



# EFPG GOLD PERSONAL PENSION PLAN SCHEME

## SCHEME KEY FACTS / PARTICULARS DOCUMENT

**This document is designed for general information only and does not provide any specific advice. Before you act on any information supplied by European Financial Planning Group you should first seek independent tax and/or financial advice.**

### 1. Introduction

The EFPG Gold Personal Pension Plan Scheme (the “Scheme”) is a defined contribution pension scheme which is administered by European Financial Planning Group who also act as the Scheme trustee. It is a personal pension scheme which has the objective of providing retirement benefits for members.

European Financial Planning Group Limited (“EFPG”) is a company registered in Gibraltar under reference No. 93480, and which is authorised and regulated by the Gibraltar Financial Services Commission under licence numbers FSC00812B and 1109MIF.

The EFPG Gold Personal Pension Plan Scheme was established on 5<sup>th</sup> December 2012 and approved by the Income Tax Office in Gibraltar under reference 40/376. The Scheme is also regulated by the Gibraltar Financial Service Commission under licence number FSC0812B/2.

To join the Scheme you simply need to complete the application form after having obtained the necessary financial and tax advice from your professional adviser. All assets within your personal pension plan are held under an irrevocable trust for your exclusive benefit.

In fulfilling its function as trustee EFPG does not give financial, legal, tax or investment advice. This document is designed for general information only and does not attempt to give any specific advice. Before you apply to join the Scheme, or otherwise act on any information about the Scheme supplied by EFPG or any other party, you should first seek suitably qualified independent tax and/or financial advice. This document is not a statement of the full terms and conditions of the Scheme, and it should be read in conjunction with the Deed of Adherence and Terms and Conditions document which can be obtained from EFPG’s office which is situated at 15 Irish Town, PO Box 1483, Gibraltar, or by contacting us by email at the following address [info@efpg.net](mailto:info@efpg.net). Although every effort has been made to ensure its accuracy we will not accept liability for any errors or omissions contained within this document.

Unless otherwise prescribed there exists no statutory provision for compensation in the case where the Scheme is unable to satisfy the liabilities attributed to it, and the approval, registration or recognition of the Scheme or EFPG is not an endorsement by any regulatory or tax authority of the Scheme’s financial standing or performance.

Further information about the Scheme is available from EFPG.

### 2. What are the benefits of the EFPG Gold Personal Pension Plan Scheme?

- ✓ Potentially protects funds transferred into the Scheme from possible adverse changes in tax and pension legislation in the originating country.
- ✓ No specified limits on the size of contributions into the Scheme.
- ✓ Contributions can be lump sum or regular.
- ✓ Access to retirement benefits from age 55. Unless otherwise agreed with the trustee commencement of income drawdown must be before age 75 or any other maximum age allowed by Gibraltar regulations.
- ✓ On death your nominated beneficiaries may receive the funds remaining in your Scheme. This can be free of UK Inheritance tax but it is dependent on the beneficiary’s personal circumstances. Initial planning and tax advice is recommended and should be sought.
- ✓ There is no requirement to purchase an insurance annuity and various income options are available.
- ✓ Depending on your country of tax residence potentially significantly lower rates of income tax payable on pension income.



Provides the opportunity to denominate your pension scheme benefits in an alternative currency.

**We recommend that clients take independent financial planning and tax advice with regard to their personal situation**

### 3. What can the Scheme invest in?

Members or their nominated professional adviser can brief EFGP as trustee about their investment preferences. The trustee must, however, always execute investments within the parameters of allowable investments, diversification and prudence as required by their regulator, the Gibraltar Income Tax Office and in accordance with their duty of care. The final decision in respect to the permissibility and the overall weighting of investments within the Scheme rests with the trustee. EFGP does not accept responsibility for, or liability in respect of, the performance of any investments, or for liabilities associated with any investment.

The Gibraltar Tax Office imposes restrictions on certain types of investment. These include but are not limited to the following: the trustee must not engage in any transactions nor grant any loans from the Scheme to its members or connected persons. No more than 50% of the Scheme funds may be invested in loan capital or debentures of employers or connected persons, in residential property, or in property occupied by an employer for business purposes. Investments in unquoted shares must be subject to independent valuation, and all dealings must be at arms length and on commercial terms.

Examples of acceptable investments are:

- Quoted shares and other stock-market portfolios (unlisted stocks may be considered on a case by case basis)
- Quoted fixed-interest securities and other bonds
- Unit trusts, OEICs, UCITS, offshore funds and other pooled funds
- Bank and building society accounts
- Insurance bonds

You may advise EFGP if you have a specific investment manager that you would like to appoint to manage the investments within your personal pension plan. The above is merely a summary, and your professional adviser will be able to provide a comprehensive list of acceptable and non-allowable investments.

### 4. Who can apply?

At the discretion of EFGP the Scheme is available to residents of any country aged between 18 and 74.

### 5. What are the potential risks?

As with most financial products the value of investments can fall as well as rise and is not guaranteed. Some investments may take longer to sell than others, and the sale price may be lower than expected. Choosing to take income withdrawal may erode the capital value of your personal pension plan, especially at times when rates of investment return are poor or you are drawing high levels of income.

