

PENSIONS UPDATE

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Mauritius reports spike in licence applications

Sovereign's Mauritius office has reported a significant increase in licence applications for financial intermediaries. Mauritius has a very wide selection of licence types that are available to specialist financial services providers looking to set up and do business in and from Mauritius.

The licensing framework provides for a codified list of financial services and financial business activities licensable by the Financial Services Commission (FSC), the regulator for non-banking financial services and global business.

The scope is wide-ranging, covering Investment, Insurance and Pensions, Global Business and Non-Bank Financial Institutions (NBFIs). This sector has grown significantly to become one of the main pillars of the Mauritian economy, offering sophisticated products, services and activities.

The fee structure is flexible. The FSC considers the level of development of the different sectors under its supervision, as well as the need to sustain the overall competitiveness of Mauritius as an international financial centre. The government has also introduced a range of corporate and personal tax incentives to help develop and build capacity in Mauritius.

Tax holidays of five to eight-years in length are currently available to the following licensees: Global Headquarters Administration, Global Treasury Activities, Overseas Family Office (single), Overseas Family Office (multiple), Investment Banking, Global Legal advisory Services and Captive Insurance.

The fiscal regime of Mauritius is underpinned by a transparent system that provides for a level playing field and a competitive tax bracket for businesses and individuals at a single rate of 15%. This regime has successfully generated substantive economic activities across all sectors of the Mauritian economy.

Authorised Management Companies (MCs) such as Sovereign are licensed by the FSC to set up, manage and provide nominee and other services to a corporation that carries on or intends to carry on any global business or act as corporate trustee or qualified trustee under the Trusts Act 2001.

Sovereign offers the necessary expertise in setting up companies in Mauritius and assisting with special licence applications. We provide full support during the application process to get your company properly set up and licensed in Mauritius, as well as ongoing administration and management to ensure that clients maintain full compliance with licence requirements and to ensure that their affairs are properly managed and controlled from their place of incorporation.

Beyond the application phase we also provide a full suite of services to provide ongoing support to your business – from banking introductions, accounting and payroll, through to specialist insurance services. For more information please contact Nico Van Zyl, Director at Sovereign Trust (Mauritius), at Nvanzyl@SovereignGroup.com or by phone on +230 525 04027.

Malta Regulator publishes new Pension Rules

The Malta Financial Services Authority released its updated pension rules on 28 December. The amended rules include conditions around licensing for financial advisers, disclosure of commissions and cancellation periods. Most of the new rules were brought into effect immediately.

Advisers with existing Sovereign Malta pension clients, or those who wish to introduce new clients, will need to complete a 'Terms of Business' application. This should be submitted to Sovereign's Malta office as soon as possible. As of 1 July, any firm that does not meet the licensing conditions and or has not completed the new terms of business agreement will be unable to manage its clients.

Please [CLICK HERE](#) for more information and to access the terms of business document.

New fees for high value SIPPs

From 1 May 2019, any new Sovereign International SIPP (ISIPP) members will be subject to an annual fee of 0.1% on the entire value of their pension fund if the SIPP is worth £1 million or more. The set up charge will remain unchanged at £300. For ISIPPs worth less than £1 million the annual SIPP fee will remain at £500.

Please [CLICK HERE](#) for more ISIPP news.



UK consolidates advisory services into Single Financial Guidance Body (SFGB)

As of 1 January 2019, the UK consolidated the three existing providers of government-sponsored financial guidance – the Money Advice Service, the Pensions Advisory Service and Pension Wise – into one new entity, the Single Financial Guidance Body (SFGB).

Chaired by former Financial Services Authority chief executive Sir Hector Sants, the SFGB will bring together the provision of debt advice, money guidance and pension guidance for the first time. The new body will deliver free and impartial financial guidance and a more streamlined service to members of the public.

“The new organisation has a clear mission to help everyone manage their personal finances as well as their circumstances allow across the nation,” said Sants. “We are creating an organisation which is seen as transparent, accountable, effective and above all respected by all, working hand-in-hand with the industry, our staff and our partners.”

The SFGB’s website sets out its five functions as Pensions Guidance, Money Guidance, Debt Advice, Consumer Protection and Strategy “to improve people’s financial capability”.

As the year progresses a new name will be sought for the organisation. More information can be found here <https://singlefinancialguidancebody.org.uk>

Sovereign Group wins another award

Sovereign Group is delighted to have won the International Adviser award for ‘International Trust and Estate Planning Firm of the Year’. This reinforces the group’s commitment to fully compliant structuring and to staff development in an increasingly challenging global legislative environment.

Group chief executive Gerry Kelly said: “I am delighted that Sovereign received this award and that the trust and estate planning division of Sovereign incorporates retirement planning, which has grown significantly over the last 10 years. The award vindicates the significant investment Sovereign has made in this area of the business.”

The awards were held at the JW Marriott Grosvenor House Hotel in London’s Mayfair on 11 October. Stephen Hare, managing director of Sovereign’s Guernsey office, collected the award on behalf of the Sovereign Group.

The Sovereign Corporate Retirement Savings Scheme

Sovereign Trust (Guernsey) Limited has launched a new multi-employer international corporate pension plan. The plan is designed specifically for non-Guernsey companies that wish to provide retirement and savings benefits to their non-Guernsey international employees.

A multi-employer pension plan is an ‘umbrella’ occupational pension scheme that can be accessed by multiple, unconnected, employers and their employees. Upon acceptance, each employer will have its own designated and segregated plan that is established solely for the benefit of its own employees.

Each ring-fenced plan will have a specified proportion of scheme assets that can only be used to meet the liabilities of particular sections of the scheme and not others, and contributions are allocated accordingly. This multi-employer structure helps to streamline procedures and minimise costs, whilst also enabling employers to tailor the rules to meet their specific requirements.

The scheme is likely to be attractive to:

- International companies with a large proportion of employees working outside their home country;
- Companies with employees who are highly transient and move between countries frequently;
- Companies with employees working in a country that has no recognised pensions framework.

The scheme satisfies the necessary exemption conditions under Section 40(o), as set out by the Guernsey Income Tax Office, meaning that any benefit payments made from the scheme to a non-Guernsey resident will be paid without the deduction of any tax in Guernsey.

The launch of this multi-employer scheme is the latest advance by Sovereign to provide attractive and cost-effective retirement solutions to corporate clients, in addition to the well-established retirement solutions already offered to private clients and individuals.

In 2016, Sovereign was named ‘International Retirement Provider of the Year – Product’ at the International Adviser Product and Service Awards. It was recognised for “products that are differentiated from competitors as innovative and backed by consistent service and support”.

For more information, contact your local Sovereign representative or Sean Gillease, Business Development Manager for Sovereign Trust (Channel Islands), at sgillease@SovereignGroup.com or by telephone on +44 (0)1481 742229.

UK brings ‘pension cold-calling’ ban into force

Pension cold-calling was banned in the UK as of 9 January. The new rules, which are intended to combat pension scams, mean that firms will no longer be able to make unsolicited marketing calls about pension schemes. Any firms found flouting the ban will face enforcement action from the Information Commissioner’s Office, and could be fined up to £500,000.

The ban has been introduced in a bid to deter pension scammers, who often make initial contact with their victims over the phone. According to the Financial Conduct Authority the average pension scam victim lost £91,000 last year.

The UK government website states that the only exemptions are where:

- The caller is authorised by the FCA, or is the trustee or manager of an occupational or personal pension scheme, and
- The recipient of the call consents to calls, or has an existing relationship with the caller

Please see the following link for more information: <https://www.gov.uk/government/news/pensions-cold-calling-banned>

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