

Why international investment bonds?

An international investment bond can offer a simple and flexible way to invest for the long term. For some people, it can provide useful tax planning options, access to a wide range of investments and more control over when tax may become payable.

What is an international bond?

It's a type of investment product issued by a life company outside the UK, often in places such as Ireland. It acts as a wrapper around your investments and can allow your money to stay invested without yearly UK income tax or capital gains tax being applied inside the bond. Tax is usually only considered when money is taken out in certain ways.

The value of investments can go down as well as up, and you may get back less than you invest. When you take money out and/or when we take a charge this will reduce the value of your investment.

What could the benefits be?

Tax-deferred growth: your money can remain invested without yearly UK income tax or capital gains tax being applied inside the bond.

Flexible access to your money: you can take up to 5% of the amount you originally invested each policy year for up to 20 years without an immediate tax charge, and any unused allowance may carry forward.

Freedom to change investments: switching between available funds inside the bond does not create an immediate capital gains tax charge.

More control over when tax may be paid: for some people, delaying when a gain is assessed can help with future tax planning, especially if they expect their tax position to change later on.

Useful for passing on wealth: in some situations, international bonds can work well alongside wider estate planning and gifting arrangements.

Helpful for people with international plans: it can be useful if you may move abroad, return to the UK in future, or have more than one country to think about from a tax perspective.

A wide choice of investments: many international bonds offer access to a broad range of funds, which can help you build a portfolio that matches your goals and attitude to risk.

You might need to pay tax depending on your individual circumstances and the options you choose. Tax rules can also change in future.

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Who could it be suitable for?

- People looking at longer-term wealth planning, including passing money (often referred to as assignments) to family members in a structured way.
- People with larger lump sums to invest, such as money from an inheritance, a business sale or another one-off payment.
- Those who want to help support with school fees costs and university funding in a tax efficient manner.
- People who have already used much of their ISA and pension allowances and want another way to invest tax-efficiently.
- Those who may benefit from delaying a taxable gain until a future tax year.
- Those who want flexible access to their money while keeping control over when withdrawals are taken.

Tax rules can change, and the benefits will depend on your personal circumstances, so financial and tax advice is important. Your adviser can help you with this.

Why choose Prudential International?

Prudential International is a wholly owned subsidiary of M&G plc, a long-established savings and investment business with a history of helping people plan for the future. Today, M&G supports millions of customers and manages substantial assets on their behalf.

M&G has a A+ (stable) rating from Standard & Poors, a leading ratings company. For clients, that can provide reassurance that Prudential International is backed by a large and established financial services group.

Why Dublin matters and why advice matters?

Prudential International is based in Dublin, Ireland. Because the bond is issued from Ireland rather than the UK, it is usually classed as an international or offshore bond for UK tax purposes. In simple terms, this can mean your money can stay invested without yearly UK income tax or capital gains tax being applied inside the bond.

This can be helpful for long-term planning, but the outcome depends on your own circumstances, so personal financial and tax advice is important.

What helps protect policyholders' investments?

Prudential International is based in Dublin and operates under EU Solvency II regulations, considered to be one of the most robust insurance regulatory regimes globally. There are several further layers of protection in place to protect policyholders. Prudential International is a wholly owned subsidiary of M&G Plc, a FTSE 100 company. It is governed not only by EU legislation but also Irish regulations that require it to hold strong reserves, undergo regular stress testing, and be closely supervised. This comprehensive set of rules and oversight helps to ensure Prudential International remains financially secure and able to meet its promises to policyholders.

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