

International Bond

Client Guide

LONDON & COLONIAL

defaqto ★★★★★

This guide is based on London & Colonial Assurance PCC Plc's ('LCA') understanding of applicable UK tax legislation and current HM Revenue & Customs practice as at June 2026, which could be subject to change in the future. This guide is designed to give you an overview of the features of the International Bond. Additional important information is contained in the International Bond Key Information Document, International Bond Key Features Document and your International Bond Personal Illustration.

This information does not constitute investment, tax, legal, medical or any other form of advice. It is not a substitute for such professional advice or services. LCA, including any companies of the Global Pension Corporation Group of companies and their officers and employees, cannot accept responsibility for any loss caused as a result of any action taken or refrained from being taken upon the contents of this guide. It is the responsibility of readers to satisfy themselves as to whether any product and/or service is suitable for them.

Introduction to LCA and Gibraltar

Notification of Risk

LCA is structured as a Protected Cell Company ('PCC') subject to the provisions of Gibraltar's Protected Cell Companies Act 2001. This means that LCA will create legally recognised 'Cells' within the Company which are held independently of one another. The assets and liabilities of one Cell are kept separate and therefore are protected from those of other Cells.

Each Cell has its own designation (the International Bond number), and it is the duty of the directors to keep the assets and liabilities of each Cell separate. Also, the directors must account for each Cell separately as the legislation prohibits the assets of a Cell being used to satisfy any liability not attributable to that Cell.

The added protection offered by the PCC would undoubtedly be effective in any legal proceedings brought in Gibraltar. However, the directors of LCA know of no legal challenges to the PCC concept in any other jurisdiction. They are therefore unable to give you an assurance that the courts of another country would grant the level of protection for cellular assets intended under Gibraltar's Protected Cell Companies Act

About LCA

LCA (Company Registration Number 80650) whose registered office is situated at 3rd Floor, 55 Line Wall Road, Gibraltar, is a company incorporated in Gibraltar under the provisions of the Gibraltar Companies Act 2014. LCA is licensed by the Gibraltar Financial Services Commission ('GFSC') under the Financial Services Act 2019 to conduct Life Assurance business in Gibraltar.

LCA may employ agents to perform any administrative, management or other ancillary services required to enable it to perform its obligations.

What is the LCA International Bond?

The International Bond is a group of identical single premium unit-linked life assurance policies or bonds.

What financial goals does the International Bond address?

The International Bond has been designed for financially secure retail clients who are seeking an investment strategy that achieves the following goals:

- Capital Growth
- Income Generation
- Portfolio Diversification
- Wealth Transfer
- Tax Control
- Any combination of the above goals

Access to investment funds is via a *Discretionary Fund Manager ('DFM')/ **Investment Manager/ Platform.

Access to your investment value is through UK tax-efficient withdrawals. Additionally, LCA offers a range of Trust templates to assist Financial Advisers and their clients with estate and tax planning.

***Discretionary Fund Manager** means someone who you wish us to appoint to manage the Investment Portfolio that sits within your International Bond.

****Investment Manager** means any professional or firm responsible for managing financial assets and investments on behalf of clients. You appoint the Investment Manager, subject to our acceptance, to act on your behalf. As the Investment Manager is not acting on LCA's behalf, we are not liable for their acts or omissions.

Who is the International Bond suitable for?

The International Bond is suitable for individuals and/or trustees who meet each of the following criteria:

- ✓ Those who are UK-resident and who are a minimum of eighteen years old. There is, however, no upper limit on a client's age.
- ✓ Those who are considering a medium-to-long-term horizon for their investment, typically a timeframe of more than seven years. Such clients understand and are also willing to accept the risks that accompany their investment goals. These include investment risks, Inheritance Tax ('IHT') risks and other external risks.
- ✓ Those who have private wealth or disposable income which is not needed for day-to-day living expenses, and which has not been allocated to meet specific short-term needs.
- ✓ Those who have an outlay of more than GBP 50,000 / EUR 60,000 / USD 70,000 and those who typically make maximum use of their yearly Individual Savings Account (ISA) and pension contributions(s).
- ✓ Those who wish to invest a lump sum for either IHT planning purposes, and/or for estate planning purposes, and/or for wealth creation/wealth management purposes.

Who is the International Bond not suitable for?

The International Bond is not suitable for:

- x non-UK residents.
- x those aged seventeen or under.
- x those who are not prepared to accept the risk of potential investment losses.
- x those who want full access to their investment or a guaranteed return in the short-term.
- x those who have no other savings i.e. emergency funds.
- x those that have not exhausted other available tax allowances e.g. ISAs.

In which currencies can my International Bond be denominated?

The International Bond may only be denominated in GBP, EUR and USD.

What is the structure of my International Bond?

The International Bond is available in two versions: the Life Assurance version and the Capital Redemption version. You must choose either Life Assurance OR Capital Redemption, but not both. Your choice must be selected during the Application Stage. Remember, once selected, the basis cannot be changed. Therefore, it is important to speak to your Financial Adviser about which version is more suitable for you, based on your financial goals.

How does the Life Assurance version work?

