



# Trust Pack

Joint Settlers

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## Important notes

The Discretionary Loan Trust is designed to reduce exposure to Inheritance Tax (IHT) whilst retaining access to capital during your lifetime. It is a discretionary trust, which enables the Appointor (the Settlers whilst alive and then the Trustees) to appoint benefits to a wide class of beneficiaries and can be used with any of our current range of single premium products. In the unlikely event of no appointment being made during the trust period (150 years from the start of the trust) the beneficiaries named in part 2 of the trust will benefit.

The scheme is established by joint Settlers who, having established a trust make an interest free loan to the Trustees, who invest in a single premium life policy. The loan amount remains inside the Settlers' estate for IHT purposes but the investment growth it produces, destined for the beneficiaries, falls outside of the estate and escapes an IHT liability on the Settlers' deaths. Any loan repayments taken and subsequently spent will further reduce the Settlers' exposure to IHT. Additionally, the policy within the Trust is not subject to probate requirements.

By making use of the 5% capital withdrawal allowance, the Trustees can make loan repayments to the Settlers without generating an immediate tax liability. These payments will be regarded as payments of capital and thus not liable to tax in the hands of the Settlers. However, it is important to note that the Settlers are unable to participate in the growth element of the Trust and therefore unable to receive any income or capital from the policy after the loan has been repaid.

However, being a discretionary trust it will be subject to the IHT rules that the trust itself could be subject to IHT at every tenth anniversary (periodic charge) and, with the exception of loan repayment, when capital leaves the trust (exit charge). Any periodic charge would only arise if the sum of the value of the policy (less any outstanding loan) when added to chargeable transfers made by the Settlor in the seven years before the trust was created exceeds the Nil Rate Band (NRB) at the time of any potential periodic charge.

## HMRC Reporting

In our opinion, as no gift is made when the Discretionary Loan Trust is established, it is not necessary to report any gifts to the Trust to HM Revenue & Customs when the trust is created. However, the occasion of a periodic charge and transactions that can give rise to an exit charge needs to be reported, even if no tax liability arises, unless the cumulative total of the assumed transferor does not exceed 80% of the then NRB. Where relevant these occasions can be reported using the following forms; IHT 100c and d, and where a life policy is involved form D34. These forms are available on the HM Revenue & Customs website at [www.hmrc.gov.uk/cto/forms12.htm](http://www.hmrc.gov.uk/cto/forms12.htm).

Friends Provident International Limited policies are written under the law of the Isle of Man and regardless of the place of residence of the policyholder, are Isle of Man assets. The political and economic stability of the Isle of Man makes it a secure environment for trust assets.

In all cases, investors should seek their own financial and legal advice regarding the taxation implications of a particular arrangement or course of action, and to ensure that the use of a particular trust is suitable for their personal circumstances.

## Discretionary Loan Trust – a guide to the stages involved

### Checklist

- |   |                          |
|---|--------------------------|
| The trust deed must pre-date the policy application.  | <input type="checkbox"/> |
| The Settlers are automatically included as Trustees.  | <input type="checkbox"/> |
| The Settlers and all Trustees must sign the document in the presence of an independent witness, who must also sign. | <input type="checkbox"/> |

### Verification of identity

The following documents must be submitted with this Deed:

- |  |                          |
|--|--------------------------|
| A certified copy of the Settlers' and Trustees' passport or national identity card   | <input type="checkbox"/> |
| An original or certified copy of a utility bill (or bank statement, employer's letter) in respect of each Settlor or Trustee, verifying their residential address. | <input type="checkbox"/> |

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

- |  |                          |
|--|--------------------------|
| Discretionary Loan Trust – Trust Deed  | <input type="checkbox"/> |
| Forms A1, A2 and B   | <input type="checkbox"/> |
| Trustee Application form   | <input type="checkbox"/> |
| Personal Charging Structure (Reserve, Reserve Advance and Succession Planning Bond only) | <input type="checkbox"/> |
| Method of Payment details.   | <input type="checkbox"/> |

### Guidance notes

- Forms A1 and A2 must be signed by the Settlers twice.
- Form C is to be completed when the Settlor/Lender wishes to receive an amount in satisfaction of the loan.
- Form D is an example of the receipt to be completed by the Settlers each time they receive a loan repayment.  
**It is the Trustees' responsibility to keep accurate records of the loan repayments.**
- Form E is to be completed only if the Trustees wish withdrawals to be paid straight to the Lenders.
- We recommend that the Life/Lives Assured is/are the Beneficiaries as the policy can continue, if desired, on the death of the Settlers. However, the Settlers 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.

