact Offshore Bond Policy Terms and Conditions are in English and all communications between us will be in English.

## Compensation

- Your Bond is covered by the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991 if we cannot meet our obligations. The Scheme covers up to 90% of the value of your Bond. Further information about the Scheme is available from the Isle of Man Financial Services Authority, from the following address:

### Isle of Man Financial Services Authority

PO Box 58  
Finch Hill House  
Bucks Road  
Douglas, Isle of Man  
1M99 1DT

**Telephone:** +44 (0)1624 646 000

**Website:** [www.iomfsa.im](http://www.iomfsa.im)

- **Holders of policies issued by IntegraLife International Limited will not be protected by the UK Financial Services Compensation Scheme if the company becomes unable to meet its liabilities to them.**
- Where we have placed the cash balance with a bank which is licensed under the Isle of Man Banking Act and it becomes insolvent, we will be able to claim compensation under the Isle of Man Compensation of Depositors Regulations 2008, up to a maximum of £20,000 for all cash balances held. We will apply any compensation received equally among all affected policyholders.
- However, you should be aware that, as we are the owners of all the investments held within your Bond, if any of the fund managers or investment companies with whom we have invested your premiums, in accordance with your instructions, become insolvent, we will not be able to seek compensation under either of the Isle of Man schemes or the UK Financial Services Compensation Scheme and you will have to bear any loss to the value of your Bond.

## IntegraLife International Limited

- All uses of we/us/our in this document refer to IntegraLife International Limited, an insurance undertaking (which means it creates its own insurance products for sale to retail investors), as the provider, administrator and underwriter of the Transact Offshore Bond.
- IntegraLife International Limited is registered in the Isle of Man and is regulated by the Isle of Man Financial Services Authority.
- Your adviser will provide you with information regarding their identity, the capacity in which they are acting and their address for future communications.
- Neither IntegraLife International Limited or Integrated Financial Arrangements Ltd provides advice regarding the suitability of products and do not reward staff on the basis of the number or value of sales, transactions or services undertaken. It has been approved by Integrated Financial Arrangements Ltd which is authorised and regulated by the FCA and entered in the Financial Services register under number 190856.



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Approved by Integrated Financial Arrangements Ltd, which is authorised and regulated by the Financial Conduct Authority (FCA) and entered on the Financial Services Register under number 190856.

IntegraLife International Limited

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