

The Sovereign logo consists of the word "SOVEREIGN" in a white, sans-serif font, followed by a small trademark symbol (TM). It is enclosed within a black rectangular box with a thin white border. A solid red horizontal bar is positioned directly beneath the black box.

SOVEREIGN™

The background of the entire page is a map of the United Kingdom, rendered in a dark red color. A large, dark red flag is pinned to the map, with its base located in the London area. The map shows various cities and regions, including London, Manchester, Birmingham, and the South of England. The word "UNITED KINGDOM" is visible in large, faint letters at the top of the map.

INVESTING AND RESIDING IN THE UK

SOVEREIGN (UK) PRIVATE CLIENT SERVICES

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ABOUT THE SOVEREIGN GROUP

Sovereign is a leading independent provider of private client, corporate and retirement planning services, with a presence in over 20 jurisdictions around the world. This global reach means we are ideally positioned to support individuals looking to invest in the UK market.

The Sovereign Group currently manages over 20,000 structures for a wide variety of clients – companies, entrepreneurs, private investors or high net worth individuals (HNWIs) and their families – and has assets under administration in excess of US\$20 billion.

As an international provider, we are dedicated to offering integrated advice, products and services to internationally mobile people and businesses that have sophisticated and often complex needs. We assist them to generate, structure and protect their income and assets in the most efficient way.

Sovereign's three core business areas are:

- **Sovereign Corporate Services** – providing wealth protection, property ownership structuring, residence and immigration, trustee services, tax and succession planning to internationally mobile families and entrepreneurs.
- **Sovereign Private Client Services** – forming and managing new corporate structures across all major jurisdictions, with an emphasis on UK inbound and outbound investment; reorganising existing corporate structures and repatriating earnings; and providing the necessary support to assist companies of all sizes to establish and sustain operations successfully.
- **Sovereign Retirement Planning** – providing and administering individual and corporate international pension schemes that offer choice, transparency, tax efficiency and portability across multiple jurisdictions.



While some of our clients are based in a single location only, many are international families with assets and family members spread across different countries. We have broad experience in managing estates with complex structures involving assets and beneficiaries in multiple jurisdictions and the legal, tax and compliance issues that arise when the laws of several jurisdictions may apply.

We advise on all aspects of the design and implementation of structures, using companies, funds, trusts and foundations and we also provide the support to maximise opportunities and achieve long-term sustainability. This includes, but is not limited to, asset management, accountancy, payroll, foreign property ownership, residency, immigration and citizenship, insurance, yacht and aircraft registration, as well as specialist tax advice.

We pride ourselves on the exceptional breadth and depth of our technical knowledge; our culture is entrepreneurial but we are fully committed to maintaining client compliance and promoting ethical conduct.

We hold over 30 professional licences to act as corporate service provider and/or professional trustee from the jurisdictions in which we operate around the world. To obtain these licences, Sovereign has demonstrated its financial stability, its probity, the professional competence and integrity of its staff and the robustness of its systems.



MOVING TO THE UK

The rate of change in today's world offers extraordinary opportunities for wealth creators but also presents significant challenges in terms of economic uncertainty, enhanced regulation, increased transparency and rising taxation.

The UK's position, both geographically and in respect of business culture, puts it at the centre of a diverse collection of markets and sectors. Its open market and diversified economy present opportunities for new investors to access a domestic market and offers a springboard for growth to global companies and those aspiring to become global.

The UK has consolidated its place as one of the best places in the world to do business, according to the World Bank's 'Ease of Doing Business (EoDB) 2020' report. The report ranks the UK eighth in the world for its business environment, the second best place to do business in the G7 after the USA and the second best in Western Europe after Denmark.

Moving to the UK can be a daunting process for you and your family – even more so if you run your own business. In addition to the logistical, financial and emotional pressures, there are a number of practical issues that will also need to be addressed: location, accommodation, security, business set-up, employment, banking, registrations, documentation, insurance and access to healthcare or education.

With our global office network and a wealth of expertise and experience across many jurisdictions, Sovereign is well-positioned to guide you throughout the journey – from application through to settlement – and to resolve any issues you might encounter along the way. We are here to help make the process as simple as possible.

