

# Trust Pack

## Absolute Loan Trust

### Checklist

Please note the following when completing this document:

- The trust deed must pre-date the policy application.
- The Lender is automatically included as a Trustee.
- The Lender and all Trustees must sign the document in the presence of an independent witness, who must also sign.

### Verification of identity

The following documents must be submitted with this Deed:

- A certified copy of the Lender's and each Trustee's passport or national identity card.
- An original or certified copy of a utility bill (or bank statement or employer's letter) in respect of each Lender or Trustee, verifying their residential address.

After completion, ALL of the following items must be forwarded to Friends Provident International:

- Absolute Loan Trust – Trust Deed
- Forms A to D
- Trustee Application form
- Personal Charging Structure (Reserve, Reserve Advance and Succession Planning Bond only)
- Method of Payment details

### Guidance notes

- Form A must be signed by the Lender twice.
- Form C is to be completed when the Lender wishes to receive an amount in satisfaction of the loan.
- Form D is to be completed only if the Trustees wish withdrawals to be paid straight to the Lender.  
**It is the Trustees' responsibility to keep accurate records of the loan repayments.**
- Form E is an example of the receipt to be completed by the Lender each time they receive a loan repayment.
- We recommend that the Life/Lives Assured is/are the Beneficiaries as the policy can continue, if desired, on the death of the Lender. However, the Lender may also be Life/Lives Assured, if desired.
- Friends Provident International will set up the policy in the name of the Trustees and invest the premium.
- Friends Provident International will issue the policy documents to the Trustees along with the original Trust Deed.

# Absolute Loan Trust – Trust Deed

## 1 Declaration of Trust

### Date of trust

This is the date that the trust is to come into effect. **This should pre-date the Trustee Application Form.**

### Lender

The name and address of the Lender should be inserted here. The Lender is automatically included as a Trustee. In some instances the Lender may have to sign documents in both capacities.

### Trustees

The name and address of the additional Trustees should be inserted here. Please note proof of identity will be required for ALL Trustees, i.e. passport, plus confirmation of each Trustee's residential address, i.e. utility bill.

This Trust is made on the  day of  20

Between

of

(‘the Lender’) of the one part

and

of

and

of

and

of

(‘the Trustees’) of the other part.

Whereas the Lender intends to make an interest-free loan or loans to the Trustees to the intent that the monies lent shall be held by them (subject only to the right of the Lender to be repaid the principal amount of the loan on demand) upon the trusts and with and subject to the powers and provisions declared and contained in this Trust.

**Now this deed witnesseth as follows:**

## 2 Definitions

In this Trust unless the context otherwise provides the masculine shall include the feminine and the singular the plural and vice versa and the following expressions shall have the following meanings:

- (a) **‘Trustees’** means the Lender and additional Trustees or other Trustee or Trustees for the time being hereof.
- (b) **‘Beneficiaries’** means the persons named below and overleaf:

### Beneficiaries

Enter the name(s) in BLOCK CAPITALS of the people who will receive the benefit, and the relevant percentages. **Do not leave blank.**

	Beneficiary 1	Beneficiary 2
Full name	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Date of birth	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Full address	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Share	<input type="text"/> %	<input type="text"/> %

## Absolute Loan Trust – Trust Deed (continued)

### 2 Definitions (continued)

	Beneficiary 3	Beneficiary 4
Full name	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Date of birth	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Full address	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Share	<input type="text"/> %	<input type="text"/> %

- (c) **'Company'** means Friends Provident International Limited.
- (d) **'Policy'** means any life assurance contract for the time being held by the Trustees upon the trusts and subject to the powers and provisions of this Trust.
- (e) **'Trust Fund'** means any property transferred to the Trustees as aforesaid and the full benefit thereof and all other property at any time held by the Trustees upon the trusts and subject to the powers and provisions hereof whether by way of further settlement accumulation of income capital accretion or otherwise and all property from time to time representing the foregoing respectively.
- (f) For the avoidance of doubt the age of majority in this Trust is age 18.

