

FAQs

# Onshore UK Bond

Frequently Asked Questions



Countrywide Assured

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## General Overview

### What is an onshore investment bond?

An onshore investment bond is a life insurance-based investment product that allows individuals to invest a lump sum in a range of funds, with the potential for growth and access to tax-efficient withdrawals. The bond is set up across 1,000 individual segments to provide flexibility when making withdrawals.

### How do I invest?

You invest via your financial adviser. The minimum initial investment is £50,000, and the minimum top-up investment is £1,000.

### Who typically uses onshore bonds?

They are often used by individuals seeking tax-deferred investment growth, estate planning, or trust-based investments. They are particularly useful for higher-rate/additional rate taxpayers who expect to become basic-rate/nil taxpayers in the future, such as those approaching retirement. Onshore bonds are also used for individuals aiming to mitigate Inheritance Tax by using trusts.

### How is an onshore bond different from an offshore bond?

The key differences lie in tax treatment and the location of the provider. Onshore bonds are taxed in the UK. For UK tax-payers, offshore bonds are based outside the UK and offer gross roll-up, with tax deferred until withdrawal. Offshore bond gains are taxed at your highest marginal rate with no basic rate tax credit, unlike onshore bonds.



## Investment & Fund Options

### What investment choices are available within an onshore bond?

You can typically choose from a wide range of funds, including equities, bonds, multi-asset portfolios, managed portfolio services, and discretionary management services.

### Can I switch between funds?

Yes, Countrywide Assured allows free fund switching.

### Are there any limits to how much I can invest?

The minimum initial investment is £50,000 and the minimum top-up is £1,000. There is no maximum investment limit.



## Administration & Charges

### What are the annual management charges for the Onshore Bond?

- First £0 - £100,000: 0.25%
- Next £400,000 (up to £500,000): 0.20%
- Next £500,000 (up to £1,000,000): 0.15%
- Balance over £1,000,000: 0.10%

Additional fees may include:

- Platform fees
- Fund management fees
- Fund Administration fees
- Discretionary Fund Management fees.

Please refer to your adviser's illustration for full details.

### Can I add to my bond later?

Yes, top-ups are allowed with a minimum of £1,000. Forms can be found on the Adviser Hub.



# Taxation

## How is an onshore bond taxed?

Countrywide Assured is the life assurance company that owns the underlying investments to which the value of the bond is linked. The company pays corporation tax at a special rate of up to 20% per annum on income and gains arising on those investments. This tax is currently deducted as an accumulated tax charge from the value of the onshore bond at the point of closure.

As a result of the corporation tax paid, basic-rate taxation is deemed to have been paid, and a tax credit is applied when a chargeable event arises.

- Non-taxpayers and basic-rate taxpayers may have no further liability.
- Higher-rate taxpayers may pay additional tax limited to 20%.
- Additional-rate taxpayers may pay additional tax limited to 25%.

Please consult your financial adviser for more information on the tax consequences of investing in an onshore bond, including any top slicing relief that may apply.

## What is a chargeable event?

A chargeable event occurs when:

- Withdrawals exceed the cumulative 5% tax-deferred annual allowance.
- The bond is fully surrendered.
- Individual segments of a bond are fully surrendered.
- Assigning the bond for money or money's worth.
- The death of the life assured leads to the closure of the bond.
- Changing a life assured after setup.

## What is the 5% tax-deferred withdrawal allowance?

You can withdraw up to 5% of your original investment (including top-ups) each year without incurring an immediate tax liability. These 5% withdrawals are included in any chargeable gain arising in future and therefore are tax-deferred income rather than tax-free income. Unused allowances can roll over on a cumulative basis, up to a maximum of 100% of the initial investment plus top-ups. Any adviser fees made from the onshore bond are treated as withdrawals and are part of the 5% annual allowance.

## Can I use top slicing relief?

Top slicing relief can reduce the tax payable on chargeable gains for some individual investors. The relief is available if the chargeable event gain takes you into a higher tax bracket. It effectively spreads the gain over the life of the bond.

Top slicing relief is not available to trustees, personal representatives or companies. Please speak to your financial adviser for details on top slicing relief.

## Do I have to pay Capital Gains Tax?

No, onshore bonds are subject to the income tax regime, not capital gains tax.

## Do I have to pay Income Tax?

A chargeable event gain arising on an onshore bond is subject to income tax in the UK.

