

EU SIPP



KEY FEATURES OF THE EU SIPP



LONDON &
COLONIAL

INNOVATION YOU CAN TRUST



London & Colonial EU SIPP

Key Features

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1. What is the purpose of this document?

This document sets out the main features of the London & Colonial EU SIPP and is designed to help you decide whether it is the right investment for you.

Please read this document carefully and keep it in a safe place for future reference.

Please note that the London & Colonial EU SIPP is not appropriate for everybody and we recommend that you obtain financial advice.

2. Its Aims

- To provide you with income and tax free lump sum benefits.
- To enable you to take income without buying an annuity.
- To give you the flexibility to take benefits in stages.
- To provide a lump sum payment for your spouse and/or dependant(s) on your death.
- To allow you to make your own investment decisions.
- To enable you to choose the level of your income each year.

3. Your Commitment

- To make a contribution or transfer your pension fund to the London & Colonial EU SIPP.
- To wait until you are 55 before taking your benefits.
- To take tax-free cash at the latest by age 75.
- To appoint an adviser to manage the investments within your fund or to manage the investments yourself.

4. Risks

- The value of your London & Colonial EU SIPP depends on the performance of the underlying investments and you may get back less than you invested.
- Your income payments can fluctuate and are not guaranteed.
- It may take time to realise the value of certain underlying assets.
- Taking pension benefits earlier than intended will reduce the level of expected benefits.
- Inflation will reduce the spending power of your income in the future.
- The future tax treatment of your investments or your income may change.
- Your benefits may be affected by fluctuations in currency exchange rates.



5. Questions and answers

5.1 What is the London & Colonial EU SIPP?

It is a Gibraltar based personal pension scheme.

5.2 Who can have a London & Colonial EU SIPP?

The EU SIPP is available to anyone, including Gibraltar residents, who require a more flexible retirement solution.

5.3 What about investments?

You decide whether to stay in cash or invest in other permitted investments. Please see our permitted investments leaflet for further details. The investments are as safe or as risky as you or your nominated investment adviser choose. You can take all responsibility for your investment decisions or you can delegate decisions to your investment adviser.

Investment decisions require considerations of marketability and future liquidity, as well as the appropriate balance for a portfolio. We recommend that you take advice from a professional investment adviser unless you are confident that you have the necessary expertise yourself.

5.4 What benefits can be taken?

From the age of 55 you will be entitled to a tax free lump sum of 25% of the fund value. The remainder of your fund can then be used to provide an income.

You may choose to have your income paid monthly, quarterly, half-yearly or annually. You may also choose to receive additional ad hoc payments during the year.

5.5 Are the benefits taxable?

The income and lump sum benefits will be subject to the tax legislation of the jurisdiction in which you or any other recipient are resident for tax purposes at the time benefits are taken.

page 4 5.6 Do I have to purchase an annuity at age 75?

No. You can continue to draw an income from the fund in the same way as described in 5.4. Alternatively, you are able to purchase an annuity from any provider of your choice at any time.

5.7 What happens to the fund on my death?

Any residual fund will be used to provide a lump sum payment or it could be used to provide a dependant's pension.

The Scheme Trustee will use its discretion to decide who should receive the cash payment bearing in mind any nomination that you had made previously. No Gibraltar tax would be payable on this payment. However, there may be tax payable according to the country of residence and/or domicile of the recipient at the time.

5.8 What tax applies?

Under current law the investments made within your London & Colonial EU SIPP are exempt from Gibraltar taxes on income and capital gains (any tax deducted at source from investment income received from another jurisdiction may not be able to be reclaimed). You may however need to pay local taxes depending on your country of residence.

Please take professional advice from a suitably qualified person on your tax position.

5.9 What are the costs?

We have a clear and transparent charging structure details of which are set out in our Fee Basis leaflet.

The charges will be deducted from that part of your fund that is held in cash as and when they become due. If insufficient cash is held, you or your investment adviser will be asked to arrange for sufficient investments to be encashed to cover the charges then due. Charges levied by third parties will also be deducted from your fund.



5.10 Can I change my mind?

You will have the opportunity to cancel your London & Colonial EU SIPP within 30 days from the day that you receive our letter accepting your application. If you wish to cancel simply complete the cancellation notice and return it to us.