# Discretionary Loan Trust – Trust Deed

## 1 Declaration of Trust

This is the date that the trust is to come into effect. **This should not post-date the Investment Bond application form.**

The name and address of the Settlers should be inserted here. The Settlers are automatically included as Trustees. In some instances the Settlers may have to sign documents in both capacities.

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, and confirmation of each Trustee's residential address, i.e. utility bill.

This Settlement is made on the  day of  20

Between

of

and

of

hereinafter collectively called the Settlers and individually called ('the Settlor') of the first part and the Settlers

and

of

and

of

and

of

hereinafter called ('the Trustees') of the second part,

Whereas the Settlers intend to make an interest-free loan to the Trustees to the intent that the monies lent shall be held by them (subject only to the right of the Settlers 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 Settlement.

**Now this deed witnesseth as follows:**

## 2 Definitions

In this Settlement 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:

'Appointor' means the Settlers during their joint lifetime and after the first death the surviving Settlor and subject to that the Trustees.

'Trustees' means the Trustees or other the trustee or trustees for the time being hereof.

'Beneficiaries' means:

- (a) the children and remoter issue of the Settlor;
- (b) any spouse for the time being (including any widow or widower) of any such child or remoter issue;
- (c) any other person other than the Settlers whose name has been nominated by both Settlers (or after the first death, the surviving Settlor) to the Trustees as a person the Settlor wishes to benefit;
- (d) any person who benefits (including any object of a discretionary power whether or not that power is exercised) under the will (in respect of which probate is granted) of either Settlor or who would be entitled under the rules relating to intestacy to any interest in either Settlor's estate;

## Discretionary Loan Trust – Trust Deed (continued)

### 2 Definitions (continued)

Insert in (f) the details of any other person (not covered by the above classes) you wish to include as a Beneficiary.

(e) any Default Beneficiary as defined below:

(f) Name

Date of birth

Address

and a person who has been adopted (whether adopted before or after the date hereof and whether under English law or any other system of law) shall be treated for all the purposes of this deed as the child of his or her adoptive parents or parents.

'The Company' means Friends Provident International Limited.

Enter the name(s) of the people you would like to receive the benefit and the relevant percentages, if you were to die today.

'Default Beneficiaries' means the one or more persons named in the boxes below.  
**Please 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"/>
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"/> %
Class of beneficiary	<input type="text"/>	<input type="text"/>

Alternatively, enter a class of beneficiary, a charity for example.

	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"/> %
Class of beneficiary	<input type="text"/>	<input type="text"/>

'Plan' 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 Settlement.

'Trust Fund' means all moneys, investments or other property paid or transferred to or so as to be under the control of and in either case accepted and 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.

'Trust Period' means the period of one hundred and fifty years from the date hereof which period and no other shall be the perpetuity period applicable hereto.

'Lender' means the Settlor of the Trust and where the Settlor is two people the Lender shall refer to them both.

