

[Options]

**Premiere Account
and Premiere
Europe Account**

Client Guide

canada *life*

International™

A close-up photograph of a baker's hands holding a freshly baked, golden-brown baguette. The baker is wearing a dark apron and a watch with a red strap. In the background, shelves are filled with various types of bread, including round loaves and long baguettes. Price tags are visible on the shelves, with text like 'TRIGO ANCO 90€/KG', 'TRIGO 6,9', 'TRIGO INTEGRAL 50€', and 'PAIN DE CAMPAGNE'.

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Your needs will change throughout life. Enjoy a comprehensive range of options that allow your investment to adapt to your changing circumstances and objectives.



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adapt.



**Designed to
provide a tax
efficient vehicle
through which
you can obtain
capital growth.**



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Introducing the Canada Life Premiere Account and Premiere Europe Account

Why Canada Life International?

Financial strength and stability

Canada Life International's businesses are part of Great-West Lifeco, one of the largest life insurance organisations in the world, with interests in life insurance, health insurance, investments, retirement savings and reinsurance. The ethos of our parent company, and their focus on putting the long-term needs of customers first, prevails throughout our businesses, and is one of the reasons why we have successfully looked after the financial futures of so many clients for so many years. Together with Great-West Lifeco's other subsidiaries, we serve the financial needs of more than 33 million customers and have more than £1.423billion in assets under administration (at 31 Dec 2021).



A choice of jurisdictions – the Isle of Man or the Republic of Ireland

Canada Life International offer a choice of two jurisdictions in which to base your investment - the Premiere Account is issued in the Isle of Man by Canada Life International Limited and the Premiere Europe Account is issued in the Republic of Ireland by Canada Life International Assurance (Ireland) DAC.

In either case, Canada Life International does not pay any capital gains tax or income tax in either the Isle of Man or the Republic of Ireland on investments held on behalf of policyholders.

What is the Premiere Account/Premiere Europe Account?

The Premiere Account/Premiere Europe Account (the 'Account') is a group of identical offshore single premium investment linked life assurance policies. These can be issued on either a life assurance basis or on a capital redemption basis and you must choose which of these options applies from the outset.

Its aims are:

- To provide the potential for long term, capital growth by offering access to a very wide investment universe
- To let you vary your choice of investments over time, to match any changes in your circumstances or attitude to investment risk
- To allow you tax efficient access to your Account, through regular or one-off withdrawals
- To provide additional estate and tax planning opportunities through a range of suitable trusts

What are the differences between issuing an Account on a life assurance or a capital redemption basis?

If you choose the life assurance basis, at least one, or up to six individuals are nominated as a life assured on the Account. Where there is only one life assured, the Account will end on full surrender or the life assured's death, whichever occurs first. Where there are multiple lives assured the Account ends on the death of the last of the lives assured to die or on full surrender, whichever occurs first. In the event of a death claim, we pay the policy value at the time of notification of the relevant life assured's death, plus an additional £100 (or currency equivalent), less any outstanding policy charges.

If you choose the capital redemption bond basis, the Account has no lives assured and so will not come to an end unexpectedly on someone's death. Instead, it has a fixed term of 99 years, (although it can be fully surrendered at any time before this date). At the maturity date, we guarantee to pay a minimum maturity value of at least 20% of the premium (less any withdrawals). There is also an option to increase this guarantee to a minimum of 130% of the premium (less any withdrawals) at maturity, but in this case the choice of underlying investments is limited to the CLI Sterling Money Fund from the outset.

How flexible is the Premiere Account/Premiere Europe Account?

The minimum amount you can invest is £50,000 and there is no maximum amount. Additional amounts may be added at any time, subject to a minimum of £2,500.

The minimum and maximum ages for applicants are 18 and 89.

The Account can be denominated in Sterling, US Dollars or Euro. If your premium is paid to us in a different currency to your Account currency, any conversion will be made using an exchange rate determined by us at the time.

You can change your underlying investments whenever you want, although transaction fees will apply (please refer to the section 'What are the Charges?').

Your Account can be written under trust and we offer a number of suitable trust options for you and your financial advisers consideration (please refer to the section 'Trusts'). Issuing the Account as a group of up to 99,999 identical policies can have useful tax planning benefits for when you decide to take money from the Account.

