

# Offshore Savings in DCM Services

As part of reviewing the savings market available for UK investors we will from time to time consider the use of offshore deposits.



# About Offshore Savings



## What is an offshore account?

An offshore account is a savings account based in a country outside of the UK. This often means a jurisdiction such as the Isle of Man or Guernsey however might also include EU countries such as France or the Netherlands.



## What's the difference to my normal high street accounts?

Aside from the location of the institution, very little. The major difference for offshore based providers is that they have varying target markets. Some providers focus on providing accounts only for local customers and so may not allow UK clients to open accounts, some will focus on UK customers and some will open accounts for clients based anywhere.

UK deposit accounts pay interest gross of any income tax and you are responsible for declaring this as required by your own circumstances. This is no different with offshore accounts.



## What about tax?

Interest from offshore accounts is taxable in the same way as interest from domestic bank accounts. There is no tax advantage to holding offshore accounts for most UK savers.



## Why does DCM use them?

As part of our work the DCM team want to give as wide a range of accounts as possible to clients. Having a wide range of providers to consider means as market rates vary through supply and demand, competition and providers coming into and out of the market we can continue to give our clients access to a consistently competitive return.



## Are they less safe?

DCM's number one concern is security. We review the credit worthiness of all institutions we consider and take into account the corporate structure of the business for any subsidiaries. We would only consider an offshore account in DCM services when the institution met the same credit strength requirements as UK institutions.

The government backed investor compensation schemes are an insurance policy only and so we do not rely on them in selecting accounts. However if you are concerned about the underlying government protection scheme for offshore accounts you are able to opt out of their use by simply contacting your client manager.

Please contact us below if you have any queries



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