



Trust Pack

A guide to the stages involved

Stage 1

The Donor completes a Discounted Gift Trust Underwriting Form and the Friends Provident International Limited product Application Form for Elite, Reserve, Reserve Advance, Summit or Zenith.

Checklist

- The Applicant is the Donor.
- The Life/Lives Assured is/are the Beneficiary(ies). **Neither the Donor nor the Donor's spouse[†] can be a Life Assured.**
- If you are applying for a Reserve or Reserve Advance, signed investment instructions must be given and a Personal Charging Structure obtained.
- The Donor specifies a withdrawal from the policy. This is the amount of the regular cash payment that the Donor wishes to receive in the future. A payment can be any amount between 1% and 5% per annum of the premium, but cannot be changed.

Stage 2

The Donor completes the Absolute Discounted Gift Trust – Trust Deed (page 3)

Checklist

- The Donor(s) must complete the Discounted Gift Trust Underwriting Form.
- The Donor is automatically included as a Trustee unless specified otherwise. Please make sure the Declaration of Trust on page 3 is completed correctly.
- **The Trust Deed must be left undated.**
- The Donor(s) and all Trustees must sign the document in the presence of an independent witness, who must also sign.

Stage 3

After completion, **ALL** the following items must be forwarded to Friends Provident International Limited:

- The Discounted Gift Trust Underwriting Form.
- Product Application Form for Elite, Reserve, Reserve Advance, Summit or Zenith.
- Personal Charging Structure (Reserve and Reserve Advance only).
- Method of payment details. If you are paying by cheque, please do not send payment until you are requested to do so.
- Absolute Discounted Gift Trust – Trust Deed (page 3).
- A certified copy of a passport or national identity card in respect of the Donor(s) and each Trustee, together with an original or certified copy of a utility bill (or bank statement, employer's letter) from the Donor(s) and each Trustee verifying their residential address.
- We will underwrite the Donor(s) and provide our opinion of the likely discount HM Revenue & Customs may allow. We will then request payment if we have not already received payment details.

Stage 4

When Friends Provident International Limited receives the premium, it is invested according to the Donor's investment instructions and the policy is issued.

Important: The following steps take place at least one business day after Friends Provident International Limited has issued the policy.

- The Trust Deed will be dated by Friends Provident International Limited.
- Friends Provident International Limited will insert the policy number in the Declaration of Trust in the Trust Deed.
- Friends Provident International Limited will assign the policy into trust.

[†] The term "spouse" also includes a civil partner for UK-domiciled individuals under the UK Civil Partnership Act 2004.

Declaration of trust

DATE OF TRUST

Please leave this blank –
to be completed by Friends
Provident International Limited.

THE DONOR(S)

The name and address of the
Donor (or both Donors) should
be inserted here.

This trust is made on the

day of

20

Between

of

and

of

(hereinafter called “the Donor” or where there are two persons “the Donors”) of the one part and

The donor and*

of

and

of

and

of

(“the Trustees”) of the second part

Whereas

- (a) The Donor is the legal and beneficial owner of the Single Premium Policy

numbered

(the “Policy[ies]”) effected with the Company and hereby declares that from the date hereof the Trustees hold the Policy(ies) irrevocably on the trusts and subject to the powers and provisions thereof.

- (b) The Donor hereby assigns legal and beneficial title to the Policy(ies) to the Trustees.
(c) It is intended that this Trust shall be irrevocable.

THE POLICY

Please leave this blank –
to be completed by Friends
Provident International
Limited.

Declaration of trust (continued)

BENEFICIARIES

Enter the name(s) of the people who will receive the benefit, and the relevant percentages.

Do not leave this blank.

1. Definitions

In this Deed the following terms where the context admits have the following meanings:

- (i) **“Beneficiaries”** means the persons named below:

FULL NAME(S) OF BENEFICIARY(IES) (in block capitals)

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

Name

Date of Birth

Address

Share %

- (ii) **“Trustees”** means the Trustees for the time being who has or have been appointed in accordance with the terms hereof.
- (iii) **“Trust Fund”** means the Policy and any other property transferred to the Trustees including any accrued income to hold on the terms of this Trust, and additions or accretions thereto and all assets for the time being representing the same.
- (iv) **“This Trust”** means the trust powers and provisions which are constituted by this document.
- (v) **“Policy”** shall mean any policy of life assurance effected with the Company.
- (vi) **“Company”** shall mean Friends Provident International Limited.
- (vii) Where the context permits, words importing the singular shall include the plural, the masculine shall include the feminine, and vice versa.

