

GGI WORLD CONFERENCE

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Cross-border Estate Tax Planning – a UK Perspective

Nick Brennan – Partner of Citroen Wells Chartered Accountants in the UK

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UK domiciliaries

UK IHT on worldwide estate

40% on the estate

Unlimited spouse exemption – but watch dom to non-dom

£325K nil rate band – transferable to spouse

£175K residence nil rate band – £2m assets limit, transferable to spouse

Business and Agricultural Property reliefs

Pension funds

No wealth tax

PETs

Individuals only, add back to estate if donor does not survive 7 years

Otherwise IHT lifetime rate of 20%

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Non- UK domiciliaries

Domicile – origin, dependence and choice

Deemed domiciled – 15/20 and 3 year rules

UK assets only

Excluded property

Crypto assets?

Use of foreign companies and trusts

UK residential property



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Non - UK domiciliaries

Other taxes

ATED

Corporation tax

Capital gains tax

SDLT

De-enveloping

Brexit

Settled status

Other EU countries

Most frequent question - gift to adult child in UK



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Fact finding

The estate

What do they own

Where are they

Liabilities

Structure of ownership

The succession

Residence & nationality

Where is the client resident

Where are they domiciled/nationality/citizenship

What country's laws apply e.g. forced heirship

Other laws – e.g. Sharia

Immigration status



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Fact finding

The succession

Family

Married

Marriage contract

First marriage

Children – adult or minor; adopted

Where do family members live

Intentions

Short, medium and long term

Are there wills

Entry/exit planning- SRT



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Considerations

Capacity

What's already been done

One will or multiple wills

Other advice

Language

Expectations

Different tax years



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Double tax treaties

UK – 11 estate tax treaties

Unilateral relief



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Brussels IV - EU Succession Regulation 650/2012

<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:201:0107:0134:EN:PDF>

Not about tax but may impact
Determines rules for EU states
UK opted out, Ireland and Denmark as well
Effect on tax treaties

Moveable versus non-moveable assets

Moveable – domicile
Non-moveable - situs

Default – habitual residence
Renvoi
Close connection exception
Elect for nationality



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Brussels IV - EU Succession Regulation 650/2012

Examples

UK domiciled and resident with property in EU country

**Elect for nationality (UK), no renvoi, UK succession rules apply to EU property
May result in higher tax charge**

UK domiciled, resident in EU country

Elect for UK

EU domiciled and resident with property in UK

UK opted out so UK rules apply to UK non-moveable property

EU domiciled, resident in UK

UK opted out, UK rules apply to UK non-moveable property; renvoi so EU rules for EU non-movable property; EU rules for moveables



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THANK YOU!

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