For the Life Assurance version, the International Bond can be written:

- on the life of one person **('Single Life basis')** or,
- on the life of up to six persons **('Joint Life basis')**.

Your International Bond will come to a natural end on the death of the Single Life Assured or, in the case of joint lives, when the last surviving Life Assured dies. Your International Bond, however, could also end if you fully surrender it at any time before the last death.

How does the Capital Redemption version work?

Under the Capital Redemption basis, the International Bond is written with a term of 99 years and will come to a natural end on the 99th anniversary. This is referred to as the maturity date of the International Bond. Nevertheless, the International Bond could be terminated / fully surrendered at any time before the 99 years expire if you need to access your funds before that date. It is important to speak to your Financial Adviser about any tax implications to consider when surrendering your International Bond before the maturity date.

Into how many segments can my International Bond be divided?

By default, the International Bond consists of a series of 500 separate but identical sub-policies or bonds. This segmentation allows for flexible withdrawals and tax planning. Nevertheless, you may choose to segment your Account into up to 99,999 identical sub-policies. Therefore, the minimum number of segments is 500 and the maximum is 99,999. You should discuss with your Financial Adviser how many sub-policies/bonds you should select at the Application Stage, depending on your financial goals. The minimum premium for each sub-policy is GBP 100 / EUR 120 / USD 140.

What is the minimum premium required at the start of my International Bond?

Your International Bond is opened via a single premium (Initial Single Premium). The minimum Initial Single Premium amount is GBP 50,000 / EUR 60,000 / USD 70,000. There is, however, no upper limit.

What is the '5% Tax-Deferred Rule'?

The "5% Tax-Deferred Rule" (also known as the "5% rule") is a UK tax rule that applies to investment bonds like the International Bond. The primary advantage of investment bonds like the International Bond is that they allow withdrawals of 5% of the original premium per year for 20 years without incurring an immediate tax charge. The tax is deferred and becomes payable when the International Bond is encashed/surrendered or when it matures. Any withdrawal allowances not used can be carried forward to the following tax year(s). For example:

Policy Year	Annual Tax-Deferred Allowance	Amount withdrawn	Tax-deferred amount carried forward
YEAR 1	£10,000	£10,000	£0
YEAR 2	£10,000	£0	£10,000
YEAR 3	£10,000+£10,000 Year 2 unused allowance	£0	£20,000

Can I add more funds to my International Bond at a later date?

Yes, you are allowed to make additional single premium investments ('Top-Ups'). The minimum Top-Up premium amount is GBP 5,000 / EUR 6,000 / USD 7,000. There is no upper limit. Top-Up premiums are applied equally across your sub-policies. There are no limits to the number of top-ups you can pay over the lifetime of your International Bond. Each top-up will have its own 5% Tax-Deferred Allowance for a maximum of 20 years.

Does LCA provide investment advice on the International Bond?

No, LCA does not provide investment advice. You may choose to take investment advice from:

- a qualified Investment Adviser (who may also be your Financial Adviser),
- an Investment Manager,
- a Discretionary Fund Manager.

What investments options are available to me?

You can choose from a wide array of investment instruments. The investments you select must be in line with LCA's Statement of Investment Principles. You should speak to your Investment Adviser about which of these investments are suitable for you based on your financial goals.

Where are the investments in my International Bond Portfolio held?

The assets allocated to the Portfolio will always be held within the allocated Cell in our Long-Term Business Fund. These assets belong to LCA and are held in LCA's name or in the name of a Custodian appointed by LCA. For the avoidance of doubt, you have no right or interest in or over the assets allocated to the Portfolio. All income and capital arising from the assets of the Portfolio shall be credited to the Portfolio.

Can I change my investment advice provider?

Yes, you may change or request the removal of an appointed Investment Adviser, Investment Manager, or Discretionary Fund Manager at any time. LCA will encourage you to request the appointment of a new Investment Adviser, Investment Manager, or Discretionary Fund Manager when LCA receives a request from you to remove an existing one.

Are in-specie transfers allowed?

Yes, in-specie transfers into your International Bond are allowed, subject to the asset being a permitted investment (Please speak to your Financial Adviser or Investment Adviser for further details).

Can I withdraw funds from my International Bond?

Yes, you are allowed to make withdrawals from the International Bond. Withdrawals can be made on a one-off basis or on a regular basis. Should you exceed the 5% Tax-Deferred Allowance in any one year, there may be tax implications. Please speak to your Financial Adviser for further information.

How do regular withdrawals work?

Regular withdrawals from your International Bond are permitted. You may establish a withdrawal schedule when your International Bond is set up or at any time during the lifetime of your International Bond.

You may make regular withdrawals on a Monthly, Quarterly, Half-yearly and Yearly basis.

All regular withdrawals are paid to a bank account in your name only, if you are the sole account holder. If there are multiple account holders, regular withdrawals will be paid into the bank account of the first-named account holder on the International Bond. The minimum amount for each regular withdrawal is:

Withdrawal	GBP	EUR	USD
Monthly	100	120	140
Quarterly	300	360	420
Half-yearly	600	720	840
Yearly	1,200	1,440	1,680

How do one-off withdrawals work?