Sovereign UK assists internationally mobile families and entrepreneurs around the world to maximise their opportunities and achieve long-term sustainability with a suite of services that includes, but is not limited to:

- Residency, immigration and citizenship
- Foreign property ownership
- Implementing strategies and structures to hold assets and investments for secure, efficient wealth and succession planning
- Company formation and management across all major jurisdictions
- Trust and trustee services
- Retirement planning
- Insurance
- Accountancy
- Yacht and aircraft registration and management
- Specialist tax advice

NON-UK DOMICILED (NON-DOM) STATUS

The UK tax code provides a preferential tax regime for those who are resident but not domiciled in the UK – often referred to as ‘Non-Doms’. Although considerable changes have been made to the rules in recent years, it still remains a very attractive regime for non-UK domiciled individuals coming to live in the UK.

UK residents are generally taxed on the arising basis of taxation – that is, all their worldwide income and gains are taxable in the UK, even if foreign income and gains have already been taxed in another country. In most cases, however, relief is given in the UK for foreign tax paid, either via the provisions of a Double Taxation Agreement (DTA) or via unilateral relief.

However a person who is resident but not domiciled in the UK can choose to be taxed under a special regime, the ‘remittance basis’ of taxation, which enables them to access the following tax benefits:

- **The remittance basis of taxation restricts the UK tax liability to UK-source income and gains.** Non-UK source income and gains are not taxed in the UK, unless and until they are brought into (remitted) to the UK. Any non-UK income and gains that are retained outside the UK will not be taxed in the UK.
- **No inheritance tax (IHT) liability for non-UK assets.** Non-doms are only liable to UK inheritance tax on their UK assets. Additional planning can ensure that most UK assets (with the exception of UK residential property) can also be removed from the scope of IHT.

There is no charge to claim the remittance basis of taxation for the first six years of an individual's UK residency but an annual charge, known as the ‘Remittance Basis Charge’ (RBC), is imposed for non-doms who have been resident in the UK for at least seven of the past nine years immediately preceding the relevant tax year. This is currently set at £30,000 per year. The RBC increases to £60,000 per year for non-doms who have been resident in the UK for at least 12 of the past 14 years.

A decision on whether to make a claim for the remittance basis can be made on a year-by-year basis. The claim is usually made via the individual's self-assessment tax return. Making the election means forfeiting a claim to both the personal income tax allowance and the annual exempt allowance for Capital Gains Tax (CGT).

All non-doms still have the option of paying income tax on all worldwide income and assets if the charge is greater than the tax advantage of using the RBC. The RBC does not apply if a non-dom has less than £2,000 unremitted foreign income and gains in a tax year or is under 18, no matter how long they have been resident in the UK.

Since April 2017, non-doms who have been resident in the UK for at least 15 of the past 20 years are ‘deemed’ to have become UK-domiciled and therefore lose the ability to claim the remittance basis of taxation. As a result, their worldwide income and gains will be subject to UK taxation and their worldwide assets will also be liable to UK Inheritance Tax (IHT).



NON-UK DOMICILED STATUS FOR UK EXPATS

Liability to UK Inheritance Tax (IHT) is governed by domicile. Many UK expatriates fail to realise that they remain subject to UK IHT on their worldwide assets – even when they are no longer resident of the UK – unless they have actively shed their UK ‘domicile of origin’ and established a new ‘domicile of choice’ outside the UK. For someone who is non-UK domiciled, only UK-based assets will usually be assessed for IHT purposes.

To acquire a domicile of choice, an individual must have established their main residence in another country, where they must intend to remain either permanently or indefinitely. Provided these two conditions are met then they will be non-UK domiciled under general law, having acquired a new domicile (of choice) in the other country. However, they remain deemed-UK domiciled for IHT purposes for three calendar years from the date on which they acquire a foreign domicile.

Sovereign UK has a specialist service for determining domicile status that involves utilising our in-house team of tax experts who will engage external tax Counsel to provide an opinion on an individual’s domicile. A positive counsel opinion concerning a new domicile of choice following a thorough examination of the facts and circumstances provides clients with the strongest filing position on this matter.

UK expatriates, especially those that have successfully shed their domicile of origin, may also benefit from establishing an overseas trust. Settling non-UK assets into an overseas trust can offer a number of advantages in respect of income tax and CGT planning, as well as relief from IHT.

