

# Onshore Investment Bonds – Why a Discounted Gift Trust?

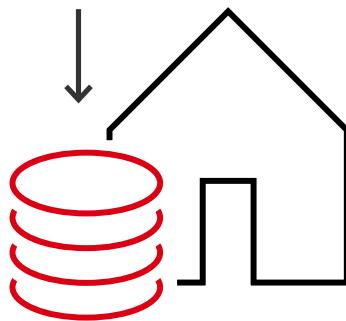
The Discounted Gift Trust is a lump sum investment, held under Trust.

-  Aims to immediately reduce your estate value for IHT
-  Receive a regular fixed payment



## What is a Discounted Gift Trust?

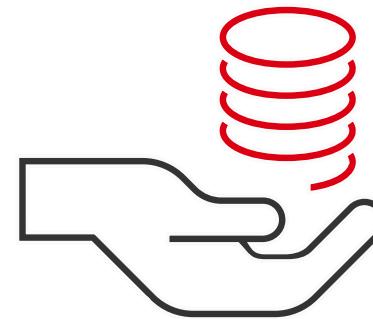
The Discounted Gift Trust is a lump sum investment, held under Trust.



It potentially achieves an immediate discount in the value of your estate, based on part of your gift that is put into Trust. This can be helpful for Inheritance Tax purposes.



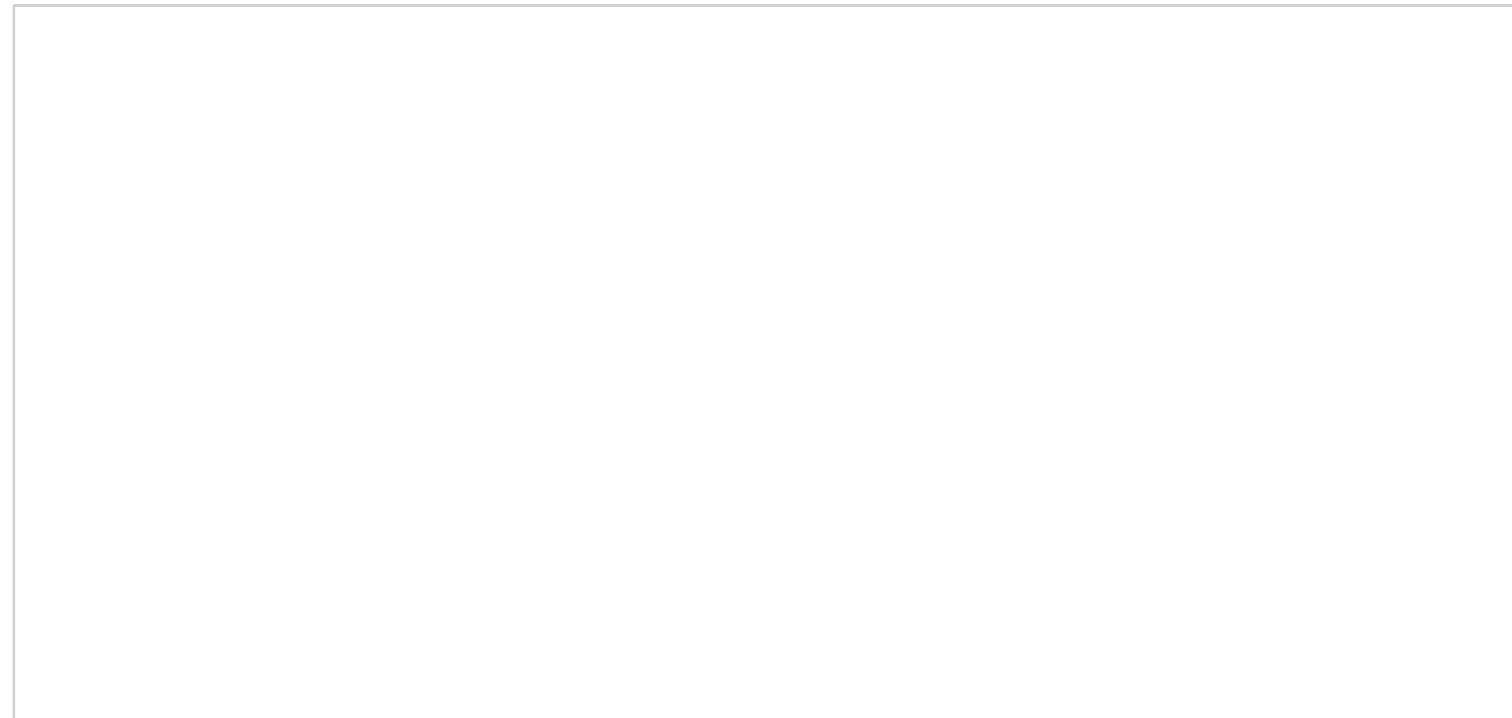
It achieves a reduction in the value of your estate for the remaining part of your gift into Trust - provided you survive for seven years from the date you make the gift.