Trust registration

If your account is to be issued in trust, the trustees have an obligation to register the trust with the UK Trust Registration Service (TRS), within 90 days of the trust's creation.

For Premiere Europe Accounts only, there is also a need to register with the Irish Central Register of Beneficial Ownership of Trusts (CRBOT), however, for most advisers and trustees it is not currently possible to register trusts on the Irish Revenue website for applicants who are non-Irish residents. The Irish Revenue is working to simplify the CRBOT registration process for non-Irish residents, and in the meantime penalties will not be levied for trustees who do not complete a CRBOT registration.

Full details of how to register a trust can be found on the following dedicated websites:

UK HMRC TRS website:

www.gov.uk/guidance/register-a-trust-as-a-trustee

Irish Revenue Commissioners CRBOT website:

www.revenue.ie/en/crbot/index.aspx

Professional Trustee Service

We offer an optional Professional Trustee Service, where you can choose to appoint a corporate trustee to take over the responsibilities of the trust, which includes the registration of the trust.

Where and how is my money invested?

The Account provides investment flexibility by allowing access to a comprehensive range of investment options. These will provide you and your financial adviser with the ability to build a portfolio of investments, providing maximum flexibility when considering your objectives and risk profile.

Investment choice

When making an investment, having a choice which covers the widest possible range of asset classes and fund types in a range of jurisdictions is essential.

The Account gives you access to our Open investment range which allows you to choose from a comprehensive range of professionally-managed external assets with discounted charges from around the world.

Acceptable investments can include:

- Collective investments from the UK or Ireland; including Unit Trusts, Open Ended Investment Companies (OEICs) and investment trusts
- Cash deposits
- Hedge funds

- Other collective investments from recognised financial jurisdictions, which include the Bahamas, Channel Islands, Bermuda, Switzerland, Cayman Islands and Hong Kong.

There are some restrictions as to what can be held within the Account and we have a dedicated Investment Governance Team who can assist in determining whether any proposed asset is acceptable to us.

The document 'Your guide to investment funds' (reference 6815) provides further information on the different types of assets that are available. This guide is available to download from our website; www.canadalifeint.com

There is no maximum number of assets or funds that can be linked to your Account.

For the assets or funds you choose to invest in, we will allocate a number of units to your Account, based on the price of those assets or funds at the time. The ongoing value of your Account will be the current value of all of the units.

Please note that past performance is not a guide to the future. The value of the underlying investments linked to your Account can fall as well as rise. Currency fluctuations can also affect performance, especially where the currency of an underlying investment is different to the currency of your Account.

Fund Adviser and Discretionary Fund Manager

You can choose to manage the portfolio of funds, if you wish.

You can nominate your financial adviser as the ongoing fund adviser, allowing them to make the day to day investment decisions on your behalf.

You can outsource the investment decisions to a discretionary fund manager (DFM). This would be someone who is not your financial adviser. We already have agreements in place with a large number of existing DFM companies.

Segregated Portfolio Service

Our Segregated Portfolio Service gives you access to a wider range of investment types than those usually available and allows a DFM to access equities and bonds directly.

To use this service, you'll need to appoint a DFM. This means you can benefit from their expertise in stock selection. They will need to have an agreement with us, so that they can access equities and bonds directly.

The DFM can step outside of the normal HMRC rules that would otherwise limit the types of assets that can be linked to offshore bonds, while still meeting these HMRC regulations for offshore bonds – as long as they manage the portfolio without influence from you or your financial adviser.

Changing investments

There may be times when your objectives or attitude to risk changes, or you want to review the underlying investment choice. It is possible to change the underlying investments at any time, although transaction fees will apply (please see the section 'What are the charges?').

Depending on how your Account is set up, either you, the trustees (if the Account is in trust) or the nominated fund adviser will be able to instruct us to switch from one fund to another at any time.

Can I take my money out?

Yes, there are a number of ways that you can take your money out of your Account, but please be aware that taking money out will affect the amount you will get back in future and there may be tax implications to consider.

Your Account is issued as a number of identical policies, which can be used to limit the impact of UK income tax when making withdrawals.

Taking withdrawals or fully surrendering some or all of the individual policies that make up the Account will have specific tax consequences for UK residents and UK tax payers and we strongly recommend that you seek advice from your financial adviser before proceeding in order to fully understand the implications of your actions.