UK TRUST SET UP AND TRUSTEE SERVICES

Families have been using trusts to preserve and manage their wealth for centuries. Unlike corporate vehicles, the lack of rigid formal requirements for the creation and operation of trusts, and the tremendous flexibility of trust instruments, make them uniquely useful for estate and succession planning.

Although many of the tax benefits that were associated with trusts have been eroded in recent years by anti-tax avoidance legislation, they still offer great advantages – particularly for individuals who:

- Are changing, or planning to change, their domicile, residence or citizenship
- Have family members that are resident abroad
- Are seeking asset protection
- Are seeking to dispose of their estate on death freely and without recourse to a lengthy and expensive probate procedure.

The practical advantages of a trust are gained from the distinction that is drawn between the formal or legal owner of property, the trustee, and those people that have the use or benefit of the property, the beneficiaries.

It is vital that the trustee remains independent and exercises proper control over the trust property. A trust may be deemed to be invalid if the settlor continues to exercise power over the trust assets by retaining benefit or control, or by giving directions to the trustees.

Those unfamiliar with the trust concept are often concerned by the idea of transferring ownership of their property to a trustee. This concern can be alleviated if the trust concept and the distinction between legal and beneficial ownership is properly understood and it is clear that the trust is governed by a reliable trust law that can be enforced in a reputable jurisdiction.

Sovereign has more than 30 years' experience of setting up and managing various types of trust both in the UK and overseas. We are authorised and licensed to establish trusts and provide professional trustee services in the following jurisdictions:

- Onshore – Cyprus, Malta and the UK
- Mid-shore – Hong Kong, Mauritius and Singapore
- Offshore – Gibraltar, Guernsey and the Isle of Man

Importantly, non-UK property that is settled into a trust by a settlor who is not domiciled (or 'deemed' to be domiciled) in the UK, is excluded property for IHT purposes. Trusts benefitting from this status are usually referred to as 'Excluded Property Trusts' (EPTs) and effectively offer permanent shelter from UK IHT, even if the settlor subsequently acquires a UK domicile or becomes deemed-UK domiciled (provided that certain conditions are met). Furthermore, any gains made by assets in this form of trust, or made by any underlying offshore company held by the EPT, will generally not be subject to UK CGT.



UK FAMILY INVESTMENT COMPANY (FIC)

UK Inheritance Tax (IHT) is a major issue for anyone who is domiciled in the UK or has assets in the UK. UK-domiciled individuals are subject to IHT on their worldwide estate at a rate of 40%. Gifts to an individual are potentially exempt transfers (PETs), although the donor must then survive for seven years after making the gift and can no longer continue to enjoy the gifted asset. They must also ensure that any tax planning that is put in place does not infringe the gift with reservation of benefit (GROB) rules, which would render it ineffective.

Many individuals seek to minimise their IHT exposure but while they do not envisage needing the capital in their own lifetime, they are unwilling to give the assets away and then have to rely on family members to maintain them.

A Family Investment Company (FIC) is a private company established for the sole purpose of investing family assets, with bespoke articles of association to set out the respective rights and interests attaching to the different shareholdings in the company. These share classes will be held by different family members in accordance with their role in, and intended rights in respect of, the company and the investments it holds. There will also often be a separate private agreement between the shareholders.

This enables the family members to have different levels of control over company decisions, rights to receive dividends and entitlements to the capital value of the company. A FIC therefore provides a mechanism through which parents can retain oversight and control over the company, whilst enabling them to transfer value and/or responsibilities to the next generation in stages through the company structure.

The articles can further include provisions to prevent shares from being transferred outside the family by setting out pre-emption rights on any sale or transfer. They can also set out a basis and mechanism for valuing the shares in certain circumstances, which can be of assistance in the event of family disputes.

In addition to IHT benefits, FICs can also provide substantial income tax and CGT advantages. However there is a raft of anti-avoidance legislation that can apply in this area, so it is essential that a FIC is tailored to the family's circumstances with specialist tax advice and drafting work undertaken by external tax counsel who Sovereign will instruct. Often, the best strategy for a family can involve combining the structures of a FIC and a trust.