### 3 Trusts and powers

- (a) The Trustees shall hold the Trust Fund and the income thereof for one or more individuals specified in clause 2(b) above in the percentage share or shares therein specified and if no percentage shares are specified in equal shares absolutely.
- (b) Section 31 of the Trustee Act 1961 shall not apply to this Trust and whilst any Beneficiary entitled under the Trust is a minor the Trustees shall pay or otherwise apply for or towards his maintenance education or benefit so much of the income from his share in the Trust as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any income on trust for that Beneficiary absolutely and until he shall attain the age of majority the Trustees shall invest the same and the resulting income therefrom in investments hereby or by law authorised and shall hold the same as an accretion to the said balance Provided Always that so long as the said Beneficiary has not attained the age of majority the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
- (c) During the minority of the Beneficiary or if there is more than one during the minority of any of the Beneficiaries the Trustees shall have the power to pay transfer or apply the whole or any part or parts of the share of any Beneficiary in the Trust Fund to or for the benefit of that person.
- (d) The Lender and the Trustees shall have the administrative powers set out in the Appendix hereto.
- (e) **Exclusion of Lender**  
Subject to the right of the Lender to be repaid the principal amount of the said loan or loans and to the statutory right of the Lender to recover income tax from the Trustees under section 538 of the Income Tax (Trading and Other Income) Act 2005 of the Parliament of the United Kingdom no discretion or power conferred by this Trust or by law on the Trustees shall be exercised and no provision of this Trust shall operate directly or indirectly so as to cause or permit any part of the Trust Fund or the income thereof to become lent to or in any way paid or payable or applied or applicable for the benefit of the Lender in any way.

## Absolute Loan Trust – Trust Deed (continued)

### 4 General

- (a) **This Trust** shall be known as  (Trust name)
- (b) This Trust shall be irrevocable and shall be governed by and construed in accordance with the Laws of the Isle of Man and the parties submit to the non-exclusive jurisdiction of the Manx courts.

**In witness** whereof the parties hereto have hereunto executed this Deed the day and year first before written.

#### Signatures

The names and the signatures of the Lender and Trustees (the Lender is also a Trustee) should be inserted here. Where appropriate these signatures should be witnessed, and relevant addresses should be detailed.

#### Signed and delivered as a deed

by the said Lender	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/>

#### Signed and delivered as a deed

by the said Trustee	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/>

#### Signed and delivered as a deed

by the said Trustee	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/>

## Absolute Loan Trust – Trust Deed (continued)

### 4 General (continued)

#### Signed and delivered as a deed by the said Trustee

by the said Trustee	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/>
		<input type="text"/>

#### Appendix: Administrative Powers

- 1 The statutory power of appointing any new or additional trustees shall be vested in the Lender during his lifetime (who during that period shall also have the power to remove Trustees by deed) and thereafter in the Trustees hereof the said statutory power being modified so that
  - (a) any person or persons may be appointed as Trustee or Trustees hereof notwithstanding that such person or persons may be resident domiciled carrying on a business or incorporated outside the Isle of Man and the receipt of such person or persons for the whole or such part or parts of the Trust Fund as maybe paid or transferred to such person or persons pursuant to such appointment shall be a complete discharge to any other Trustee or Trustees
  - (b) the said statutory power shall not be exercisable by reason only that a Trustee remains out of the British Islands for more than 12 months.
- 2 During the minority of the Beneficiary or if there is more than one, during the minority of any of the Beneficiaries the Trustees in the management and administration of the Trust Fund shall in addition to all the relevant powers conferred on them by law have the widest powers of investing, disposing of and dealing generally with the Trust Fund as are lawfully capable of being conferred on Trustees to the same effect as if such powers were expressly conferred hereby, and set out in extenso, and in particular and without prejudice to the generality of the foregoing the Trustees shall have the following powers:
  - (a) power to deal with any Policy and any other assets for the time being held in trust as if they were the absolute beneficial owners thereof including full power to surrender or convert any Policy to a paid up assurance
  - (b) power to recover, receive or give valid receipts for all monies due or to become due under any Policy so that the receipt by the Trustees of any monies payable under or deriving from any dealing with any Policy issued by the Company shall be a full and sufficient discharge to the Company which shall not be concerned to see to the application of any such monies
  - (c) power to retain the Trust Fund in its present state and to invest in property of whatsoever nature and wheresoever situate and whether producing income or not including investment in policies of life assurance
  - (d) power to borrow on such terms (including terms as to security) as the Trustees shall in their absolute discretion think fit and to use the moneys so borrowed for any purpose for which capital moneys forming part of the Trust Fund may for the time being be used **provided that** where there is more than one Beneficiary as between the persons beneficially entitled under these trusts interest payable on such loans shall not be paid out of the income of any part of the Beneficiaries' Fund which is not held on the same trusts as the property representing the moneys so borrowed and for this purpose property shall represent any money which was used to purchase it to improve it or to discharge an encumbrance on it or is otherwise traceable into it
  - (e) power revocably or irrevocably to delegate any power or powers in making managing realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustees in question employed or incurred expense in employing him in good faith

