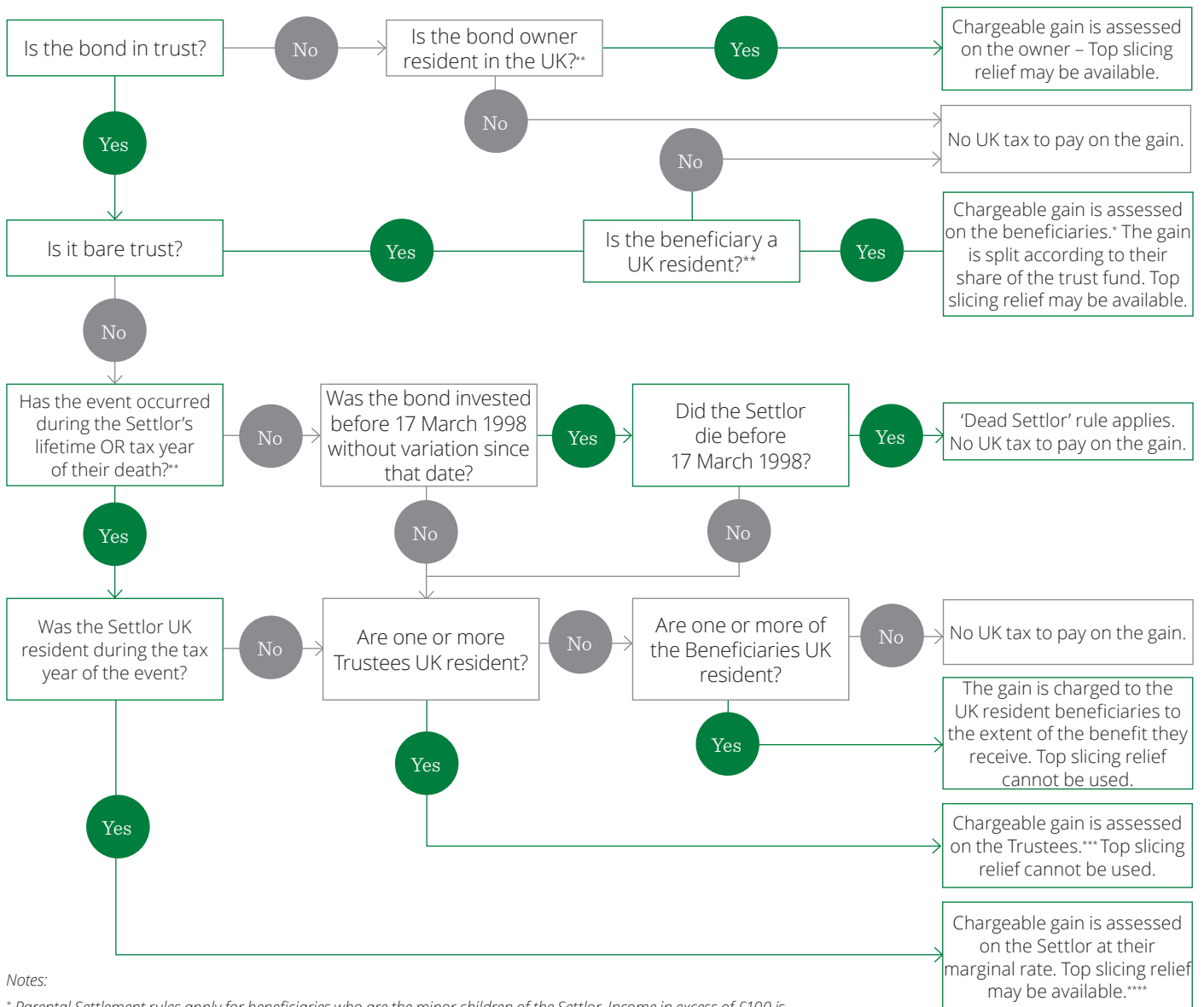


Technical insights - Quick reference guide 1

Taxation of investment bonds - who is assessable for chargeable event gains?

This guide will enable you to identify the party who will be taxable for chargeable event gains on an onshore or offshore investment bond. This guide is not suitable for investment bonds held by companies or where the bond owner is deceased.



Notes:

* Parental Settlement rules apply for beneficiaries who are the minor children of the Settlor. Income in excess of £100 is taxable on the Settlor.

** Where there is more than one, apportion the gain between them and continue the flow chart from this point for each. This may result in a split treatment of the gain.

*** The Trustee rate is 45%. They have a tax free amount of £500, which is divisible by the number of discretionary trusts created by the same Settlor. The minimum band is £100. Where income exceeds the amount, all income is taxable.

**** Though the tax is assessed on the Settlor's marginal rate. Assuming the trust deed they have a statutory right to reclaim the tax paid from the trust.

For financial advisers only