## Discretionary Loan Trust – Trust Deed (continued)

### 3 Trusts and powers

- (i) The Trustees shall hold the Trust Fund and its income on the trusts of and subject to the powers and provisions set out in this Trust Deed.
- (ii) During the Trust Period, the Appointor shall have power by deed or deeds revocable (whether by the person(s) making the deed or some other person(s)) during the Trust Period or irrevocable to appoint the whole or any part or parts of the Trust Fund and the income thereof for such one or more of the Beneficiaries in such one or more shares and for such interests and subject to such trusts powers and provisions (including protective trusts discretionary trusts or powers operative or exercisable at the discretion of the Appointor or any other persons) as the Appointor shall in his absolute discretion think fit Provided Always that no such appointment shall infringe the rule against perpetuities where this is relevant or affect the entitlement of any person to any payment made or asset transferred to him.  
Provided also that where the Appointor is the Trustees no appointment shall be made in favour of a Beneficiary who is one of the Trustees unless there is at least one other Trustee who does not benefit directly or indirectly from the appointment.
- (iii) Subject to any exercise of the power of appointment conferred by paragraph (ii) of this Part 3:
  - a) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period. Such income shall be added to the Trust Fund.
  - b) The Trustees shall pay or apply the remainder of the income to or for the benefit of such of the Beneficiaries as the Trustees think fit during the Trust Period.
- (iv) Subject to any exercise of the power of appointment conferred by paragraph (ii) of this Part 3, during the Trust Period:
  - a) The Trustees shall have power to pay, transfer or apply the whole or any part or parts of the capital of the Trust Fund as they in their absolute discretion think fit to or for the benefit of any Beneficiary entitled to such whole or part.
  - b) The Trustees shall have power to lend with or without security to any Beneficiary the whole or any part of the Trust Fund upon such conditions as to interest (if any) and repayment and generally upon such terms as the Trustees in their absolute discretion think fit Provided Always that any such loan must be repayable before the end of the Trust Period.
- (v) Subject to the preceding trusts and to any exercise of the powers conferred above the Trustees shall at the end of the Trust Period hold the Trust Fund upon trust for such of the Default Beneficiaries named in Part 2 as are living at the end of the Trust Period and if more than one in the shares shown in Part 2 and if no shares are shown in equal shares.
- (vi) Subject as above and to any or every exercise of the Trustees' powers the Trust Fund and its income so far as not otherwise disposed of shall be held in trust for the Default Beneficiaries in equal shares absolutely.
- (vii) The Trustees may by deed or deeds revocable during the Trust Period or irrevocable exclude any one or more persons from being a Beneficiary hereunder and such one or more persons shall thenceforth so cease to be and shall not be capable of becoming a Beneficiary by virtue of the nomination of a Settlor or by reason of being a beneficiary under the will or intestacy of the Settlor Provided Always that any such deed or revocation thereof shall not affect the entitlement of any person so excluded from being a Beneficiary to any benefit previously conferred on him.

### 4 Administrative powers

The Settlers and the Trustees shall have the administrative powers set out in the Appendix hereto.

### 5 Exclusion of settlor

Subject to the right of the Settlers to be repaid the principal amount of the said loan or loans and to the statutory right of the Settlor to recover income tax from the Trustees under section 646 of ITTOIA Act 2005 of the law of the United Kingdom no discretion or power conferred by this Settlement or by law on the Trustees shall be exercised and no provision of this Settlement 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 Settlor or his or her spouse in any way.

## Discretionary Loan Trust – Trust Deed (continued)

### 6 General

Insert here the name by which the Trust should be known. This name will appear on all future policy documentation.

The Settlor and all Initial Trustees must sign in the presence of an independent witness.

The witness(es) must sign and enter their name and address.

The witness must not be related to the Settlers/Trustees

(a) **This Settlement** shall be known as  (Trust name)

(b) This Settlement 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.

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

by the said Name

Signed

in the presence of Name

Signed

Address

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

by the said Name

Signed

in the presence of Name

Signed

Address

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

by the said Name

Signed

in the presence of Name

Signed

Address

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

by the said Name

Signed

in the presence of Name

Signed

Address

## Discretionary Loan Trust – Trust Deed (continued)

### 6 General (continued)

- 1 The statutory power of appointing any new or additional Trustees shall be vested in the Appointor 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 may be 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 Trust Period, 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 Plan 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 Plan to a paid up assurance.
  - b) Power to recover, receive or give valid receipts for all monies due or to become due under any Plan so that the receipt by the Trustees of any monies payable under or deriving from any dealing with any Plan 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 with or without security.
  - 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.
  - 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 Settlement or to add any further administrative provisions that the Trustees may consider expedient for the purposes of this Settlement.
  - j) In the event of any duties fees or taxes including without prejudice to the generality of the foregoing any probate succession estate gift capital transfer inheritance income or other duties fees or taxes being or becoming legally payable by the Trustees in any part of the world in respect of the Trust Fund or Income or any part thereof to pay at their absolute discretion such duties fees and/or taxes out of the Trust Fund or out of the Income to the extent that such duties fees or taxes are properly payable out of the Trust Fund or as the case may be the Income notwithstanding that such duties fees or taxes or some part thereof are not or may not be recoverable from the Trustees by legal process and notwithstanding that payment of such duties fees or taxes may be prejudicial to one or all of the Beneficiaries.