The different ways of taking out money from your Account are as follows:

Regular Withdrawals

You can withdraw regular amounts from your Account to provide you with a regular 'income' stream (technically, withdrawals from the Account are withdrawals of capital rather than income). We can make the payments monthly, quarterly, half-yearly or yearly. We will always take regular withdrawals from across all of the policies that make up your Account.

One-off Withdrawals

You can take a one-off withdrawal from your Account at any time. One-off withdrawals can be taken from across all of the policies that make up your Account, or by fully surrendering a number of those policies, or by a combination of both of these options. These different options may each have different tax consequences and we strongly recommend that you seek advice from your financial adviser before proceeding in order to fully understand the implications of your actions.

Full surrender

You may surrender your Account in full at any time. However, we will deduct any outstanding charges from the amount returned to you.

Can I pay for any financial advice I receive from the account?

Financial adviser charges

You will normally need to pay your financial adviser for initial and/or any ongoing advice you receive, and we can arrange to pay a one-off charge at the outset (before or after your premium is invested) and/or a regular ongoing charge from your Account to your financial adviser for this purpose. Any financial adviser charges that are deducted from your account will count towards your 5% tax deferred allowance (see 'What taxes are applicable?' for more details).

Fund adviser charges

You may wish to appoint a fund investment adviser or discretionary fund manager to provide you with ongoing investment advice on your Account (this can be in addition to any financial adviser charges). Fund adviser charges do not count towards your 5% tax deferred allowance (see 'What taxes are applicable?' for more details).

What happens to the money if I die?

If you have chosen the capital redemption basis for your Account, there are no lives assured. In the event of your death, your Account continues and passes to any surviving policyholder(s) or to your personal representatives. If your Account is held in trust, the Trustees continue to own the Account and can retain it until the maturity date.

If you have chosen the life assured basis and you are the only life assured, then we will pay the death benefit to the claimants, who could be any surviving policyholders, the trustees (if your Account is held in trust) or your personal representatives. If there is more than one life assured, the Account continues until the death of the last life assured to die. The death benefit payable is your Account value at the time we are notified of the relevant death, plus an additional £100, less any outstanding charges.

Please note that if the Account is not held in trust, for UK residents we may require both an Isle of Man and UK Grant of Probate before we can pay the death claim.

What are the charges?

We charge for managing your Account and the investments it holds, which will affect its value. Charges may increase, for example, if the cost to us of managing your Account increases. We review these charges every year and recommend that you/ the trustees contact us or your financial adviser for a copy of the 'Premiere Europe Key Information Document' (reference IOM01001), the 'Premiere Account Key Information Document' (reference IOM00996) and the Charges and Fees document (IOM01353). Some or all of the following charges may apply:

Establishment charge

A charge that we deduct for setting up the Account based on the value of your premium. This can either be deducted as a one-off amount at the outset, or deducted quarterly for the lifetime of the Account. The Premiere Account (Isle of Man) offers an additional option where the establishment charge can be deducted quarterly for a five year period.

Administration fee

An ongoing quarterly charge we deduct for administering the Account.

Full surrender charge

Where you choose to pay the establishment charge over the lifetime of the Account, or for the Premiere Account (Isle of Man) where the establishment charge is paid over five years, if you fully surrender the Account or any of the individual policies that make up the Account, we will deduct any outstanding establishment charge for the quarter in which the Account or individual policy is fully surrendered.

Fund management charges

The manager of any underlying assets linked to your Account may apply initial charges and/or ongoing annual management charges to cover the costs and expenses of managing the assets. Where an initial charge applies, this will be deducted from your premium before it is invested. For ongoing annual management charges, you will not see these as deductions from your Account because they are already allowed for in the price of the underlying asset.

Transaction fees

We charge a transaction fee for every individual purchase and every individual sale of any underlying investment linked to your Account. If you switch from one underlying investment to another, this results in two separate transaction fees – one for the sale and another for the subsequent purchase.

We will also pass on to your Account any safe custody fees or any other external stockbroker fees applicable based on your choice of underlying assets.

Financial adviser charges

You may decide to pay your financial adviser from your Account for the initial and/or any ongoing advice you receive. Charges can vary and the level will be agreed between you and your financial adviser.

An initial financial adviser charge can be deducted from your premium before it is invested or from your Account after your premium has been invested. Any ongoing financial adviser charge will be deducted from the Account each quarter by unit cancellation.