You can arrange to receive regular, fixed payments from the Trust.

Please note, however, that apart from the fixed regular payments, you will have no access to the investment once you have created the Trust.

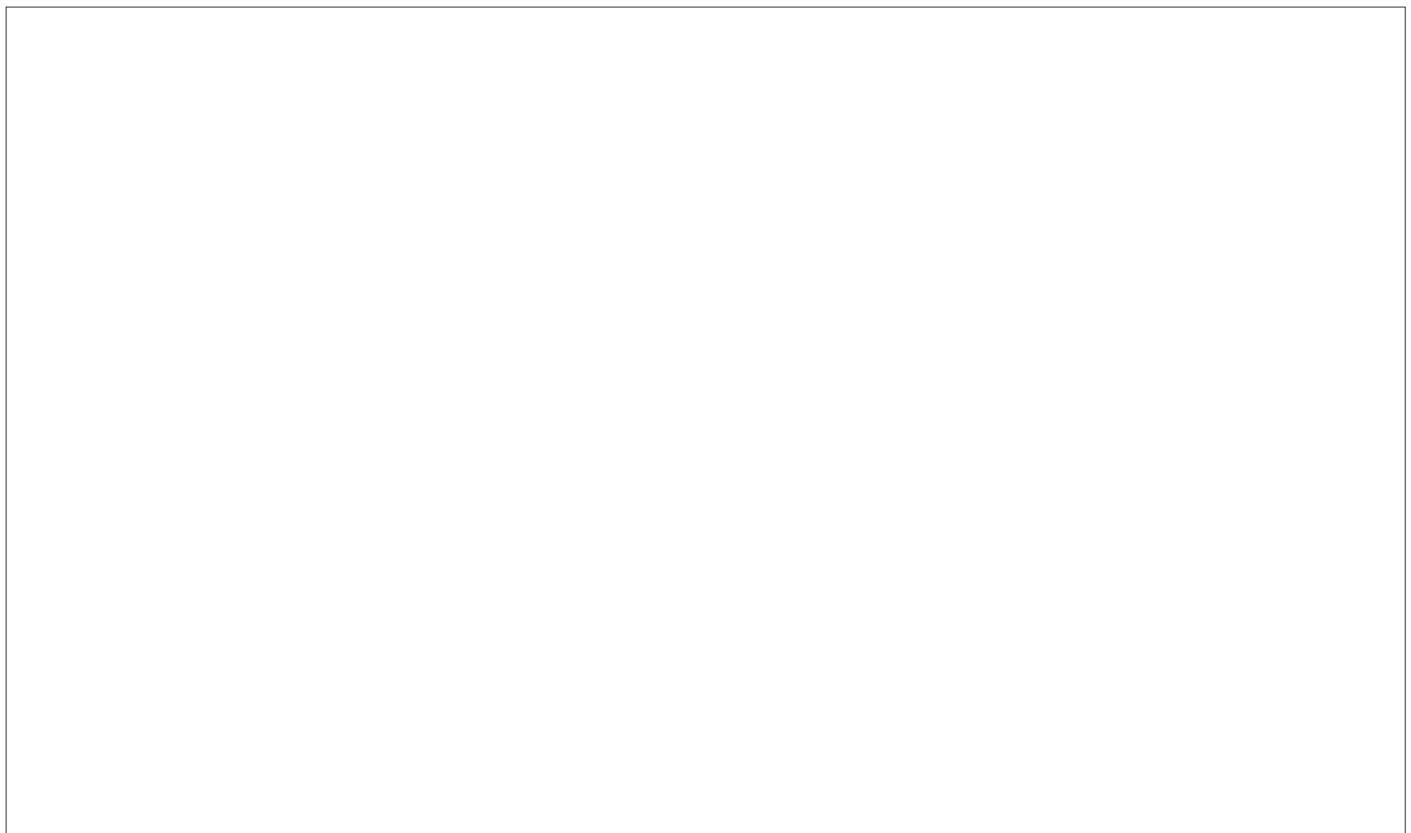
## Why consider a Discounted Gift Trust?