You will also have 30 days to change your mind about any additional transfer payment. If you change your mind within the cancellation period we will return any transfer payments received to the scheme that sent the payment to us.

Please note that it may not be possible to return the transfer payments received to the original scheme. In this case you would need to arrange for another scheme to accept the transfer.

5.11 Will I lose anything if I cancel within 30 days?

We will not apply any of our charges should you decide to cancel the contract. Any money that we have received will be returned but if any of this money has been invested it is possible that you will get back less than we received due to fluctuations in the market value. Any associated third party costs involved in purchasing or selling the assets during the cancellation period will not be refunded.

An exchange of contracts for the purchase of real estate will be permitted only after the 30 day cancellation period has expired.

5.12 Can I transfer to another pension scheme?

Yes. You can transfer to another suitable pension scheme at any time.

page 6 5.13 What information will you provide me?

You will be able to view online all transactions together with the latest asset values held in your plan at any time. In addition we will send you a statement once a year showing all transactions, charges and cash balances. A valuation of the assets held will be included where appropriate.

6. Gibraltar's strengths

Gibraltar has one of the best-regulated financial centres in the world and is widely regarded in Europe and the USA as a benchmark jurisdiction in terms of supervisory infrastructure.

It has implemented all EU Directives relating to insurance business and its regulatory and supervisory infrastructure matches all relevant UK standards.

The regulation of Gibraltar's financial services has the full endorsement of the International Monetary Fund (IMF) following a rigorous examination by their commissioned team of independent experts. Gibraltar is only the third jurisdiction to volunteer for such international recognition.

7. Complaints

We are committed to providing a high quality of service in accordance with best industry practice.

We hope you should never need to complain, but if you do please contact us in the first instance. Copies of our complaints handling procedure are available on request.

Complaints concerning the underlying investments of your fund should be made directly to the investment provider concerned in accordance with their complaints procedure.



8. Compensation scheme

It is our understanding that no investor compensation schemes are available in respect of this contract should London & Colonial fail. However in the unlikely event that either the scheme trustee or the scheme administrator were to become insolvent or stop trading the assets held for you in the scheme would not be affected because they are held on trust. The assets are not on the balance sheet of any of the companies involved in the scheme and are not available to their creditors. If necessary, a replacement trustee or administrator would be appointed to continue the scheme.

The underlying investments carry their own investment risks and some of this may be dependant on the investment vehicle chosen. Please refer to our Investor Protection leaflet for further details on regulation, security of assets and financial strength of the different companies within the London & Colonial group.

9. Law

The information in this document is based on our interpretation and understanding of current Gibraltar law which may change.

All documents are supplied in English and all communication will be in English.

10. The parties involved and regulation

London & Colonial Assurance PLC is the provider of the scheme and is regulated by the Gibraltar Financial Services Commission (FSC). L&C (Administration Services 2) Limited is the Scheme Administrator. London & Colonial (Trustee Services) Limited is the trustee of the scheme and is also regulated by the FSC.

The London & Colonial EU SIPP is not itself directly regulated by the FSC but the principles and practices adopted by London & Colonial follow those applicable to SIPPs regulated by the Financial Services Authority in the UK.

11. Data Protection

All personal data is processed and stored in accordance with the Data Protection regulations currently in force.

L&C (Administration Services 2) Limited is resident in Gibraltar and is registered as Data Controllers with the Gibraltar Data Protection Commissioner.

12. Call recording

Telephone calls to or from us may be recorded for training, monitoring and fact verification purposes.

13. Terms & Conditions

This is a summary only; the full details are contained in the Trust Deed and Rules.

Further information is available from your financial adviser or from London & Colonial whose contact details are shown below.

14. How to contact us

International administration office:

London & Colonial
38 – 42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

Tel: +44 870 756 6696

Fax: +44 870 756 6697

Email: clientservices@londoncolonial.com



KEY FEATURES

Take control of your pension



For more information about any
London & Colonial product please contact:

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38-42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

t: 0870 7566696
f: 0870 7566697
e: info@londoncolonial.com
w: www.londoncolonial.com

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