

SEB Life International

Updated Belgium Permitted

Assets and Exchanges

(FAQ)

Asset Management Policy

Q1. Why has SEB Life International changed the Policy permitted assets?

Of the new article 20 to the Belgian Insurance Act, from 1 November 2014 it is prohibited when the policyholder is a retail customer and the applicant is located in Belgium, to link insurance benefits, directly or indirectly to any asset that is regarded as a non-mainstream asset.

Q2. What are the assets that are allowed?

Under the Belgian legislation, the permitted assets include UCITS and collective investment undertakings that are registered with the Belgian FSMA. SEB Life International will accept these assets.

Because the SEBLI Select List is comprised of UCITS only, all of these assets will continue to be available.

Under the Belgian legislation, the permitted assets also include assets (shares, bonds, deposits, OTCs etc) that can be held by a UCITS and collective investment undertakings that are registered with the Belgian FSMA, as long as the mandatory investment policies under UCITS IV and Belgian law are adhered to. SEB Life International will only accept these assets when the services of a Professional Asset Manager is employed ("Investment Account"). This is to ensure that the highly prescriptive percentage limits are adhered to.

Q3 . How do you recognize a UCITS?

Intermediaries and clients should check the ISIN Code and the Fund Prospectus for this information.

Q4. Which funds have been approved by the Belgian FSMA/ how can I check them?

Funds which have been approved by the Belgian FSMA are shown on its website under the links:

http://www.fsma.be/fr/Supervision/finprod/icb/Article/lijsten/icb1_li.aspx

http://www.fsma.be/fr/Supervision/finprod/icb/Article/lijsten/icb2_li.aspx

For example, certain SICAVs and OEICs may fall within this category, if they are registered with the FSMA.

Q5. What is the relevance of the date 1 May 2015?

The Insurance law came into force on the 1st of November 2014. This means all provisions of the Act will be applicable to insurance contracts concluded or amended after 1st November 2014.

Insurers must, wherever necessary, formally modify insurance contracts and other insurance documents and bring them in conformity with this law, no later than the 1st of May 2015.

However the new rules apply now.

Q6. What documents/contracts will be updated?

SEB Life International has already updated its Permitted Assets and Exchanges document on our Website. The Policy Conditions for the Asset Management Policy do not refer to the asset range and will not be updated. As normal, the Policy Conditions allow for SEB Life International to decide not to approve certain assets where the Company deems the asset in question to be detrimental to the Company or the Policy.

Q7. Do the old rules apply to my existing policy ?

Existing life insurance contracts will still be subject to the “old” Insurance Act of 25 June 1992, even after 1st November 2014. The new Act will however be applicable to such life insurance contracts once one of the following events occurs after 1st November: (1) the policy is linked to one or more new fund(s), (2) the management rules of the fund are modified, or (3) the conditions of the (minimum) return are modified.

The implications for existing assets, once an additional investment or switch is made may be subject to further clarification from the FSMA.

For more SEB detail on the timing, see below.

Q8. What will happen to application forms signed prior to 01/11?

The new rules will apply.

Q9. What will happen to policies issued prior to 01/11 where assets have not yet been purchased?

The new rules will apply. If a selection has been made outside the permitted range, clients can either a request a policy cancellation within the 30 day cooling off period (if applicable) or amend their asset selection.

Q10. What to do with trades in non-mainstream assets that were placed prior to 01/11, but have not yet settled?

Where SEB Life International has placed a sale prior to 01/11 these will be processed under the old rules, but any ‘follow on’ purchase from the sale will need to meet the new rules. Where SEB Life International has placed a purchase prior to 01/11 these will be processed under the old rules.

Where SEB Life International has not placed a sale or purchase trade prior to 01/11, SEB Life International will proceed under the new rules.

In cases where the new rules apply, if a selection has been made outside the permitted asset range, clients must amend their asset selection.

Q11. Is it still possible to open a policy on the basis of an in-specie transfer?

It would be possible if the assets are solely comprised of UCITS and collective investment undertakings that are registered with the Belgian FSMA. Policies can not be opened with non-compliant assets, including on the basis that they could be made compliant in the future.

Q12. Can you clarify if the new regulations apply to policyholders who have taken out a French policy for example and then has moved to Belgium. Do the new rules apply based on initial or current residency for top-ups and switches?

The new law applies [“Voor een zover of verzekeringnemer niet- professionele customer is in the verbintenis in België is gelegen”/” Lorsque le preneur d’assurance est un client de détail et que l’engagement est situé en Belgique »/ When the

policyholder is a retail customer and the applicant is located in Belgium”].

As the rules apply to any benefits linked to a policy within the life of the contract, the current place of residence of the policyholder at the time of the switch or additional investment is relevant. In the above example, the French policyholder is restricted by the new rules on establishing residence in Belgium.

Q13. Can SEB Life International and brokers rely on Asset Managers to enforce and implement the restricted universe?

A communication has been sent to relevant asset managers to inform them of the rules and SEB Life International’s new permitted assets under the rules. Any trades outside these parameters will be considered a breach of SEB Life International’s investment terms.

Q14. If there is a switch option / corporate action for a Belgian policyholder who holds a distressed asset but the new share class or fund does not fall into the acceptable assets criteria, what will happen?

If the new asset is not permitted under Article 20 the switch option can not be proceeded with under Belgian law. If the new asset is permitted under Article 20, but not within SEB Life International’s permitted asset range, SEB Life International will assess the request on a case by case basis.

Q15. Are offshore trusts and other vehicles, with Belgian resident beneficiaries subject to the rules?

These vehicles are not subject to the rules.

Important Note in Relation to Structured Products / Notes

We have been in contact with the FSMA to seek clarification on article 20, §3 of the law of 4 April 2014 on insurance (the “Law”), a derogation of the general rule in relation to linking to notes set forth in article 20, §1 of the Law.

The FSMA has confirmed that, in respect of the derogation referred to above, the term of the Policy and the term of the Instrument linked to a Policy must match. As SEB’s Asset Management Policy is a whole of Life Policy it will not be possible to utilise the above derogation.

SEB Life International will update the Permitted Assets and Exchanges document should any changes occur.

*Requests made for assets in retail authorised funds such as OEIC, SICAV, UCITS, Collective Investment Schemes are subject to operational and administration requirements. The option to link such assets to your policy is made subject to their availability through SEB’s external fund providers and custodians.