These Trusts are particularly useful for those with substantial assets who are looking to manage tax liabilities, protect wealth and plan for future distribution of assets to family members and beneficiaries.

## How does a Discounted Gift Trust Gift Trust work?

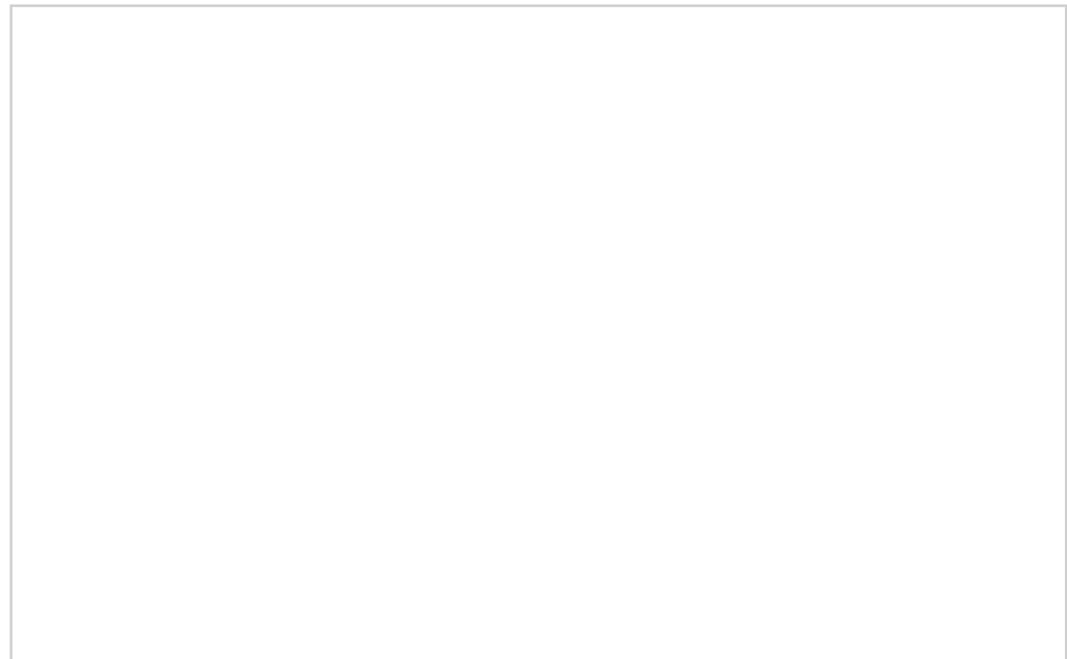
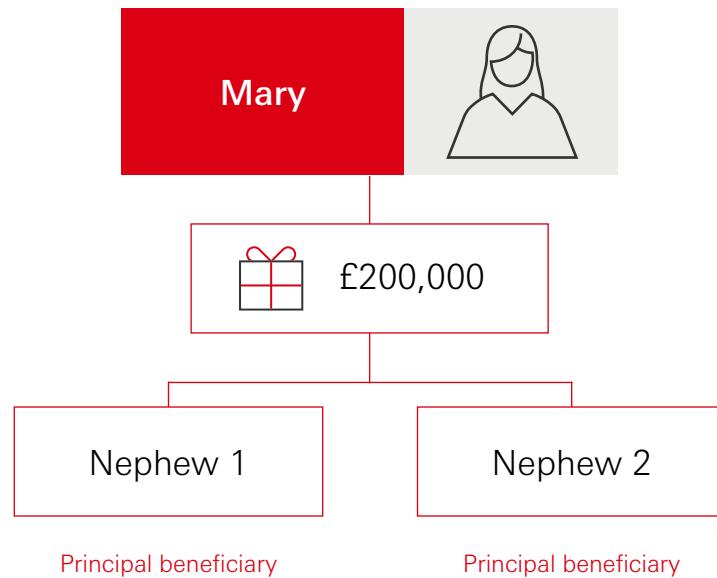
Click 1 to 4 to find out more:



