

If Bonds are right for your clients, Transact is here to help!

With ownership of our own technology, our onshore and offshore bonds are fully platform integrated, with no third-party involvement. For clients who are UK nationals or UK tax residents.

- **Open architecture** with the option to choose from a wider range of investments. The platform can also be used with the advisers' own model portfolios (assuming the investments in the model are bond compliant).
- **Sub wrapper** can be used for alternative investment time horizons.
- **Up to 1,000 segments** available to allow policyholders to target withdrawals more efficiently. This can help keep clients within a tax band or ensure that their total income in a tax year doesn't exceed tax thresholds.
- **Individual segments** can be gifted to a third party, either an individual or a trust. In most circumstances tax on any gains is charged at the new owner's marginal rate of income tax.
- **Trustees** can use bonds to help simplify their reporting requirements, mitigate UK inheritance tax and provide controlled intergenerational planning by transferring the tax liability to a basic or non-tax payer.
- **Corporations** are also eligible to apply.

Onshore Bonds provide:

A non-income producing asset, so that income tax is only charged when a chargeable event results in a chargeable gain. Chargeable events may arise through surrender, death, partial withdrawals that exceed the tax deferral allowance, or an assignment for money or monies worth.

The ability to take up to 5% of the total premiums paid as a withdrawal each year with no immediate UK income tax liability. Any unused allowance can be rolled forward to a new policy year. Chargeable events may arise where a withdrawal exceeds the 5% allowance.

Top-slicing relief that potentially allows chargeable gains to be spread over a number of years, rather than just the year in which the gain arose.

Subject to legal and regulatory restrictions on residency, overseas policyholders may be able to reduce their tax liability based on the proportion of time they have spent overseas while being liable to tax as a policyholder.

Basic rate credit on any gains arising. This is because interest, property income and gains are subject to a basic rate tax charge within the wrapper. These charges are deducted from cash held in the wrapper. Please read our Guidance Notes to Tax and the Transact Onshore Bond for more information. *Note – any tax charges paid within the bond wrapper cannot be recovered by non-tax payers.*

Offshore Bonds provide:

Gross roll-up as there is no internal taxation in an offshore bond.

A non-income producing asset, so that income tax is only charged when a chargeable event results in a chargeable gain. Chargeable events may arise through surrender, death, partial withdrawals that exceed the tax deferral allowance, or an assignment for money or monies worth.

The ability to take up to 5% of the total premiums paid as a withdrawal each year with no immediate UK income tax liability. Any unused allowance can be rolled forward to a new policy year. Chargeable events may arise where a withdrawal exceeds the 5% allowance.

Top-slicing relief that potentially allows chargeable gains to be spread over a number of years, rather than just the year in which the gain arose.

Subject to legal and regulatory restrictions on residency, overseas policyholders may be able to reduce their tax liability based on the proportion of time they have spent overseas while being liable to tax as a policyholder.

Chargeable gains don't come with the basic rate tax credit that applies to an onshore bond. However, such a credit may be unnecessary if the gain stays within an individual policyholder's tax allowances or if the policyholder is non-UK resident for tax purposes.