UK PROPERTY PURCHASE

Sovereign assists many of its clients with the acquisition of UK property assets. We advise on tax and structuring and can manage the transaction process and financing arrangements. With our knowledge of UK property ownership laws and regulations, along with our tax planning expertise, we can help clients to reduce any potential exposure.

Many people who own or intend to own property in the UK will not be fully conversant with UK legal procedures or taxes, and may not fully recognise the longer term potential exposures to capital gains tax or inheritance tax. Issues that would-be buyers need to consider include:

- The type of property asset?
- The purpose of the property?
- Who will occupy the property?
- The legal status of the owner?

In the wake of the 2008 global financial crisis, the UK government introduced a raft of anti-avoidance measures targeting UK residential property that was owned or acquired by non-natural persons (NNPs), whether UK resident or not. These include higher rates of stamp duty land tax (SDLT) and an Annual Tax on Enveloped Dwellings (ATED), as well as increased exposure to capital gains tax (CGT) and inheritance tax (IHT).

These anti-avoidance measures have severely limited tax planning options in respect of UK residential property. Commercial property has been largely unaffected by the new measures. If the property is part residential and part commercial a reasonable apportionment is required; only the residential part will be subject to the new measures.

It is still however possible to use structures to mitigate UK tax where appropriate. Sovereign has devised a number of fully compliant solutions to minimise UK tax exposure on holding or acquiring UK property, whether it is for personal use, investment or development purposes. These involve the use of trusts, UK and non-UK companies, as well as Qualifying Non-UK Pension Schemes (QNUPS).

Sovereign UK has long experience in structuring UK real estate ownership and has built particularly close relationships, over many years, with lending institutions, property sourcing experts and law firms. We appreciate that each purchaser presents a unique set of circumstances and will work to balance their residence requirements with their estate planning needs and to structure ownership of property assets to the investor's advantage.

MORTGAGE FINANCE, WILL PROVISIONING AND LIFE INSURANCE

There is an increasing number of specialist private lenders who are happy to provide mortgages on a case-by-case basis for non-UK residents, non-UK nationals and non-UK domiciles looking to buy property in the UK. The individual approach taken by private lenders can also be an advantage for those with complex incomes, such as income in a foreign currency or based around stocks and shares or other investments.

Any investment in UK property will create the need to make a UK will in order to address succession issues, and also to secure suitable Life Insurance sufficient to cover any outstanding mortgage finance and any future liability to UK IHT in order to prevent heirs from being forced to sell the property.

UK IMMIGRANT INVESTOR PROGRAMMES (IIPS)

The rights of EU and EEA citizens and their families who were already established in the UK before the end of the Brexit transition period on 31st December 2020 – continue to live, study and work in the UK, as well as to travel freely between the UK and the EU – are protected under the EU Settlement Scheme as a part of the EU-UK Withdrawal Agreement.

EU and EEA citizens can either apply for ‘settled’ status if they have lived in the UK for a consecutive five-year period prior to 31 December 2020; or for ‘pre-settled’ status if they have lived in the UK for a lesser period of time. ‘Pre-settled’ status will be granted for five years, during which time holders should become eligible for ‘settled’ status. The deadline to file an application is the end of June 2021, so action should be taken urgently. Please contact Sovereign for further guidance.

THE TIER 1 (INVESTOR) VISA

The Tier 1 Investor route is one of the most direct ways for wealthy individuals to qualify for leave to remain in the UK. This category is designed to allow those able to commit a substantial financial investment in the UK to be granted permission to reside in the UK as an investor.

Within the first three months of entry into the UK, investor visa holders must invest a minimum of £2 million according to specific and fairly restrictive criteria, before potentially qualifying for indefinite leave to remain (ILR) or ‘settlement’ after five years.

Applicants can apply to settle after three years with a £5 million investment, while an up-front commitment of £10 million cuts the period to settled status down to just two years. Acceptable investments are share or loan capital in active and trading UK-registered companies. Investors may not use cash on deposit or the value of their residential property as part of their investment.

The Tier 1 (Investor) visa category applies to the main applicant and all immediate family members,

including their spouse and children under the age of 18. There is no requirement to demonstrate English language proficiency. Investor visa holders are permitted – but not obliged – to work, study or engage in business activities in the UK.

Having secured ILR, applicants in the first category become eligible to apply for full British citizenship after spending six years in the UK. Those in the second and third categories are eligible to apply after five years of residence in the UK.