### Appendix: Administrative Powers (continued)

- (f) power to accept as a good and sufficient discharge or receipt given by a parent or guardian of any person under the age of 18 years in respect of any capital income paid or applied to that parent or guardian for the maintenance education or benefit of that person without being liable to see to the application of the same
  - (g) power to employ any of their number other than the Settlor who may be engaged in any profession business or trade and any Trustee so engaged may charge and be paid all reasonable professional business or trade costs and charges for business transactions time expended and acts done by him (or any partner or employee of his) in connection with the trust powers and provisions hereof including acts which a trustee not being in any profession business or trade could have done personally and whether or not in the usual scope of his business profession or trade
  - (h) power by deed or deeds revocable during the Trust Period or irrevocable wholly or partially to release or restrict the future use of any power hereby conferred on them as if the same were not conferred on them in a fiduciary capacity and so as to bind their successors
  - (i) power at any time or times by deed or deeds to revoke or vary the administrative provisions of this Trust or to add any further administrative provisions that the Trustees may consider expedient for the purposes of this Trust.
- 3 No Trustee shall be liable for any loss to the Trust Fund arising by reason of any investment made in good faith or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any other matter or thing except wilful and individual fraud on the part of the Trustee who is sought to be made liable.
- 4 Appointment of Trustees
- (a) A Trustee may at any time retire from its functions and duties under this Trust by giving to the Lender not less than thirty days written notice at the expiry of which the Fund shall be transferred to the continuing Trustees.
  - (b) During his lifetime the Lender shall have full power to remove a Trustee hereof by delivering to such Trustee thirty days written notice of such removal at the expiry of which notice the Fund shall be transferred to the continuing Trustees. The Lender cannot exercise this power unless after such removal there remains at least two individual Trustees or a Trust Corporation.
  - (c) The power to appoint new or additional Trustees shall vest in the Lender during his lifetime and after his death shall vest in the Trustees.
  - (d) On the replacement or retirement of a Trustee the Trustee shall be discharged from this Trust even though there is neither a Trust Corporation nor two individual Trustees to perform the trust provided that after discharge there is at least one Trustee who is not the Lender or the Lender's spouse and the application of section 36(1)(c) and section 38 of the Trustee Act 1961 shall be modified accordingly. The term "spouse" also includes a civil partner under the UK Civil Partnership Act 2004.



The date of the Loan Agreement should be inserted. This date must not pre-date the date of the Deed of Trust. The name of the lender and the Trustees should be inserted. The Lender's details need to be inserted twice – once as the Lender and once as a Trustee.

**This Agreement** is made on the  day of  20

**Between**

of

(hereinafter called 'the Lender') of the one part

and

of

and

of

and

of

and

of

( 'the Trustees' ) of the other part.