Declaration of trust (continued)

2. The Trust

The Trustees shall hold the Trust Fund upon the following trusts:

1. **The Donor's Fund**

The withdrawals to be provided to the Donor as a condition of the Policy(ies) (hereinafter called the "Donor's Fund") shall accrue to and be held for the absolute benefit of the Donor and if the Donor is two persons, for them both throughout their joint lifetime and then for the survivor of them.

The Trustees (holding the Donor's Fund for the absolute benefit of the Donor) shall pay the withdrawals to the Donor or Donors (or survivor of them as appropriate) as they arise.

2. **The Beneficiaries' Fund**

(a) The part of the Trust Fund that is not the Donor's Fund shall be called the Beneficiaries' Fund.

(b) Subject always to the Trustees during the whole of the Donor's lifetime satisfying the Donor's rights under the Donor's Fund, the Beneficiaries' Fund shall be held by the Trustees on bare trust for the absolute benefit of the Beneficiary(ies) and if more than one in the percentage shares shown in 1(i) above and if there are no percentage shares and if there is more than one Beneficiary then in equal shares absolutely.

(c) Section 31 of the Trustee Act 1961 shall not apply to this Trust and whilst any Beneficiary entitled under the Trust is a minor the Trustees shall pay or otherwise apply for or towards his maintenance education or benefit so much of the income from his share in the Trust as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any income on trust for that Beneficiary absolutely and until he shall attain the age of majority the Trustees shall invest the same and the resulting income therefrom in investments hereby or by law authorised and shall hold the same as an accretion to the said balance Provided Always that so long as the said Beneficiary has not attained the age of majority the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.

(d) POWER to pay transfer or apply the whole or any part or parts of the Beneficiaries' Fund to or for the benefit of any Beneficiary entitled to such part or the whole in such manner as the Trustees shall in their absolute discretion think fit. This power shall not be capable of being exercised if it prevents the Trustees satisfying their duty as regards the Donor's rights under the Donor's Fund.

3. For the avoidance of doubt, the Donor(s) shall not be able to benefit in any way from the Beneficiaries' Fund.

3. Power to appoint or remove trustees

The power of appointing any new or additional Trustee(s) or removing any Trustee(s) shall during the Donor's(s) lifetime be vested in the Donor(s) (and where relevant the Surviving Donor) and thereafter the power of appointing new or additional Trustees shall be vested in the Trustees for the time being hereof. The power to remove a Trustee can only be exercised if, after the removal, at least two other Trustees, or a trust corporation, remain.

4. Additional Powers

During the minority of the Beneficiary or if there is more than one during the minority of any of the Beneficiaries the Trustees shall have the following powers in addition to the powers conferred on them by law:

- (i) Without prejudice to the generality of any other provision herein contained the Trustees may but only after the death of the Donor exercise full powers of dealing with any policy of life assurance and any other assets for the time being held in trust including full powers of borrowing with or without security and full power to surrender or convert the Policy to a paid up assurance in all respects as if they were the absolute beneficial owners thereof.
- (ii) The Trustees shall have the right to recover receive or to give valid receipts for all monies due or to become due under the Policy so that the receipt by the Trustees of any monies payable under or deriving from any dealing with the Policy shall be a full and sufficient discharge to the Company who shall not be concerned to see to the application of any such monies.

Declaration of trust (continued)

