

Jersey supplement

Supplement to documents for Investment Bonds and Plans

(Single Premium Life Assurance Policies) for Residents of the Island of Jersey ("The Island")

If you are applying on, or after, 1 January 2018, you should read our Key Information Document and relevant Investment Option Document(s). This supplement provides additional information.

The documents produced by the Prudential Assurance Company ("Prudential") are specifically designed for residents of the United Kingdom. Prudential's printed information concerning Investment Bonds and Plans, is prepared for the understanding of, and can only fully apply to, those persons ordinarily resident and domiciled in the United Kingdom. Accordingly, the information contained in this Supplement amends such printed information including documents and, where applicable, post sale information, to cover the circumstances relating to residents of the Island. (This Supplement does not apply to investment bonds issued by Prudential International Assurance plc.)

Please therefore read any such documents in conjunction with this Supplement.

In particular, please note that the "5% withdrawal allowance" referred to in these documents is a UK HM Revenue & Customs "allowance" only and does not apply to policyholders as far as Island taxation is concerned.

Residents of the Island may apply for these contracts, but should understand that a United Kingdom policy will be issued.*

* *These contracts are regulated by the United Kingdom Financial Conduct Authority.*

Prudential's Investment Bonds and Plans invest in units in various Unit-Linked Funds and/or units in the With-Profits Fund as detailed in the relevant Key Information Document and relevant Investment Option Document(s). The price of the units in each of these funds allows for United Kingdom taxation (on both income and capital gains) at the rates appropriate to life assurance companies and this taxation cannot be reclaimed by Island residents.

Taxation of benefits

Regular withdrawals, part and full surrenders from Investment Bonds and Plans realise a capital gain and will not therefore be subject to any charge to Jersey income tax in the hands of residents of the Island.

Residents of the Island should, however, always be aware of the anti-avoidance provisions contained in Article 134A of the Income Tax (Jersey) Law 1961, as amended. These provisions give the Comptroller of Taxes the power to raise assessments to tax where he/she is of the opinion that a transaction was entered into with a view to avoiding or reducing tax.

"Chargeable Event" certificates will be issued to the UK Inspector of Taxes and the policyholder will be sent a copy at the same time. The possible income tax liabilities set out in the Key Features Document will apply for the purposes of assessing any tax charge within the United Kingdom.

Inheritance Tax

The policy is issued under seal. This means that United Kingdom inheritance tax should not arise on benefits when they become payable if, at the time of death:

- 1) The policy document itself is situated outside the United Kingdom, and
- 2) You are not domiciled or deemed to be domiciled within the United Kingdom.

The above information is based on Prudential's understanding of current legislation and does not intend that this interpretation should be relied on in any particular case.

This legislation (particularly relating to taxation) is liable to amendment and statutory interpretation by the taxation authorities, the government of the Island and its courts. Future changes in law and taxation cannot be anticipated.

Residents of the Island are not protected by any local statutory compensation schemes. However, you may be entitled to help from the UK's Financial Services Compensation Scheme, set up under the Financial Services and Markets Act 2000. See the "**compensation**" section of the Key Features Document for further information.

The Jersey Financial Services Commission (the "Commission") has not granted, nor is it necessary for it to grant, its approval to the issue of this Supplement. The Commission is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that Law.

Financial Advisers selling this product need to be licenced under the Financial Services (Jersey) Law 1998, as amended to give investment advice.

Investors may not receive full repayment of their original investment on the termination of the bond or plan.