

Isle of Man Supplement

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

You should read our Key Information Document and relevant Investment Option Document(s). This supplement provides additional information.

The documents produced by Prudential International Assurance plc (“Prudential International”) are specifically designed for residents of the United Kingdom. Prudential International’s printed information concerning Investment Bonds, 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.

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

In particular, please note that the “5% tax-deferred allowance” referred to in these documents is a UK HM Revenue & Customs “allowance” only and does not apply to policyholders resident in the Island as far as Isle of Man taxation is concerned.

Prudential International’s Investment Bonds 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).

Taxation of Benefits

There are no specific provisions within Isle of Man tax legislation that deal with the treatment of withdrawals from life assurance policies by Isle of Man residents. The tax treatment is based upon the basic principles of income tax.

Regular withdrawals, partial or full surrenders from life assurance policies may, to some extent, be subject to Isle of Man income tax in the hands of residents of the Isle of Man and should be disclosed on your Isle of Man income tax return.

Any withdrawals, or partial or full surrenders on a less frequent basis, are generally not subject to charges to Isle of Man income tax, although residents of the Isle of Man should always be aware of the anti-avoidance provisions contained in Schedule 1 of the Isle of Man Income Tax Act 1980. These provisions give the Assessor of Income Tax the power to raise assessments to income tax where they are of the opinion that a transaction was entered into with a view to avoiding or reducing income tax liabilities.

Inheritance Tax

There is no concept of inheritance tax in the Isle of Man and as such, any Isle of Man domiciled or deemed domiciled individual will have no requirement to pay inheritance tax. United Kingdom inheritance tax should not arise on benefits when they become payable if, at the time of death, you are not domiciled or deemed to be domiciled within the United Kingdom.

The above information is based on Prudential International’s understanding of current legislation as at March 2022 and does not intend that this interpretation should be relied on in any particular case. You should speak to a specialist tax adviser if you require further details in relation to taxation in the Isle of Man. 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.

Policyholder Protection Arrangements

Residents of the Island are not protected by any local statutory compensation schemes.

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

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