4. Additional Powers (continued)

- (iii) Any monies for the time being representing the Trust Fund or under the control of the Trustees may without derogating from any other provision of the trusts hereof and subject always to the provisions of paragraph (i) above be invested or applied in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate and whether producing income or not including investment in policies of life assurance and including the purchase or improvement of real property anywhere in the world for use as a residence and whether involving liability or not or upon such personal credit with or without security as the Trustees may in their absolute discretion think fit to the extent that the Trustees shall have the same full and unrestricted powers of investing and varying investments (including the power to sell investments and reinvest the proceeds) in all respects as if they were absolutely and beneficially entitled thereto.
- (iv) The Trustees shall have power revocably to delegate any power or powers of making managing realising or otherwise dealing with any investment comprised in the Trust Fund to any person or persons upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustees in question employed or incurred expense in employing him in good faith.
- (v) The Trustees shall at their absolute discretion have power to pay to the parent or either parent or any guardian of any minor Beneficiary any sum of income to be applied for the maintenance or education or benefit of that Beneficiary or any sum of capital to be applied for the advancement or benefit of that Beneficiary. The receipt of such parent or parents or guardian shall be a complete discharge to the Trustees without the Trustees being in any way obliged to see into the application of such monies.
- (vi) Any Trustees other than the Donor(s), who shall be an advocate or accountant or engaged in any profession or business including any company which is a Trustee shall be entitled to and be paid all usual and proper professional and other reasonable charges for any business or work done by it, him or his firm or his company in relation to the trusts hereof. In addition to any such charges as aforesaid the Trustees including any company which is a Trustee, any firm of which such Trustee is a partner, and any subsidiary, associated or parent company of such Trustee or in which such Trustee is interested whether as an officer or shareholder shall be entitled to retain beneficially any brokerage, commission, fee, or remuneration payable directly or indirectly to him or it, in respect of any work done or advice given in relation to the trusts hereof or in advising or working for the Beneficiaries or other Trustees in any other capacity. Provided however that where the Donor(s) is a Trustee no such entitlement shall vest in him or in any company in which he has shares or firm in which he is a partner or company or partnership from which he receives any remuneration or payment whatsoever.
- (vii) In the professed execution and administration of the trusts hereof no Trustee shall be liable for any loss to the Trust Fund arising by reason of any investment made in good faith or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any other matter or thing except wilful and individual fraud on the part of the Trustee who is sought to be made liable.
- (viii) Notwithstanding anything else in this Trust, no power conferred by this Trust shall be exercisable, and no provision other than the Trust for the benefit of the Donor(s) hereinbefore declared in clause 2(i) above shall operate in such a way to cause any part of the capital or income of the Trust Fund to become payable to or applicable for the benefit of the Donor in any circumstances whatsoever.

5. Proper law

This Trust shall be irrevocable and shall be governed by and construed in accordance with the Laws of the Isle of Man.

Declaration of trust (continued)

TRUST NAME

Please insert the name by which you wish the Trust to be known. This will appear on all future correspondence.

SIGNATURES

The names and the signatures of the Donor(s) and Trustees should be inserted here. Where appropriate these signatures should be witnessed, and relevant addresses should be detailed.

6. Trust name and signatures

(i) This Trust may be referred to as the

(ii) IN WITNESS whereof the parties have hereunto executed this Deed on the day and year first above written

SIGNED AND DELIVERED AS A DEED by the said Donor

Name of Donor

Signature

In the presence of

Signature

Address of Witness

SIGNED AND DELIVERED AS A DEED by the said Donor

Name of Donor

Signature

In the presence of

Signature

Address of Witness

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee

Signature

In the presence of

Signature

Address of Witness

Declaration of trust (continued)

6. Trust name and signatures (continued)

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee

Signature

In the presence of

Signature

Address of Witness

SIGNED AND DELIVERED AS A DEED by the said Trustee

Name of Trustee

Signature

In the presence of

Signature

Address of Witness

The information given in this document is based on Friends Provident International Limited's understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at April 2015, which may change in the future. Individuals are advised to seek professional independent advice and no liability can be accepted for the personal tax consequences of this Trust or for the effect of future tax and legislative changes.

It is important to appreciate that although Friends Provident International Limited has sought the views of leading Tax Counsel on the tax implications of the Trust and he has confirmed that the arrangement does not, in his view, constitute a gift with reservation of benefit within the meaning of the Finance Act 1986, no guarantee can be given that (albeit unlikely) HM Revenue & Customs will not take a contrary view or that tax legislation will not change in the future. As the value of units can go down as well as up, due regard must be given to the level of possible future growth in the policy when selecting the level of capital repayments required. A high capital repayment may not be thought advisable, at least in the early years following the commencement of the arrangement.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulation 1991 of the Isle of Man, wherever their place of residence.

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. (Not applicable to Corporate Trustees.)

Some telephone communications with the Company are recorded and may be randomly monitored.

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man. However, this will not preclude the right to bring legal action in a Hong Kong court. If you effect a policy whilst resident in the United Arab Emirates, all disputes regarding the policy shall be subject to the non-exclusive jurisdiction of the courts of the United Arab Emirates.

A written statement of the policy terms and conditions of the products may be obtained from Friends Provident International Limited on request.

Get in touch

To find out more about how the Absolute Discounted Gift Trust could benefit your clients, please call us on **+44 1624 821153** or email us at: **alt@fpiom.com**

Data Privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit **www.fpinternational.com/legal/privacy-and-cookies** to view the full policy or this can be provided on request from our Data Protection Officer.

About Friends Provident International

We are a leading financial services provider, with a reputation for trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 35 years of international experience in offshore savings and investments.

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Friends Provident International Limited: Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0)1624 821212 | Fax: +44 (0)1624 824405 | Website: www.fpinternational.com. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | Website: www.fpinternational.sg. Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: www.fpinternational.ae. Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.