

SEB Life International

# Asset Management Bond

Brochure for Residents of Italy



SEB

# About Us

SEB Life International is a leading international life insurance company, incorporated and regulated in Ireland which engages in the cross border distribution of insurance based investment products. We are a wholly owned subsidiary of SEB Life and Pension Holding AB which is part of the SEB Group, one of the largest financial services groups in the Nordic region. The international nature of SEB Group's business is reflected in its presence in some 20 countries worldwide with support for more than 4 million customers and has around 15,500 employees globally.

For full details see [www.seb.ie](http://www.seb.ie)



# Introduction

Today's investors have clear, well-informed opinions regarding their own specific investment objectives. They do not want to limit themselves to the internal funds offered by traditional life assurance products. They prefer to build their own portfolio with the expertise of their professional adviser. SEB Life International's Asset Management Bond has been specifically designed for such investors, as it allows control and flexibility over the assets linked to a tax efficient life assurance Policy.

The Asset Management Bond is a unit-linked life assurance Policy that provides a straightforward and effective way to bring together a wide choice of investments into one Policy. It is designed to provide the flexibility and diversity required to enable you and your professional adviser to construct an investment portfolio that meets your specific financial needs without restricting your asset selection. Your portfolio can therefore be managed according to your own criteria, with the ability to choose and switch between sectors as well as investment groups without incurring any extra tax liabilities.

The Asset Management Bond is simple to establish and easy to operate. SEB Life International's experienced staff will take care of your Policy administration and will keep you regularly informed about the progress of your investments through regular and comprehensive valuations.

## Key Benefits of the Asset Management Bond

Choosing to invest in the Asset Management Bond provides the following benefits:

- Wide choice of investments
- All assets are placed in a single structure which reduces time consuming administration
- A standard death benefit in case of death of the Relevant Life Assured
- The ability to make additional investments and encashments
- The option to appoint an Investment Adviser



# Asset Management Bond

The Asset Management Bond allows you and your professional adviser discretion over the assets in which you choose to invest. You may select from any investment which SEB Life International considers to be sufficiently liquid and readily capable of valuation. In general terms, any investment quoted on recognised exchanges such as stocks, shares and bonds will be acceptable in addition to collective investment funds and cash.

Please note that SEB Life International reserves the right to refuse investment in any particular asset (please see the Policy Conditions for further details).



# Policy Specifications

## Availability

The Asset Management Bond is available to anyone aged between 18 and 74 as well as to companies. Persons under the age of 18 must have their application supported by a parent or guardian.

The Asset Management Bond may also be available to those aged 75 and over on special terms (details are available from SEB Life International).

## Minimum Investment

The minimum initial premium for the Asset Management Bond is €100,000, and additional premiums of at least €7,000 can be made at any time.

## Investment Term

There are no time constraints on the length of investment in the Asset Management Bond. The Policy is a whole of life assurance Policy and remains in force until the death of the Relevant Life Assured. The Policy can have multiple Lives Assured and in this case it will remain in force until the death of the Relevant Life Assured.

## Policy Currency Choice

The Asset Management Bond can be denominated in Euro, Sterling or US Dollar.

## Capital Access

You may access your capital in whole or in part at any time, although Early Encashment Charges may apply in the early years of your investment.

You or your Investment Adviser (if appointed) is responsible for ensuring that there are sufficient liquid resources within the Fund to finance withdrawals.

Payments of full and partial encashment amounts are subject to receipt of sale proceeds from the underlying assets by SEB Life International.

## Regular Valuations

At each quarter end, SEB Life International will produce a formal valuation report detailing the value and number of the holdings within your Policy. An analysis of the asset split within your portfolio and of any transactions occurring among the underlying assets to which your Asset Management Bond is linked will also be provided.

## Life Cover

The Asset Management Bond provides you with a standard death benefit of 101% of the encashment value payable on the death of the Relevant Life Assured. The Policy may be written on a single life or joint lives basis.

## Wealth Protector Cover

The wealth protector benefit is an optional benefit available on the Asset Management Bond. The benefit aims to protect the value of the policy in the event of death, protecting your beneficiaries during adverse market conditions. Wealth protector is a cost effective benefit and allows you to select the level of protection required. The protection level can be set at 90%, 95% or 100% of premium paid (less any charges that may apply).

## Charges

For the pricing details of the Asset Management Bond, please refer to the Policy Conditions.

# Tax Treatment

The Policy will grow free of Irish taxes for the duration of the Policy (with the exception of some dividend withholding taxes). In addition changes in the investment funds underlying the Policy will not constitute a taxable event provided they do not involve payments being made out of the Policy.

The Asset Management Bond qualifies as a unit-linked life assurance contract under Italian Law and is taxed as an insurance product in Italy. SEB Life International has elected to act as Withholding Agent pursuant to Art. 26-ter (3) of the Presidential Decree no 600/1973 and to apply Stamp Duty pursuant to Art. 13 para. 2-ter of Tariff part 1, Annex to the Presidential Decree no 642/1972 as modified by Art. 19 of the Law Decree 201/2011, and thus will withhold Substitutive Tax on capital income and Stamp Duty from Partial Encashments, Full Encashments and death claims.

There is no tax on insurance premiums for life assurance contracts.