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## Discretionary Loan Trust – Trust Deed (continued)

### 6 General (continued)

- 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
  - (i) A Trustee may at any time retire from its functions and duties under this Trust by giving to the Settlor not less than thirty days written notice at the expiry of which the Fund shall be transferred to the continuing Trustees.
  - (ii) During his lifetime the Settlor 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 Settlor cannot exercise this power unless after such removal there remains at least two individual Trustees, one of which is not the Settlor, or a Trust Corporation.
  - (iii) The power to appoint new or additional Trustees shall vest in the Settlor during his lifetime and after his death shall vest in the Trustees.
  - (iv) 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 and the application of section 36(1)(c) and section 38 of the Trustee Act 1961 shall be modified accordingly.

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

Repeat Lender One details here as a Trustee.

Add Lender Two details here as a Trustee.

Other Trustee details.

Other Trustee details.

Insert the date of the Trust.

Insert the amount of the Loan.

Each Lender's payment should be paid from their own account.

**This Agreement** is made 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 as the Settlor established a settlement by a deed dated  day of  20  (hereinafter called 'the Settlement')

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 as follows:**

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

- (i) The Loan shall be free of interest.
- (ii) The Loan shall be repayable by the Trustees upon demand made in writing by the Lender provided however that:
  - a) the value from time to time of the Trust Fund (as defined in the Trust), and
  - b) the amount of capital or value of any assets (as at the date such capital or assets cease to be part of the Trust Fund) which have ceased to be part of the Trust Fund as a result of the Trustees exercising their powers under the trust.

'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.

## Loan agreement – Lender One (continued)

Insert the policy type (Succession Planning Bond, Reserve or Reserve Advance).

- 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 as a premium, for a

in respect of the Trustees' application for such policy for them to hold subject to the terms of the Settlement. 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.

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.

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: if the Settlor is a Trustee, he/she 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.

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

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


The witness(es) must sign and enter their name and address.

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


Lender One as a Trustee.

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


Lender Two as a Trustee.

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## Loan agreement – Lender One (continued)

Other Trustee details.	<b>Signed and delivered as a deed</b>		
	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"/>			

Other Trustee details.	<b>Signed and delivered as a deed</b>		
	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 date of the Loan Agreement should be inserted. This date must not pre-date the date of the Trust Deed. The name of the lender and the Trustees should be inserted. **Lender Two details need to be inserted twice – once as the Lender and once as a Trustee.**

Repeat Lender Two details here as a Trustee.

Add Lender One details here as a Trustee.

Other Trustee details.

Other Trustee details.

Insert the date of the Trust.

Insert the amount of the Loan.

Each Lender's payment should be paid from their own account.

**This Agreement** is made 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 as the Settlor established a settlement by a deed dated

day of  20

(hereinafter called 'the Settlement')

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 as follows:**

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

- (i) The Loan shall be free of interest.
- (ii) The Loan shall be repayable by the Trustees upon demand made in writing by the Lender provided however that:
  - a) the value from time to time of the Trust Fund (as defined in the Trust), and
  - b) the amount of capital or value of any assets (as at the date such capital or assets cease to be part of the Trust Fund) which have ceased to be part of the Trust Fund as a result of the Trustees exercising their powers under the trust.

'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.

## Loan agreement – Lender Two (continued)

Insert the policy type (Succession Planning Bond, Reserve or Reserve Advance).

- 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 as a premium, for a

in respect of the Trustees' application for such policy for them to hold subject to the terms of the Settlement. 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.

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.

This agreement 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.

(Please note: if the Settlor is a Trustee, he/she 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.

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

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


The witness(es) must sign and enter their name and address.

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


Lender Two as a Trustee.

### Signed and delivered as a deed

by the said

Name

Signed

in the presence of

Name

Signed

Address

  


Lender One as a Trustee.