Fund adviser or discretionary fund manager charges

If you decide to appoint a fund adviser or discretionary fund manager then they may charge for their services. Charges can vary and the level will be agreed between you and your fund adviser or discretionary fund manager. The fee will then be deducted from the Account by unit cancellation each quarter, based on the value of units at the end of each quarter when the fee is due.

Segregated Portfolio Service charge

If you choose to invest in our Segregated Portfolio Service, we deduct an ongoing quarterly administration charge based on the value of your Account.

We may make additional charges for providing non-standard services, such as requests for additional valuations (we provide these once each quarter without charge), or charging for certain types of bank payments when making withdrawals. Full details of all our charges and fees are shown in the relevant charges and fees document, | which can be downloaded from our website: www.canadalifeinternational.ie or requested by calling +44 (0) 1624 820200.



**Supplement
your income
through tax-
deferred
withdrawals.**



**Access to
the widest
possible range
of investment
options.**

What about tax?

This guide assumes that you are UK resident and domiciled for taxation purposes. If you are in any doubt about your tax status you should consult your financial adviser.

Corporation tax

We pay no corporate taxes in either the Isle of Man or the Republic of Ireland on the capital growth or income which accrue to any of the underlying assets linked to your Account. By contrast, UK life assurance funds have to pay tax at a rate of 20% on both income and gains.

Capital gains tax

Any investment gains made as a result of switching the underlying investments choices within your Account do not give rise to a UK capital gains tax liability.

Any withdrawals taken from the Account are not subject to Capital Gains Tax, but may be subject to income tax.

Income tax

UK resident Account holders are assessed under income tax when certain transactions occur. These transactions are known as chargeable events and if a chargeable event occurs which creates a chargeable gain, you may have income tax to pay. The main chargeable events are:

- For the life assurance basis, when the Account ends because a life assured dies and the death benefit becomes payable
- If the Account or any of the individual policies within it are assigned to a new owner for money or money's worth
- For the capital redemption bond basis only, when the Account ends at the maturity date and the maturity value is paid
- For any withdrawals that exceed the 5% tax-deferred allowance
- If you fully surrender the Account or any of the individual policies within it

If a chargeable gain arises it will be assessed to income tax based on your highest marginal rate of income tax at that time. Top-slicing relief is available.

What is the 5% tax deferred allowance?

You can withdraw up to 5% of your premium each year for up to 20 years without any immediate liability to income tax. This is known as the 5% tax-deferred allowance. Unused amounts can be 'stored' for use in later years, including years beyond year 20. Deferring an assessment to income tax may be beneficial for a number of reasons, such as if you expect your level of income to fall in future, or if you plan to move abroad away from the UK tax net. If you withdraw more than a total of 5% of the premium each year, the excess will give rise to an immediate income tax charge at your highest marginal rate. Top-slicing relief may be available.

The use of adviser charge deductions from your policy will affect your 5% tax deferred allowance and may have tax implications. It is important that you discuss these with your financial adviser.

Inheritance tax

More and more people are finding that their estates could be subject to inheritance tax, particularly because of the rapid rise in property values over recent decades.

We offer a number of trust options which can be used to help to reduce the impact of inheritance tax on your estate. These are the Discounted Gift Trust, the Gift Trust and Gift and Loan Trust.

We also offer the Probate Trust, which has no effect on inheritance tax, but allows your beneficiaries to have access to the value of your Account on your death immediately, without the need to obtain Isle of Man or UK Grant of Probate.

Please contact your financial adviser if you require any more information on any of these trust options.

The information regarding taxation is based on our current understanding of UK legislation, which may change in future. How tax affects you will depend on your individual circumstances.

Getting in touch

Next steps

This guide has been designed to give you information on the features of the Premiere and Premiere Europe Accounts. However, additional important information is also contained in the relevant Key Information document, Key Features document and your personal illustration.

If you have further questions, please speak to your financial adviser.

By post

Canada Life House
Isle of Man Business Park
Douglas
Isle of Man
IM2 2QJ



Call us

+44 (0) 333 015 1382



Email us

focus@canadalifeint.com



Online

www.canadalife.co.uk







Canada Life International Limited, registered in the Isle of Man no. 033178C. Registered office: Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.
Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 www.canadalife.co.uk/canada-life-international Member of the Association of International Life Offices.
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