Main applicants for ILR may not be absent from the UK for more than 180 days in each 12-month period. If applying for British citizenship, however, they must not have spent more than 450 days out of the UK during the five-year qualifying period, and no more than 90 days during the final 12 months.

Sovereign and its specialist external partners can guide an applicant and their family through the application process. Sovereign can also provide a variety of support services in respect of UK real estate options, financing, UK fiscal advice, relocation assistance and schooling options.

UK VISA PROGRAMMES

The UK introduced a new immigration regime following its departure from the EU, with a points-based system that subjects both EU and non-EU citizens to the same regulations. As of 1st January 2021, this amended most of the previous immigration routes into the UK, such as the Tier 1, Tier 2, Student and New Entrant route. Applicants require at least 70 points to be eligible for a visa.

The previous Tier 1 (Exceptional Talent) route has been replaced by a new fast-track 'Global Talent' visa, which enables recognised global leaders and promising individuals in science, humanities, engineering, the arts and digital technology to come to the UK without a specific job offer, if endorsed by a recognised UK body.

New 'Start-Up' and 'Innovator' routes are designed to attract entrepreneurial talent and innovative, scalable business ideas to the UK. Start-up is for those setting up an innovative business for the first time, and Innovator is for those with industry experience and at least £50,000 funding. Applicants can be individuals or teams.

The previous Tier 2 route is replaced by a 'Skilled Worker' category, which applies to a larger pool of jobs because it opens up eligibility from the Regulated Qualifications Framework (RQF) Level 6 (Degree level) and above, to RQF Level 3 (A-Level) jobs. There is no cap on the number of people who can come to the UK and the resident labour market test has been abolished.

Points are assigned according to specific skills, qualifications, salaries and shortage occupations, and applicants are required to score a total of 70 points. Basic requirements include proficiency in English (10 points), a confirmed job offer at the requisite skill level (20 points) and from a Home Office-licensed sponsor (20 points).

To make up the remaining points to reach the 70 required, an additional 20 points can be obtained via a 'tradeable' process, largely dependent on the salary rate offered but also encompassing roles that are recognised as being a shortage occupation or those jobs requiring a relevant PhD-level qualification. There are also specific salary requirements for certain occupation sectors.



UK VISA PROGRAMMES

FURTHER VISA REFORMS

In his Spring 2021 Budget statement, UK Chancellor Rishi Sunak announced that the government is modernising the immigration system to help the UK attract and retain the most highly skilled, globally mobile talent – particularly in academia, science, research and technology. To achieve this, the government will:

- Introduce, by March 2022, an elite points-based visa. Within this visa there will be a 'scale-up' stream, enabling those with a job offer from a recognised UK scale-up to qualify for a fast-track visa.
- Reform the 'Global Talent' visa, including to allow holders of international prizes and winners of scholarships and programmes for early promise to qualify automatically.
- Review the 'Innovator' visa to make it easier for those with the skills and experience to found an innovative business to obtain a visa.
- Launch a new 'Global Business Mobility' visa (in place of the Representative of an Overseas Business category) for overseas businesses to establish a presence or transfer staff to the UK.
- Provide practical support to small firms that are using the visa system for the first time;
- Modernise the immigration sponsorship system to make it easier to use. The government will publish a delivery roadmap in the summer.
- Establish a global outreach strategy by expanding the 'Global Entrepreneur Programme', marketing the UK's visa offering and explore building an overseas talent network.



BRITISH NATIONAL (OVERSEAS) VISA FOR HONG KONG CITIZENS

In 2020 the UK government changed the rights attaching to British National (Overseas) status in Hong Kong. The move followed the application by China of the new National Security Law to Hong Kong. As a result, a new UK visa became available to BNO citizens and their close family members as of 31st January 2021.

The new BNO Visa permits Hong Kong citizens with BNO status to come to the UK with their close family members for five years. After five years of residence in the UK, they will be entitled to apply for settlement – termed ‘indefinite leave to remain’ (ILR) – and after one further year of residence to apply for British citizenship.

BNO Visa holders are able to work or study freely in the UK, including applying for higher education courses. Although they will not generally be entitled to claim benefits, they will be able to use the UK National Health Service (NHS).