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Loan agreement – Lender Two (continued)

**Signed and delivered as a deed**

Other Trustee details.

by the said

Name

Signed

in the presence of

Name

Signed

Address

  

**Signed and delivered as a deed**

Other Trustee details.

by the said

Name

Signed

in the presence of

Name

Signed

Address

The Lenders must complete in both capacities.

**This Loan agreement** is made the  day of  20

**Between**  (The Lender)

and  (The Lender)

and  (Trustee)

and  (Trustee)

and  (Trustee)

and  (Trustee)

(hereinafter called 'the Trustees') of the other part.

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



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

Please complete either  
(i) or (ii).

The amount entered  
will be split equally  
between Lender One  
and Lender Two.

<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 Trustee of the Trust			
created by us on	<input type="text"/>		
Either:			
(i)	We hereby request repayment of	GBP <input type="checkbox"/>	USD <input type="checkbox"/> Amount <input type="text"/>
or			
(ii)	That unless instructed otherwise you	GBP <input type="checkbox"/>	USD <input type="checkbox"/> Amount <input type="text"/>
	pay us the sum of		
	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.			
Signatures			
(Settlor/Lender)	<input type="text"/>		
(Settlor/Lender)	<input type="text"/>		
Date	<input type="text"/>	<input type="text"/>	<input type="text"/>

**It is the Trustees' responsibility to keep accurate records of loan repayments.** Form D is an example of the receipt the Settlor should complete and send to the Trustees each time they receive a loan repayment.

The amount entered will be split equally between Lender One and Lender Two.

<b>To (the Trustees)</b>	<input style="width: 100%;" type="text"/>
and	<input style="width: 100%;" type="text"/>
and	<input style="width: 100%;" type="text"/>
and	<input style="width: 100%;" type="text"/>
<p>We refer to our request for the repayment of part/all of the loan outstanding to us and hereby acknowledge receipt of the amount of    GBP <input style="width: 20px;" type="text"/>    USD <input style="width: 20px;" type="text"/>    Amount <input style="width: 100px;" type="text"/></p> <p>from you in satisfaction thereof.</p>	
<b>Signatures</b>	
(Settlor/Lender)	<input style="width: 100%;" type="text"/>
(Settlor/Lender)	<input style="width: 100%;" type="text"/>
Date	<input style="width: 40px; height: 20px;" type="text"/> <input style="width: 40px; height: 20px;" type="text"/> <input style="width: 100px; height: 20px;" type="text"/>

If the Trustees wish withdrawals to be paid straight to the Lenders, Form E should be completed.

Please complete either (i) or (ii).

The amount entered will be split equally between Lender One and Lender Two.

To: Friends Provident International Limited (FPIL)

**We being the Trustees**

1  (Trustee)

2  (Trustee)

3  (Trustee)

4  (Trustee)

being of the Deed of Trust dated  day of  20

**made between**  (The Settlor as Lender)

and  (The Settlor as Lender)

and ourselves as Trustees

and referred to as

request Friends Provident International Limited to make either:

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

or

(ii) Regular withdrawals of  GBP  USD Amount

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(s) in part satisfaction of our indebtedness to him/her.

We confirm that the policy has not been assigned nor dealt with 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 FPIL indemnified against any claims that may be received as a result of FPIL effecting the above transaction without production of the policy document.

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

### Payment method

Note: We must have either a sort code or SWIFT/BIC code.

(Must be completed if the account is multi-currency.)

Sort code (if applicable)	<input type="text"/> - <input type="text"/> - <input type="text"/>
SWIFT/BIC code (if applicable)	<input type="text"/>
IBAN (if applicable)	<input type="text"/>
Account number	<input type="text"/>
Account currency	<input type="text"/>
Account name	<input type="text"/>
Bank name	<input type="text"/>
Bank address	<input type="text"/> <input type="text"/>

### Signatures

1 (Trustee)	<input type="text"/>
2 (Trustee)	<input type="text"/>
3 (Trustee)	<input type="text"/>
4 (Trustee)	<input type="text"/>
Date	<input type="text"/> <input type="text"/> <input type="text"/>

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 January 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 is governed by and shall be construed in accordance with the laws 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.

Some telephone communications with the Company 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 Discretionary 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.