You may request a one-off withdrawal at any time and there is no limit on the number of one-off withdrawals that can be made. The minimum amount permitted for a one-off withdrawal is GBP 1,200 / EUR 1,440 / USD 1,680. The one-off withdrawal will be applied equally to the remaining sub-policies. A one-off withdrawal can only be paid into a bank account in your name only, if you are the sole account holder. If there are multiple account holders, the withdrawal will be paid into the bank account of the first-named account holder on the International Bond.

Can I surrender my International Bond?

Yes, a full surrender of your International Bond is possible for both the Life Assurance and the Capital Redemption versions. Partial or full surrenders of individual sub-policies are also permitted.

Are assignments permitted?

Yes, account assignments are permitted as well as assignment of individual sub-policies. Please speak to your Financial Adviser about the tax implications of making assignments within your International Bond.

What types of Trust does LCA provide?

LCA offers templates for an Absolute Trust and a Discretionary Trust, copies of which are available upon request.

Whose responsibility is it to register a Trust?

It is the responsibility of the Trustees to register any Trusts associated with the International Bond.

Trust Registration Service ('TRS')

The TRS is a UK government system managed by HMRC that requires certain Trusts to be registered for tax and anti-money laundering purposes.

The TRS is the online system where Trustees must register their Trust to:

- Comply with anti-money laundering regulations
- Obtain a Unique Taxpayer Reference ('UTR') if the Trust is liable for UK taxes
- Report and update Trust details

What are LCA's responsibilities when it comes to the TRS?

At outset and during your International Bond's lifetime, LCA has a requirement to collect evidence that a Trust has been registered on HMRC's Trust Registration Service.

The beneficial ownership information on the Trust record will be checked against LCA's own records.

If material discrepancies are found, or if Trusts have not been registered on TRS, LCA has an obligation to report these to HMRC.

Details of the Unique Reference Number ('URN') of the Trust, together with evidence of the TRS Trust record of beneficial ownership will be recorded against your International Bond record.

Checking the beneficial ownership is ongoing through the lifetime of your International Bond and will need to be conducted when top-ups are made, surrenders or withdrawals are requested, or Trustees and beneficiaries are changed.

Does the International Bond fall within the Protected Cell Company structure?

Yes, see Notification of Risks and PCC Legislation Section at the beginning of this Guide.

Is my International Bond covered by the Financial Services Compensation Scheme?

The Financial Services Compensation Scheme ('FSCS') is the UK's statutory compensation scheme designed to protect consumers when financial services firms fail. As a Gibraltar insurer, authorised to write business in the UK to UK tax residents, all UK Policyholders are covered by the FSCS should LCA be unable to meet its responsibilities. Currently the Scheme covers 100% of the remaining value of the International Bond where there is a valid claim, with no maximum limit. For further information on the Scheme please visit www. fscs.org.uk.

What are the different charges involved in setting up and administering my International Bond?

Please speak to your Financial Adviser about the different charges and fees that are associated with setting up and administering your International Bond.

Queries, Complaints and Contact Details

For further information, or if you wish to complain about any aspect of the service you have received, please contact the Customer Service Team.

The Customer Service Team may be contacted by telephone during normal working hours of 9.00am to 5.00pm, Central European Time, Monday to Friday,

Telephone: (UK): 0044 (0)2036 406843

Or by post or email using the details below.

Postal Address:

London & Colonial Assurance PCC Plc

3rd Floor
55 Line Wall Road
Gibraltar, GX11 1AA

Email: LCA@lcalife.co.uk

Should you remain unhappy with LCA's resolution of your complaint, you can contact the Gibraltar Law Courts at:

Gibraltar Law Courts
32-36, Town Range
Gibraltar, GX11 1AA

Website address: https://www.gcs.gov.gi/

Making a complaint will not prejudice your right to take legal proceedings.

London & Colonial Assurance PCC Plc ('LCA') is a Gibraltar registered company and is incorporated under the Gibraltar Insurance Companies Act as a Protected Cell Company 2001 ('PCC'). LCA is regulated by the Gibraltar Financial Services Commission (Permission Number: 5191) and is part of STM Group, a Global Pension Corporation company.

The International Bond is provided by LCA.

The security and safety of your data is very important to LCA. A copy of our Privacy Notice can be found on our website:

https://lcalife.co.uk/privacy-notice/

London & Colonial Assurance PCC Plc
3rd Floor
55 Line Wall Road
Gibraltar, GX11 1AA
T (UK): 0044 (0)2036 406843
https://lcalife.co.uk/
LCA@lcalife.co.uk

Gibraltar Company Registration Number: 80650
London & Colonial Assurance PCC Plc is a Gibraltar registered company, and is incorporated under the Gibraltar Insurance Companies Act 2014 as a Protected Cell Company. London & Colonial Assurance PCC Plc is regulated by The Gibraltar Financial Services Commission - Permission Number: 5191. Registered Office: 3rd Floor, 55 Line Wall Road, Gibraltar, GX11 1AA.