**Whereas**

1 The Lender established a trust by a deed dated  day of  20

(hereinafter called 'the Trust')

2 The Trustees are desirous of borrowing GBP  USD  Amount

(hereinafter called 'the Loan')

3 The Trustees have requested the Lender to advance the Loan and the Lender has agreed to make the Loan to the Trustees.

**Now this deed witnesseth:**

1 That the Lender hereby covenants to advance the Loan to the Trustees upon the following terms and conditions:

- (a) The Loan shall be free of interest.
- (b) The Loan shall be repayable by the Trustees upon demand made in writing by the Lender provided however that:
  - (i) the Trustees' liability to repay the loan is subject to and limited by the terms of the Trust and is subject to and limited by all duties of the Trustees including any duties arising under Statute or Common Law;
  - (ii) any such liability shall be limited to an amount equal to the value of the Realisable Assets held by the Trustees under the Trust and for the purposes of this Agreement:  
 'Realisable Assets' means assets (less costs, charges and commissions, including those of the Trustees) which can be converted into their cash value and held by the Trustees within 21 days of the date of demand for repayment by the Lender; and  
 'Assets' are those assets which were purchased obtained and acquired with money or monies from the Loan or the cost of which was met by funds or Assets derived from the Loan.

Insert the amount of the Loan.



## Loan agreement (continued)

Insert the name of the Friends Provident International Limited product the Trustees will apply for (Elite, Reserve, Reserve Advance, Summit or Zenith).

- 2 We the Trustees hereby request and the Lender agrees that the Lender shall make payment or transfer property necessary directly to Friends Provident International Limited, for which will act as consideration for a

which the Trustees will apply and hold subject to the Trust. The issue of the payment or transfer of property to Friends Provident International Limited will amount to satisfaction of the Lender's obligations under this Loan Agreement.

- 3 The Trustees may pay or apply the Loan in any manner in which money forming part of the capital of the Trust Fund (as that term is defined in the Settlement) may be paid or applied.
- 4 This agreement shall be governed by and construed in accordance with the law of the Isle of Man and the parties submit to the non-exclusive jurisdiction of the Manx courts.

(Please note: The Lender, as a Trustee, must sign once as Lender and once as Trustee.)

**In witness** whereof the parties hereto have hereunto executed this Deed the day and year first before written

### Signed and delivered as a deed

by the said Name

Signed

in the presence of Name

Signed

Address

### Signed and delivered as a deed

by the said Name

Signed

in the presence of Name

Signed

Address

### Signed and delivered as a deed

by the said Name

Signed

in the presence of Name

Signed

Address

Please ensure that the **Lender** signs the Loan agreement twice – once as the Lender, and once as a Trustee.

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Loan agreement (continued)

**Signed and delivered as a deed**

by the said	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/> <input type="text"/>
by the said	Name	<input type="text"/>
	Signed	<input type="text"/>
in the presence of	Name	<input type="text"/>
	Signed	<input type="text"/>
	Address	<input type="text"/> <input type="text"/>

The Lender completes the first section, naming the Trustees.

In pursuance of the **Loan Agreement** dated  day of  20

**Between**  (The Lender)

and  (Trustee)

and  (Trustee)

and  (Trustee)

and  (Trustee)

(‘the Trustees’)

The said Trustees hereby acknowledge receipt of the loan referred to in the Agreement subject to the terms and conditions set out in the Agreement.

Signatures

1 (Trustee)

2 (Trustee)

3 (Trustee)

4 (Trustee)

Date

All trustees must sign and the form must be dated.

If the Lender wishes to be paid an amount or amounts in satisfaction of the loan, Form C should be completed.

Please complete either (a) or (b).

<b>To (the Trustees)</b>	<input type="text"/>		
and	<input type="text"/>		
and	<input type="text"/>		
and	<input type="text"/>		
In accordance with the terms of the Loan Agreement entered into with you the Trustees of the Trust			
created by me on	<input type="text"/>		
Either:			
(a) I hereby request repayment of	GBP <input type="checkbox"/>	USD <input type="checkbox"/>	Amount <input type="text"/>
or			
(b) That unless instructed otherwise you pay me the sum of	GBP <input type="checkbox"/>	USD <input type="checkbox"/>	Amount <input type="text"/>
Payable	Monthly <input type="checkbox"/>	Quarterly <input type="checkbox"/>	Half-yearly <input type="checkbox"/> Yearly <input type="checkbox"/>
commencing on the	<input type="text"/>	day of	<input type="text"/> 20 <input type="text"/>
being part of the loan currently outstanding. The remainder of the loan shall remain interest free and repayable on demand as agreed.			
	Signature		
Lender	<input type="text"/>		
Date	<input type="text"/>	<input type="text"/>	<input type="text"/>

If the Trustees wish withdrawals to be paid straight to the Lender, Form D should be completed.