Tax and pension law and regulation can change in the future in any jurisdiction.

### 6. Taxation

Income payments made from the Scheme will be subject to a 2.5% non-reclaimable income tax deduction by the Gibraltar Tax Office, and the payments may also be subject to taxation according to the tax rules applicable in the country or countries in which you are tax resident. Please seek the advice of a tax professional in your country or intended country of residence on this matter before you agree to contribute into the Scheme. There is no guarantee that the tax treatment of the Scheme or that Gibraltar regulations will remain unchanged. The taxation status of the Scheme is subject to change, and any such changes to the Scheme will be notified to the members within a reasonable timeframe.

EFGP is required to report all payments or transfers made from the Scheme to the Gibraltar Commissioner of Income Tax.

### 7. What can I transfer into the Scheme?

You may transfer into the Scheme assets held within a Gibraltar approved pension scheme, although it is essential that you take professional advice first since by doing so you could significantly reduce the amount of Pension Commencement Lump Sum that you may be entitled to take from such a scheme. It may also be possible to transfer into the scheme benefits currently held in other schemes that are deemed Recognised Overseas Pension Schemes by the UK HMRC and which meet

the QNUPS regulations.

## **8. What benefits can I receive?**

There is no requirement in Gibraltar to purchase an annuity at retirement, although you can instruct EFGP to purchase one on your behalf should you so wish.

After you decide to take a Pension Commencement Lump Sum the residual fund value can go into what is known as income drawdown or withdrawal of funds. This will allow you to then draw an ongoing income from the remaining fund within prescribed limits.

You must commence the drawdown on or before age 75 or any other maximum age as prescribed by Gibraltar regulations. You can choose to have a Pension Commencement Lump Sum which may be up to 25% of your funds and/or a regular income as previously detailed.

## **9. What happens in the event of my death?**

EFGP will take into account the nominated beneficiaries detailed on your application form or in any subsequent letter of wishes. Upon the death of a member the trustee will determine who will receive the benefits, and the form of those benefits.

In the event of death a lump sum payment may be provided for a spouse and/or dependent, or provision may be made for the payment of a pension income. Recipients of any such benefits are responsible for their own taxes payable in the country of their residence at the time of receipt.

If you have not purchased an annuity by the time of your death there may be funds left within your Scheme which EFGP may be able to pass on to your nominated beneficiaries. No tax charge will be payable in Gibraltar should EFGP make disbursements of this nature upon your death. This may be significantly advantageous compared to the tax rates otherwise payable. As previously stated, all recipients of any benefit are responsible for their own taxes payable in their country of residence at the time of receipt, and professional advice should be taken on this matter before transfer of funds into the Scheme.

## **10. Does the Scheme or EFGP provide investment or tax advice?**

As well as acting as trustee EFGP is also a fully regulated firm of financial advisers and may in appropriate circumstances be able to provide qualified pensions and investment advice. In practice the trustee would anticipate that Scheme members will have already appointed their own independent professional adviser.

## **11. What is the UK Lifetime Allowance?**

For the UK tax year 2018/2019 the UK Lifetime Allowance ("LTA") is £1.03m increasing by CPI. For 2017/2018 the UK Lifetime Allowance ("LTA") was £1.0m and for 2016/2017 it was £1.25m.

## **12. Fees and Charges**

The Scheme initial/set up fee and annual fee will be levied directly against Scheme funds. These fees are made to allow us to properly administer your Scheme and reflect our duties and responsibilities as trustee. Please review these fees in conjunction with your professional adviser before transfer.

## **13. What is a QNUPS?**

A QNUPS is a Qualifying Non-UK Pension Scheme which is a scheme that came about as a result of Her Majesty's Revenue & Customs (HMRC) legislation – the Inheritance Tax (Qualifying Non-UK Pension Schemes) Regulations 2010 (SI 2010/0051) which came into force on 15<sup>th</sup> February 2010. These regulations ensure that the same inheritance tax protection given to UK registered pension schemes is available to non-UK pension schemes.

## **14. Who manages the investment of the pension fund?**

The Scheme member or their nominated professional adviser can express to the trustee their investment preferences. The trustee will retain ultimate discretion with regard to the permissibility and appropriateness of all investment requests. The trustee will ensure that each member's individual Scheme is managed in line with the relevant regulatory requirements of the Gibraltar regulator and the Gibraltar Tax Office.

**15. How do I become a member?**

A simple application process provides admittance to the Scheme. You are not required to hold Gibraltar residency in order to apply, and equally Gibraltar residents are permitted to apply. There is no requirement to hold current employment if the Scheme is only to accept a transfer from another scheme.

**16. Can I borrow from the fund?**

No. Loans to members or persons connected to members are not permitted.

**17. Do I need to make any further provisions for my retirement?**

This is a matter on which you should take advice from your professional adviser.

**18. Can EFPG decline my application?**

The trustee reserves the right to decline any application and it does not have to provide any explanation or details as to why it has arrived at its decision.

**18. Are there any HMRC reporting requirements?**

Under current legislation there are no HMRC reporting requirements.

**EFPG is licensed and regulated by the Gibraltar Financial Services Commission to act as a trustee of pension schemes.**