

# PRIVATE WEALTH PORTFOLIO PORTABILITY FAQ GUIDE 1 – UNITED KINGDOM (UK) TO ITALY



Utmost PanEurope dac (“Utmost”) has prepared this portability FAQ guide for our Private Wealth Portfolio (PWP) UK policyholders (“you”) who may be considering moving from the UK to Italy and want to understand how the move may affect their PWP UK Life Assurance Policy (the “Policy”).

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## FREQUENTLY ASKED QUESTIONS

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### 1. CAN I RETAIN MY POLICY WHEN I MOVE TO ITALY?

Yes. To retain your Policy as an insurance product you will need to change certain terms and conditions to ensure that the Policy conforms to the Italian tax and regulatory environment. These changes will be effected by way of a Policy Endorsement.

If you do not apply these changes to your Policy, there is a risk your Policy will be considered an investment product and your Policy is unlikely to conform to the Italian tax and regulatory environment. You should seek professional advice in respect of your own circumstances.

### 2. WHAT CHANGES ARE REQUIRED TO MY POLICY TO CONFORM TO THE ITALIAN TAX AND REGULATORY ENVIRONMENT?

The main changes to the Policy are:

- (i) increasing the Death Benefit cover;
- (ii) nominating a beneficiary; and
- (iii) appointing an Italian authorised intermediary.

### 3. HOW DO I MAKE THE NECESSARY CHANGES?

Utmost will provide you with the forms and any other documentation you may need in order to review and complete the changes. You should review these with your professional advisor(s).

### 4. I RETAIN UK DOMICILE. DO I NEED TO MAKE ANY CHANGES TO MY UK WILL AS A RESULT OF THE BENEFICIARY NOMINATION?

Yes. We suggest that the proceeds of your Policy are explicitly left in your will to the same beneficiary(ies) that you nominate under your Policy. This is to ensure the death benefit payment is payable to the nominated beneficiary(ies) under both UK and Italian law.

### 5. WILL MY POLICY STILL BENEFIT FROM GROSS ROLL UP TAX TREATMENT WITHIN THE POLICY?

Yes. You will continue to benefit from tax deferral on income and gains within your Policy provided the Policy is appropriately endorsed.

### 6. WILL THE LIVES ASSURED ON MY POLICY REMAIN THE SAME?

Yes. The life assured nomination is a fundamental part of the Policy and will not be amended as part of the changes made. This is the case whether there are single, joint or multiple lives assured on the Policy.

### 7. WILL THE FEATURES ASSOCIATED WITH SEGMENTATION NO LONGER APPLY ON MY POLICY?

Yes. The identical individual policies (‘segments’) within your Policy will be considered collectively as a single insurance policy for Italian tax purposes. No change to the Policy is required in this regard. Once you move to Italy you will no longer be able to request a segment surrender.

### 8. WILL I STOP RECEIVING UK CHARGEABLE EVENT CERTIFICATES?

Yes. Utmost’s UK tax reporting obligations stop once you become non-UK tax resident. Therefore, while non-UK resident, you will no longer receive UK chargeable event certificates.

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**9. CAN I CONTINUE TO AVAIL OF THE ANNUAL 5% TAX-DEFERRED WITHDRAWALS FROM MY POLICY?**

No. The 5% tax-deferral rule will no longer apply once you are non-UK tax resident. If you currently receive a regular withdrawal on your Policy you can continue to avail of this feature or you can cancel it. If you continue to make regular withdrawals, they will be subject to Italian taxes.

**10. WILL I HAVE TO FILE AN ITALIAN TAX RETURN AND PAY THE ASSOCIATED ITALIAN TAX ON SURRENDERS FROM THE POLICY?**

Utmost is a withholding tax agent in Italy and therefore will deduct the relevant Italian taxes from all surrender payments and pay the tax to Italian Tax Authorities on your behalf. You may need to notify the Italian Tax Authorities about the existence of the Policy and make any associated tax filings required. Your tax adviser can clarify what is required in your individual circumstances.

**11. WHAT ITALIAN TAXES ARE DEDUCTED FROM SURRENDER/DEATH PAYMENTS?**

Capital Gains Tax will apply to any growth above the historic premiums in the event of a (total or partial) surrender. The current rate of Italian Capital Gains Tax ranges from 12.5% and 26%, depending on the types of bond held in the portfolio to which the value of the Policy is linked.

Capital Gains Tax will apply to death benefit payments (when the Policy ends after the death of the Life Assured) to Italian tax resident beneficiaries only. No Italian Inheritance Tax applies to Death Benefit payments.

Stamp Duty Tax is due upon surrender and death benefit payments. It is calculated on a yearly basis starting from the date when you became Italian tax resident. It is equal to 0.20% of the value of your Policy at the end of each year.

**12. WILL I STILL RECEIVE VALUATION REPORTS?**

Yes. You will continue to receive quarterly reports for your Policy. Utmost will include additional information in these reports, where necessary, in accordance with Italian requirements.

**13. WILL UTMOST CONTINUE TO SERVICE MY POLICY?**

Yes. The Utmost Client Service team will continue to service your Policy and is available to be contacted via email at [CCSFrontoffice@utmost.ie](mailto:CCSFrontoffice@utmost.ie) or via telephone at **+353 46 90 99700 (Option 3)**



A change in tax residence will affect many aspects of your financial affairs. You should speak to your financial adviser about how a change in your tax residence will affect you as soon as possible before any move.

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