Please complete either (a) or (b).

To: Friends Provident International Limited (FPIL)

**We being the Trustees**

1  (Trustee)

2  (Trustee)

3  (Trustee)

4  (Trustee)

**of a Deed of Trust dated**  day of  20

**made between**  (The Lender)

and ourselves

and referred to as  (Name of Trust)

request Friends Provident International Limited to make either:

(a) A one-off withdrawal of GBP  USD  Amount

or

(b) Regular withdrawals of GBP  USD  Amount

Payable Monthly  Quarterly  Half-yearly  Yearly

commencing on the  day of  20

from Policy/Application number

and to pay the said amount direct to the Lender in part satisfaction of our indebtedness to him/her.

We confirm that the policy has not been assigned nor dealt with in any manner affecting our title thereto and that we are the person(s) legally entitled to request the above transaction. We hereby undertake to hold you indemnified against any claims that may be received as a result of you effecting the above transaction without production of the policy document.

Trustees' request for withdrawals from Policy to be paid direct to the Lender (continued)

**Payment method**

Please send payment to

Sort code (if applicable)

	-		-	
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SWIFT/BIC code (if applicable)

IBAN (if applicable)

Account number

Account currency

Account name

Bank name

Bank address


Signatures

1 (Trustee)

2 (Trustee)

3 (Trustee)

4 (Trustee)

Date

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**It is the Trustees' responsibility to keep accurate records of loan repayments.**  
Form E is an example of the receipt the Lender should complete and send to the Trustees each time he receives a loan repayment.

To (the Trustees)	<input type="text"/>
and	<input type="text"/>
and	<input type="text"/>
and	<input type="text"/>

I refer to my request for the repayment of part/all of the loan outstanding to me and hereby  
acknowledge receipt of the amount of    GBP     USD     Amount

from you in satisfaction thereof.

Signature

Lender

Date



## Important Information

The information given in this document is based on Friends Provident International Limited's understanding of UK and Isle of Man tax law and HM Revenue & Customs practice as at November 2015, which may change in the future. Individuals are advised to seek professional independent advice and no liability can be accepted for the personal tax consequences of this Trust or for the effect of future tax and legislative changes.

Each policy/contract is governed by and shall be construed in accordance with the law of the Isle of Man. If your client effects a policy whilst resident in the United Arab Emirates, all disputes regarding the policy shall be subject to the non-exclusive jurisdiction of the courts of the United Arab Emirates. The value of the bond cannot be guaranteed, your clients could get back less than they paid in.

Some telephone communications with Friends Provident International are recorded and may be randomly monitored.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence.

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. (Not applicable to Corporate Trustees.)

A written statement of the policy terms and conditions of the products may be obtained from Friends Provident International Limited on request.

## Get in touch

To find out more about how the Absolute Loan Trust could benefit your clients, please call us on **+44 1624 821153** or email us at: **alt@fpiom.com**

## Data Privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit **[www.fpinternational.com/legal/privacy-and-cookies](http://www.fpinternational.com/legal/privacy-and-cookies)** to view the full policy or this can be provided on request from our Data Protection Officer.

## About Friends Provident International

We are a leading financial services provider, with a reputation for trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 35 years of international experience in offshore savings and investments.

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**Friends Provident International Limited:** Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0)1624 821212 | Fax: +44 (0)1624 824405 | Website: [www.fpinternational.com](http://www.fpinternational.com). Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | Website: [www.fpinternational.sg](http://www.fpinternational.sg). Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: [www.fpinternational.com.hk](http://www.fpinternational.com.hk). Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: [www.fpinternational.ae](http://www.fpinternational.ae). Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.