

# Isle of Man Supplement

## Supplement to documents for Investment Bonds and Plans (Single Premium Life Assurance Policies) for residents of the Isle of Man (“the Island”)

If you are applying for a new plan or increasing your investment to a plan issued after 1 January 2018, you should read our Key Information Document and relevant Investment Option Document(s). This supplement provides additional information.

The documents produced by the Prudential Assurance Company (the “Prudential”) are specifically designed for residents of the United Kingdom. Prudential’s printed information concerning Investment Bonds and Plans, is prepared for the understanding of, and can only fully apply to, those persons ordinarily resident and domiciled in the United Kingdom. Accordingly, the information contained in this Supplement amends such printed information including documents, to cover the circumstances relating to residents of the Island. (This Supplement does not apply to investment bonds issued by Prudential International Assurance plc.)

Please therefore read any such documents in conjunction with this Supplement.

In particular, please note that the “5% withdrawal allowance” referred to in these documents is a UK HM Revenue & Customs (HMRC) “allowance” only and does not apply to policyholders as far as Island taxation is concerned.

Residents of the Island may apply for these contracts, but should understand that a United Kingdom policy will be issued.\*

The “Right to Cancel” the contract, under UK legislation, is not applicable to residents of the Island. Please speak to your Financial Adviser if you want to discuss your cancellation rights.

\* These contracts are regulated by the United Kingdom Financial Conduct Authority.

Prudential’s Investment Bonds and Plans invest in units in various Unit-Linked Funds and/or units in the With-Profits Fund as detailed in the relevant Key Information Document and relevant Investment Option Document(s). The price of the units in each of these funds allows for United Kingdom taxation (on both income and capital gains) at the rates appropriate to life assurance companies and this taxation cannot be reclaimed by Island residents.

### Taxation of Benefits

Regular withdrawals, part and full surrenders from Investment Bonds and Plans on an annual or more frequent basis will be subject to Isle of Man income tax in the hands of residents on the Island.

Any withdrawals, part or full surrenders on a less frequent basis will not be subject to charges to Isle of Man income tax, but residents of the Island should always be aware of the anti-avoidance provisions contained in Schedule 1 of the Isle of Man Income Tax Act 1980.

“Chargeable Event” certificates will be issued to the UK Inspector of Taxes and the policyholder will be sent a copy at the same time.

The possible income tax liabilities set out in the relevant brochure and the Key Features Document will apply for the purposes of assessing any tax charge within the United Kingdom.

## Inheritance Tax

The policy document is issued under seal. This means that United Kingdom inheritance tax should not arise on benefits when they become payable if, at the time of death:

- 1) The policy document itself is situated outside the United Kingdom, and
- 2) You are not domiciled or deemed to be domiciled within the United Kingdom.

This information is based on Prudential's understanding of current legislation and does not intend that this interpretation should be relied on in any particular case. This legislation (particularly relating to taxation) is liable to amendment and statutory interpretation by the taxation authorities, the government of the Island and its courts. Future changes in law and taxation cannot be anticipated.

Residents of the Island are not protected by any local statutory compensation schemes. However, you may be entitled to help from the UK's Financial Services Compensation Scheme, set up under the Financial Services and Markets Act 2000. See the "Compensation" section of the Key Features Document for further information.

Investors may not receive full repayment of their original investment on the termination of the bond or plan.