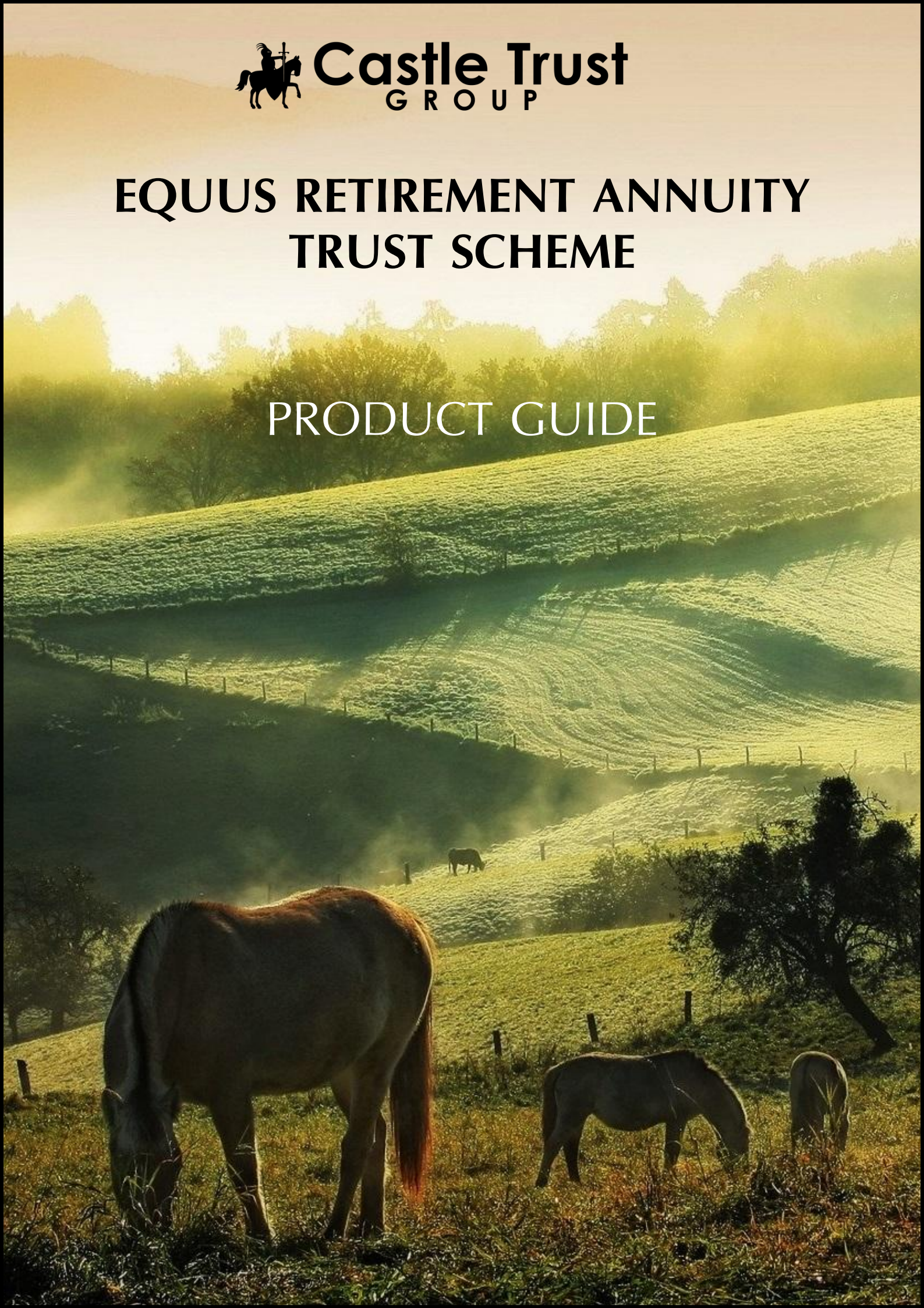


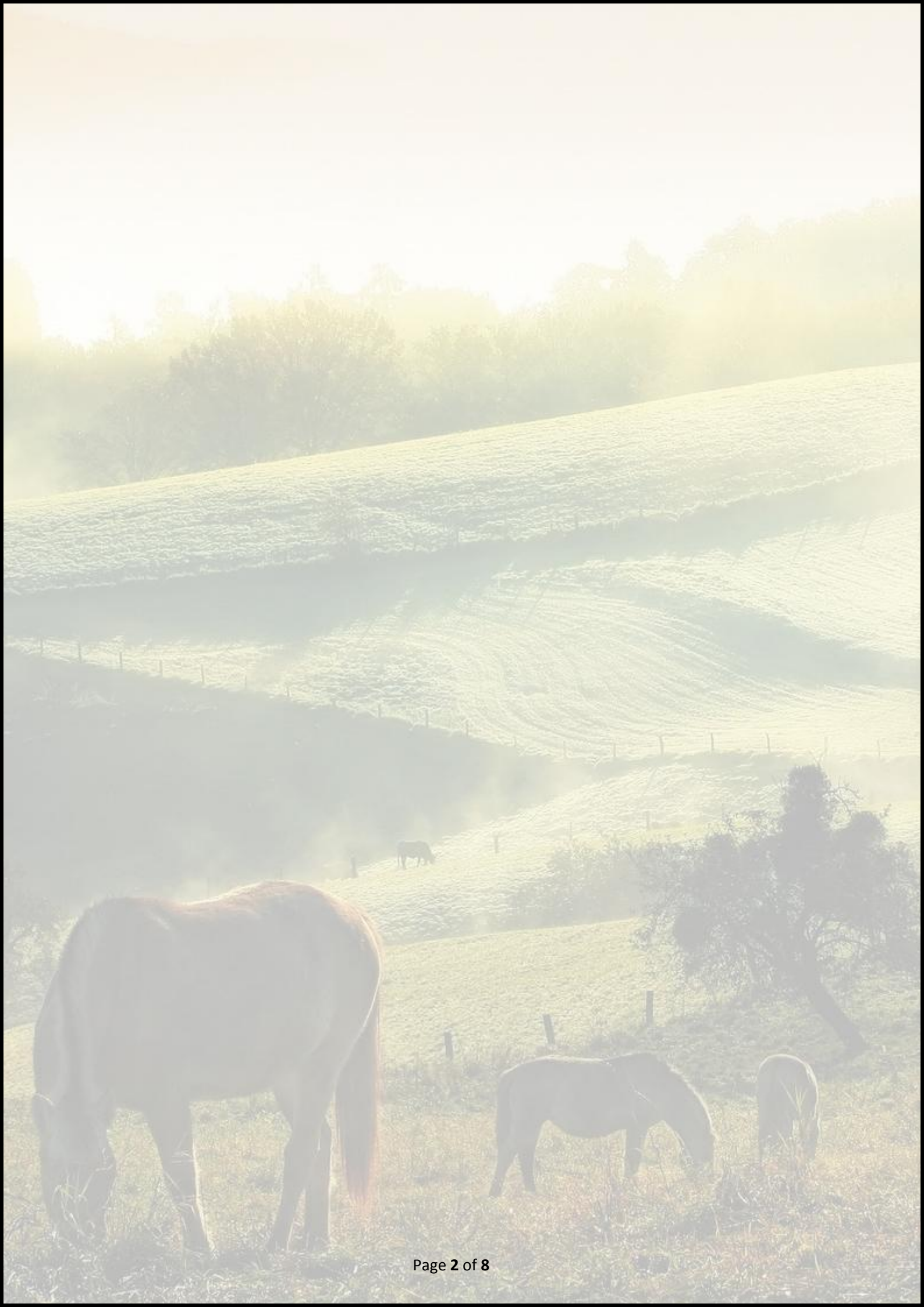


Castle Trust
GROUP

EQUUS RETIREMENT ANNUITY TRUST SCHEME

PRODUCT GUIDE





INTRODUCTION

The Equus Retirement Annuity Trust Scheme is a Gibraltar-based pension scheme provided by Castle Trust & Management Services Limited, part of the Castle Trust Group.

It is a Qualifying Recognised Overseas Pension Scheme (QROPS) registered in the UK with HM Revenue and Customs (HMRC) with registered number QROPS 502472. It is recognised by HMRC as eligible to receive transfers from UK pension schemes and therefore is of significant benefit to individuals with UK based pension schemes who have left, or intend to leave, the UK.

WHY YOU WOULD WANT TO JOIN THE EQUUS RATS

YOU MAY WISH TO JOIN THE SCHEME FOR A NUMBER OF REASONS:

- 1.** You want to consolidate all your pension arrangements into one plan for simplicity.
- 2.** In the event of your death, you may wish to pass on any remaining pension funds tax free to named beneficiaries.
- 3.** If you are close to the UK lifetime allowance, you may wish to consider transferring to the Equus RATS so that any future growth is excluded from an HMRC tax charge.
- 4.** If you have been resident outside of the UK for 5 tax years, you may want to receive a tax free lump sum of 30% from the Equus RATS rather than the 25% payable from a UK scheme.
- 5.** If you live in a jurisdiction where a double taxation agreement does not exist with the UK, you will pay both UK and local taxes on income received from a pension scheme. By moving the pension to Gibraltar you will only pay an income tax charge of 2.5% rather than the 20%/40%/45% payable in the UK. Income tax in the country of residency will continue to apply.
- 6.** If you live abroad you may wish to have your pension fund denominated in a different currency to avoid currency fluctuations.