All capital income arising from the Asset Management Bond, qualifying as a life assurance product, will be subject to individual income taxation pursuant to the provisions of Art. 44 of the Presidential Decree no 917/86 and of Art. 26-ter (3) of the Presidential Decree no 600/1973. The capital income is calculated as the difference between the Encashment amount and the gross amount of Premiums paid by the Policyholder. Said capital income is subject to a Substitutive Tax levied, when a Full Encashment, Partial Encashment or death claim takes place, at a rate 26% of capital income. Pursuant to Art. 4, para. 1, of Law Decree no 66/2014 and to Ministerial Decree dated 13th December 2011 (still in force), the difference between the Encashment amount and the gross amount of Premiums paid by the Policyholder shall be calculated net of 51.92% of the proceeds, if any, arising from Italian Government Bonds and assimilated securities pursuant to Art. 31 of the Presidential Decree no 601/29/73 and from Government bonds and assimilated securities issued by the so-called white list Countries in accordance with Art. 168-bis co. 1.

Since SEB Life International opted to act as Withholding Agent pursuant to Art. 26-ter (3) of the Presidential Decree no 600/1973, it will deduct the amount corresponding to the Substitutive Tax from the capital income paid to the Policyholder or Beneficiary whilst the Policyholder or Beneficiary will be relieved from any tax obligation related to the capital income received.

For corporate policies, the relevant amounts will be subject to the ordinary tax rules set out for business income and not to the mentioned Substitutive Tax.

The Asset Management Bond is also subject to Stamp Duty according to Art. 13 para. 2-ter of Tariff part 1, Annex to the Presidential Decree no 642/1972, as modified by Article 19 of the law decree 201/2011. SEB Life International opted to act as tax withholding agent for this Stamp Duty (Authorization no. 397223/2012, issued on 03/01/2013 by Agenzia delle Entrate - DP II - UT MI 2 - Milano).

The Stamp Duty is due yearly and its calculation is based on the Policy Value of the Asset Management Bond (as recorded at year end). The Stamp Duty will be deducted by SEB Life International only upon Partial or Full Encashment (including death claims) at a rate of 0.20% from fiscal year 2014 (with a maximum amount of 14,000 Euro for corporate Policyholders only).

Due to the application of the Stamp Duty by SEB Life International, the Asset Management Bond is exempt from the tax on foreign securities (so called IVAFE governed by Article 19 of the law decree 201/2011), as clarified by the regulation issued by the Chairman of the Agenzia delle Entrate dated 5 June 2012, protocol no 2012/72442).

The capital paid to the Beneficiaries in case of death of the Life or Lives Assured is not subject to Inheritance Tax, however Substitutive Tax and Stamp Duty will be deducted from the Death Benefit. The capital income subject to the Substitutive Tax will be calculated as the difference between the Encashment Value and the gross amount of Premiums paid by the Policyholder. The additional Death Benefit will not be subject to Substitutive Tax.

The information set out above is based on SEB Life International's understanding of current tax legislation and practice in Italy. It is important to note that SEB Life International does not intend the above information to substitute for professional tax advice. Whilst every care has been taken, SEB Life International does not accept responsibility for its interpretation of Italian tax law or practice or any subsequent changes to same. We recommend that individuals seek professional tax and/or legal advice specific to their own circumstances before investing. SEB Life International does not provide tax advice.

## Cancellation Rights

You have the right to cancel the Policy within 30 days of the Policy Commencement Date, by writing a letter to the Company sent to its registered office address. Upon receipt of the notice of cancellation and in any event within 30 days of receiving that same notification, the Company shall refund the entire premium paid, adjusted by any increases or decreases in the value of the underlying investments. The decrease in the amount refunded in case of cancellation could be substantial and depending on the nature of the investments selected could even be equal to the premium paid.

## Queries and Complaints

For further information or if you wish to complain about any aspect of the service you have received, please contact your professional adviser or SEB Life International. If your complaint is not dealt with to your satisfaction or should you receive no response to your general query within the maximum deadline of twenty days or to your complaint within the maximum deadline of forty five days, you can contact the following:

- for questions pertaining to the contract:  
IVASS [Istituto per la Vigilanza sulle Assicurazioni],  
Via del Quirinale, 21  
00187 Rome  
  
Telephone: 06 421331
  - for questions pertaining to transparency of information:  
CONSOB [Commissione per le Società e la Borsa] [Head Office],  
Via Giovanni Battista Martini,  
3 - 00198 Rome,  
  
Telephone: 06 84771
- Or
- CONSOB [Secondary Office],  
Via Broletto,  
7 - 20121 Milan  
  
Telephone: 02 724201

Making a complaint will not prejudice your right to take legal action.

## Law

The investments under this Policy are governed by the laws of the Republic of Ireland, while the contract is governed by Italian law. Any litigation relating to the Policy shall be of the venue of the Courts of the place where the Policyholder is resident or domiciled.

## Additional Information

This product is administered by SEB Life International. SEB Life International does not provide any investment advice in relation to this product nor in relation to the assets to be held by the Fund. The Policyholder is solely responsible for the selection of assets to be held by the Fund and for the performance of the underlying assets. SEB Life International cannot accept any responsibility for the investment performance of the Fund, nor do we make any representation as to the suitability of any assets selected.

**This brochure must be read carefully in conjunction with the Product Information Notice and the Policy Conditions when deciding whether or not this product meets your specific investment needs.**







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