## Client case study

Mary's estate includes £200,000 on deposit earning very little interest and she regularly dips into her savings to fund holidays and other treats.

She needs to take £10,000 a year from her capital to supplement her income. She has substantial assets and wants to mitigate her Inheritance Tax liability, provided she can retain access to yearly payments of £10,000.



# Why your financial adviser might recommend the HSBC Life Onshore Investment Bond?

**The HSBC Life Onshore Investment Bond could suit your circumstances.**

Lump sum investments       Medium to longer term investment       Option to create a Discounted Gift Trust

## Benefits that your adviser will explain to you:

- **Investment Choice** – The HSBC Life Onshore Investment Bond provides access to an investment choice of over 3,800 funds (investment trusts, OEICs, unit trusts and ETFs) from more than 200 fund managers.
- **Flexibility** – your Bond can be split into a maximum of 1,200 segments to allow tax planning flexibility.
- **Simple Administration** – HSBC Life retain responsibility for ongoing Bond administration and provide comprehensive six-monthly Reports. These provide a clear picture of the charges and deductions which apply making it easy for the Trustees to monitor and administer your Bond.
- **Individual tax calculations** – we calculate the Corporation Tax liability individually for each Bond, based on the growth achieved by the funds held.
- **Comprehensive online facilities** for your adviser to set up and administer your Bond.
- **Multi-life financial planning** – the ability to have combinations of up to 10 lives insured gives flexibility that will be particularly attractive to Trustees - unless the Bond is fully surrendered, it will continue until the death of the last surviving life assured.
- **Extensive range of withdrawal options** – annual withdrawals can be set for the usual 5% or increased up to 10% of the original investment and can be taken on a monthly, bi-monthly (every other month), termly (every four months), quarterly, half-yearly or yearly basis.
- **Minimum age** – three months for a life insured and 18 years for an applicant.

# IMPORTANT INFORMATION

The value of investments can fall as well as rise and you may not get back what you invested. For some investments this can also happen as a result of exchange rate fluctuations as shares and funds may have an exposure to overseas markets. HSBC Life (UK) Limited cannot be held responsible for the investment performance of your Bond. The value of any tax benefits described depends on your individual circumstances. Tax rules and rates may change in the future. HSBC Life (UK) Limited cannot be held responsible for any future changes in legislation. For more details, please refer to the HSBC Life Onshore Investment Bond product brochure and Key Features which can be obtained from your Financial Adviser or from our website [www.life.hsbc.co.uk](http://www.life.hsbc.co.uk).

HSBC Life (UK) Limited is not responsible for any action an investor may or may not take as a result of information contained in this Guide.

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**Version: 1 June 2025**