BNO Visa applicants will be required to:

- **Demonstrate that they have BNO status but are not required to hold a valid BNO passport**
- **Usually live in Hong Kong or the UK**
- **Accommodate and support themselves financially in the UK for at least six months**
- **Demonstrate a commitment to learn English, where appropriate**
- **Obtain a tuberculosis (TB) test certificate from a UK-approved clinic**
- **Pay the application fee and Immigration Health Surcharge.**

BNO citizens can stay in the UK as a visitor for up to six months without a visa, but they will be subject to immigration control and will not have the right to live, work or take up long-term educational UK commitments. BNO citizens who are already located in the UK can apply for the BNO Visa from within the UK. This may be advantageous if the applicant is currently residing in the UK on a sponsored visa and wants increased independence.

There is no limit on the number of eligible people who can come to the UK under this new visa. The UK government said there were around 2.9 million BNO citizens in total and has estimated that, with dependants and members of family units, a further 2.5 million Hong Kong residents may also qualify.

Any BNO citizens in Hong Kong who are looking to relocate or invest in the UK will need to ensure that they have a clear understanding of the UK tax system and should make pre-arrival tax planning a priority. UK income tax rates of up to 45% are generally much higher than those in Hong Kong, while the UK also levies tax on capital gains and inheritance.

UK PRIVATE CLIENT INSURANCE SERVICES

Insurance is one of the most effective ways to manage any risks that could diminish your lifestyle. Developing an insurance portfolio that will not only protect your assets but also provide liquidity is a vital part of the wealth management equation.

Sovereign Insurance Services (SIS) was initially established to provide a retail insurance broker service capability to the group and has since evolved further to provide retail, international and reinsurance broking services to our expanding international client base.

Based in Gibraltar but with a presence in London – the centre of the international insurance industry – SIS will work for the Sovereign client, not the insurer, to obtain the most suitable insurance products at the most competitive pricing levels available in the market. It will also ensure that you are not paying for insurance that you don't need.

SIS can advise on all types of general or life insurance but, based on our clients' profiles, we aim to provide a wide range of insurance products including (but not limited to):

- Home and Contents Insurance for primary residence or secondary homes
- High Value Home Contents and/or Personal Effects Insurance including jewellery, artworks and antiques
- Private Yacht Insurance for sailboats, motor yachts and other watercraft
- Private and Corporate Aircraft Insurance
- Motor Insurance
- Travel Insurance
- Life Insurance for whole of life or term life
- Personal Accident/Illness and Income Protection/Disability Insurance
- Major Illness (Trauma) Insurance
- Tax Insurance.

PRIVATE MEDICAL INSURANCE (PMI)

Getting the right medical help quickly can be difficult – especially if you're living outside your home country. Private Medical Insurance (PMI) ensures you will get prompt attention and quality treatment, whenever and wherever you need it, and takes the guesswork out of healthcare costs with a predictable monthly bill.

There are many different levels of cover but, whether it's illness or a serious accident, PMI would typically provide

- Speedy access to specialists and expert care
- An independent second opinion if you want to double-check a diagnosis
- Greater control over when and where treatment is received
- Medically-trained case manager and a support team of fully qualified medical experts.

PMI costs can be high, so it is important that you make the right choice on what cover levels would suit you and your family. SIS will research the market thoroughly and arrange PMI plans that are appropriate to your budget and location.

UK AND INTERNATIONAL PENSION SERVICES

Saving for a comfortable and prosperous retirement should be at the top of anyone's financial planning list, wherever they live and work. Pensions are also one of the most tax-efficient ways to save, particularly for higher-rate taxpayers. A flexible retirement arrangement can help you accumulate long-term capital and provide a worthwhile return, while taking advantage of pension-related tax benefits.

For the internationally mobile individual, there are many additional aspects of retirement planning to consider and it is essential that the chosen solution should be correctly structured to suit your circumstances. Recent UK legislation has given expatriates significant advantages – but many people remain locked into plans that do not make full use of these benefits. We will assist you to find the most cost-effective and appropriate solution to suit your objectives, resources and risk profile.