FEATURES OF THE SCHEME

ELIGIBILITY

The Equus Retirement Annuity Trust Scheme is open to both residents and non-residents of Gibraltar. It is operated in accordance with the Laws of Gibraltar.

CONTRIBUTIONS

If you are a Gibraltar resident, then you and your employer can pay in a combined amount of up to 20% of your assessable income in a tax year.

TRANSFERS OF EXISTING BENEFITS

You can transfer other pension plans to your Equus RATS. You should discuss the benefits and risks of transferring your pension plans with your financial adviser before proceeding.

Transfers can be made in cash or “in-specie” i.e. Reregistering existing assets without needing to sell them.

INVESTING

You can choose to invest your funds in a number of different assets. Your adviser should conduct their own due diligence before recommending an investment to you and if you don't have an adviser you should make all relevant enquiries yourself before selecting a suitable investment.

We have a range of assets which we will permit to be held within your pension plan. The following list is not exhaustive so if you have an investment you are considering that is not on the list then please contact us.

- Cash deposits in any currency
- Government and Corporate Fixed Interest Securities
- Equities (quoted and unquoted)
- Pooled funds including collective investment schemes
- Structured Products and derivatives
- Commercial Property and land
- Gold Bullion
- Loans to unconnected third parties
- Borrowing to acquire assets or enhance cash flow limited to 50% of net asset value

Where your pension fund originates from a UK scheme the purchase of certain assets are “unauthorised” and their purchase, directly or indirectly, attract tax penalties of up to 70% of the price paid – or more.

These include:

- Loans to members
- Residential property
- Loans to acquire residential property
- Tangible moveable property such as works of art, classic cars, fine wine etc
– but Gold bars are uniquely permitted

BANKING ARRANGEMENTS

We use a pooled cash account to hold cash on behalf of our pension scheme members. This cash is held as client money and is maintained in accordance with the Gibraltar regulatory requirements.

Money that you hold in the pooled account does not earn interest. Where you have in excess of £50,000 in the pooled account we can move the money into a weekly fixed term account which currently pays interest. Please contact us if you would like to know the current rate of interest.

BENEFITS AT RETIREMENT

Benefits may be drawn at any time from age 55 or earlier if a need arises due to your ill health. You do not need to retire to take your benefits, you can continue working while receiving a lump sum and/or income from your plan.

LUMP SUMS

A tax-free lump sum of up to 30% of the fund may be taken from your plan, although if you have been resident in the UK within the last five years this may be restricted to 25% (please check with your financial adviser if you think this may affect you). The lump sum may either be drawn in one tranche or in several stages as required.

PENSION OPTIONS

You can choose to receive your income by a number of different methods:

- **Annuity** - all or part of the fund can be used to purchase an annuity with an insurance company of your choice.
- **Income withdrawal** – you may withdraw income directly from your pension fund. There is an annual limit to how much income you may take each year which is calculated by reference to rates published by the UK Government Actuary's Department.

Pension income is subject to Gibraltar Income Tax of 2.5%. Additional tax may be payable in your local jurisdiction, depending on local tax rules.

DEATH BENEFITS

In the event of your death the value of your pension fund can be used to provide either:

- **A lump sum death benefit; or**
- **A pension benefit to eligible dependants.**

Any lump sum due is paid at the discretion of the trustee.

By completing an "Expression of Wishes" form you can indicate to the trustee who you would like to benefit.

Pension benefits may be paid to your spouse or to anyone who was dependant on you at the time of your death.

Pension benefits are subject to Gibraltar income tax at the rate of 2.5% on each payment.

TRANSFERRING OUT

You may transfer your benefits to another pension scheme at any time. We may refuse a request to transfer if such a transfer would prejudice the approval of the scheme.

FEE BASIS

Please see our separate fee basis leaflet for a summary of the fees we charge.

OTHER INFORMATION

COMPLAINTS

We strive to provide a first class service to you but in the unfortunate event that you have a complaint please contact us by telephone or in writing (letter or email).

LAW

Your pension plan is governed by Gibraltar law and all communications in relation to it will be in English.

WHY CASTLE TRUST?

The Castle Trust Group was formed over 20 years ago and represents a range of clients. Its main emphasis is to ensure compliance in all jurisdictions is maintained to the highest standard. It has been at the forefront of ensuring Gibraltar has been acknowledged as a highly reputable jurisdiction to which UK pensions may be transferred with full agreement of HMRC.

The Castle Trust Group is a member of the Gibraltar Association of Pension Fund Administrators (GAPFA).



HOW TO CONTACT US:



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