A basic rate tax credit of 20% applies. Income tax is payable if you are a higher rate or additional rate tax payer. Top slicing relief may be available.

## Is Inheritance Tax (IHT) payable?

IHT may be payable on any money paid on the death of the first or last life assured, as it forms part of the estate. One way to mitigate the impact of IHT is to place the bond in a suitable trust. Please consult your financial adviser for more detail on trust-based inheritance tax.



# Managing Your Bond

## How do I change my investments?

Investment changes are made through your financial adviser by logging onto your investment platform. Please note there will be a short period during fund switching when you are out of the market and not exposed to any gains or losses.

## How do I know how much my investment is worth?

You can monitor your bond's value via your online investment platform and through regular quarterly onshore Bond statements by Countrywide Assured.

## Why does my online valuation differ from my surrender amount?

The online valuation doesn't take into consideration any accrued charges and tax liabilities. The surrender value will usually be lower than the online valuation.

## When can I access my money?

You can access your money at any time by contacting your financial adviser, who will also advise on tax-efficient withdrawal options.

Please note: If a fund manager suspends dealing within a fund, you will not be able to access that fund until dealing resumes, this does not affect other 'open' funds held within the bond.

## How much does the advice cost?

Your adviser will agree their fees with you before investment. These are typically deducted from your initial investment unless otherwise agreed. Any ongoing advice fee's will be deducted from the Bond and paid to you adviser.

## What happens if I want to change my financial adviser?

We will follow your instructions. You must remain an advised customer. You can find advisers at

 [www.unbiased.co.uk](http://www.unbiased.co.uk)

## What if I no longer have a financial adviser?

Please visit [www.unbiased.co.uk](http://www.unbiased.co.uk) or refer to our terms and conditions.

## What might I get back?

Your personal illustration provides a projection of possible returns. Actual returns will depend on:

- The amount invested.
- Investment duration.
- Fund performance.
- Charges incurred. (Adviser fees, investment management fees etc)
- Withdrawals taken.
- Tax Status.

## Can I change my mind?

You have 30 days from receiving your policy documents to cancel.

If you cancel within 30 days and the investment has decreased in value, the payment returned will reflect any fall in value and any adviser fees already paid.

If you do not cancel, the policy will continue. If you wish to cancel you must contact us directly within the 30 day time period.

## What happens when the last life assured dies?

We will pay 100.1% (after all accrued charges, fees and tax liabilities have been deducted) of the bond's surrender value to the estate or to the trustees if the bond is under trust.



## Assured Lives

### What are the maximum lives assured?

Countrywide Assured can consider a maximum of six lives assured, written on either a first or last death basis.

### Is there a minimum age for lives assured?

There is no minimum age for assured lives.



## Trusts & Estate Planning

### Can an onshore bond be placed in trust?

Yes, onshore bonds are commonly used in trust-based inheritance tax planning. Countrywide Assured can consider discounted gift trusts, bare trusts, and discretionary trusts.



## Moving Abroad

If you move abroad and are no longer a UK tax resident, you cannot make additional top-ups unless you are a Crown Servant or their spouse/civil partner.



## Client Classification

You are classified as a “retail client,” which provides the highest level of protection under FCA rules.



## Product Suitability

You will have received advice from a financial adviser, ensuring the product’s suitability and compliance with FCA standards.



## Additional Information

Please refer to the Key Features and Onshore Investment Bond Terms and Conditions documents for more details.



## Legal Information

The law of England applies. All correspondence will be in English. We are regulated by the Financial Conduct Authority (FCA).

FCA Address:

The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN



## Compensation

The Financial Services Compensation Scheme (FSCS) protects consumers if authorised financial firms, like Countrywide Assured, cannot meet claims. For more information, contact the FSCS on 0800 678 1100 or 0207 741 4100 or visit

[www.fscs.org.uk](http://www.fscs.org.uk)



## Making a Complaint

- Address: Countrywide Assured plc, PO Box 13493, Chelmsford, CM99 2GP
- Telephone: 03330 155 600
- Email: [Enq@countrywide-assured.co.uk](mailto:Enq@countrywide-assured.co.uk)

We will also provide our complaints procedure and the contact details of the Financial Ombudsman Service.



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Countrywide Assured and CASFS are subsidiaries of Chesnara plc.  
Registered UK office: 2nd Floor, 33-34 Winckley Square, Preston,  
Lancashire, PR1 3JJ, United Kingdom.

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