Operating across a number of different jurisdictions worldwide, Sovereign provides a 'one-stop shop' for retirement planning, with a selection of innovative UK and international retirement planning products that are backed by consistent service and support, including:

- **Qualifying Recognised Overseas Pension Schemes (QROPS)** – A non-UK pension scheme that is able to receive the transfer of UK pension benefits. By transferring a UK pension to a QROPS a non-UK tax resident may benefit from a number of efficiencies. These include the removal of the pension

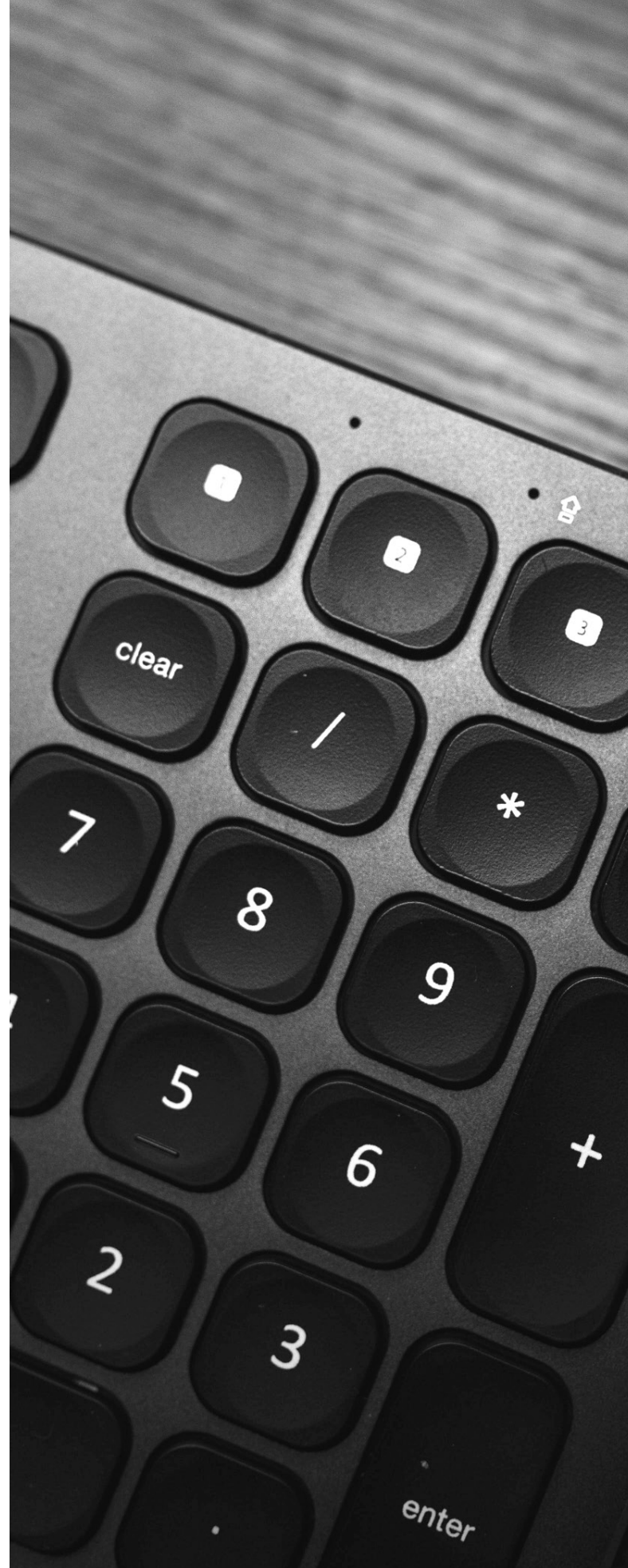
from the UK tax system, greater investment flexibility, multi-currency investment and the ability to pass all of the pension funds to any beneficiary upon a member's death. Sovereign has been at the forefront of QROPS since enabling legislation was first introduced in 2006 and has one of the broadest QROPS propositions in the market place.

- **Qualifying Non-UK Pension Schemes (QNUPS)** – A pension scheme based outside the UK that qualifies for an exemption from UK Inheritance Tax (IHT). QNUPS are open to UK tax residents, including those permanently residing in the UK, and overseas residents, including UK domiciled individuals. In particular, QNUPS are an attractive additional retirement savings plan where individuals have reached the permitted limit of their domestic UK pension contributions. QNUPS may also provide attractive pension planning for non-UK resident and non-UK domiciled individuals who may decide to move to the UK, or UK expats who may wish to return to the UK in the future.
- **UK Self-Invested Personal Pension Schemes (SIPPs)** – Self-Invested Personal Pensions (SIPPs) are a UK-registered personal pension arrangement that is available to both UK residents and expatriates. Typically favoured by savers seeking additional investment options or increased flexibility at retirement, a SIPP can be funded by new contributions or the transfer of existing pension plans.

UK AND INTERNATIONAL PENSION SERVICES

- UK Small Self-Administered Scheme (SSAS) – An individual occupational pension scheme that can be established by directors of UK-registered companies for the provision of retirement benefits. It has wide-ranging investment capabilities, including the ability to provide a secured lending facility to scheme participants and to acquire commercial property, which makes it the pensions savings vehicle of choice in the UK for entrepreneurs and the owners and directors of SMEs. A SSAS can receive pension transfers from, and make pension transfers to, SIPP and QROPS.

In addition to product provision, Sovereign's services cover a broad spectrum including scheme administration, pension trustee services, technical pensions' know-how, pension transfer guidance, investment management, actuarial services, tax planning and wealth structuring.



UK AVIATION AND MARINE SERVICES

REGISTERANAIROAFT (RANA)

London-based RegisterAnAircraft (RANA) is the aviation division of the Sovereign Group and offers a complete range of professional and highly-tailored services to aircraft owners and operators worldwide.

Aircraft can be registered in the name of the owner, but registering an aircraft in the name of a company or special purpose vehicle (SPV) provides a number of distinct advantages. Access to corporate limited liability and enhanced levels of confidentiality may be the most immediate, but a company structure also offers significant potential benefits in respect of inheritance tax and succession issues, as well as reducing transfer fees in any future sale of the asset.

All such corporate structures must comply with the current legislation in the home country of the beneficial owner and with international standards. With over 25 years' experience in the field, Sovereign is well placed to advise on these issues.

Whether a client is purchasing a new or a used aircraft, or simply re-registering an existing aviation asset, RANA will liaise with aircraft manufacturers, dealers and brokers at all stages of the process.

RANA is able to advise on the most appropriate registry for your aircraft. Issues such as the proposed use and operating base of the aircraft, the cost of registration, customer service and ease of process, geographical location and language will all need to be considered. In addition to its comprehensive knowledge base, RANA benefits from its established contacts with aircraft registries in Europe, the Caribbean, the US and elsewhere.

Once an aircraft has been registered, we can further assist with ongoing liaison with aircraft registries, technical representatives and aircraft managers with particular reference to annual inspections and certifications.



UK AVIATION AND MARINE SERVICES

SOVEREIGN MARITIME SERVICES (SMS)

Gibraltar-based Sovereign Maritime Services (SMS) provides a wide range of marine and professional services to yacht owners, managers and brokers worldwide. As the marine division of Sovereign, SMS combines the expertise of a dedicated team focused on meeting the needs of yacht owners, together with Sovereign's expertise in corporate ownership and tax planning.

SMS registers, administers and manages yachts – pleasure and commercial – on a worldwide basis. It also specialises in the provision of ownership structures, VAT and tax planning, yacht importation, safety and technical management, marine insurance and finance, crew administration and payroll, accounting and banking, foreign exchange and international payments.

Registration is the principal test of a vessel's nationality. Yacht owners should give careful consideration to selecting the most suitable Port of Registry to ensure that it reflects their profile and needs. Each Port of Registry has different regulations in place, offering its own advantages

and, in some cases, disadvantages. SMS will assist yacht owners to make the right decision according to their particular circumstances.

Registration of a yacht in the name of a company rather than an individual can provide enhanced confidentiality of ownership, as well as a means to pass assets on to heirs without liability to estate duties or inheritance tax.

Legitimate mitigation of potential VAT liabilities is generally available to owners of both pleasure and commercial yachts, particularly if the yacht is purchased through a corporate structure. The options will depend on a full assessment of a yacht's ownership structure and operational requirements, as well as the personal financial circumstances of the owner.

For buying or selling a yacht, SMS can liaise on behalf of a client with agents and brokers and will arrange for all the necessary documentation to transfer the title and successfully complete the purchase or sale.



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