



Offshore Investment Guide 2007

Congratulations!

"By opening this guide and committing yourself to learning the secrets inside it, you have just taken an important step towards achieving financial security.

Discover how to build wealth, enjoy greater privacy, protect your assets and secure your financial future"



Introduction

If you are an expatriate, an international investor or simply have an interest in 'offshore', and you want total financial peace of mind and wealth building success no matter what stage of life you are at, read on!

Whether you are taking the first steps towards getting your financial affairs in order, or you are already an experienced offshore investor - this guide has the facts, the figures and the answers to your wealth building and financial planning concerns! The Offshore Investment Guide 2007 has been written based on the advice of some of the best independent financial advisers in the world. Because when it comes to our money we all want to know how to save it, how to make more of it and how to make it work for us!

There has never been a definitive offshore financial planning guide and service that covers all these areas until now - the Offshore Investment Guide team includes a network of the best international independent financial advisers globally and is committed to providing you with the answers to your questions and where possible, the solutions to your needs.

So, the sooner you start taking positive action and facing up to your financial possibilities the sooner you will reap the rewards.

- **Knowing your position**
- **Knowing what's important**
- **Knowing what's available to you** - will enable you to realise your financial potential and secure your financial future today which is why this book covers how you as an offshore investor can reap the financial rewards at every stage of the financial planning lifecycle.

No matter what stage you are at in life we have the secrets to unlock your financial planning success.

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Offshore Investment Guide 2007

Financial Freedom

"If you are an expatriate, an international investor or simply have an interest in 'offshore', and you want total financial peace of mind and wealth building success no matter what stage of life you are at, read on! "



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Chapter One - Retirement Planning

Delaying your pension planning will have a significant and dramatically negative effect on your potential retirement income. Find out how you can protect yourself today from this 'cost of delay' by using the offshore advantage to maximise your investment returns. Don't be a retirement statistic, start your retirement planning today in a way that will neither restrict your investment freedom today nor restrict your lifestyle freedom in retirement.

Chapter Two - Family (Part One)

Education is considered to be one of the greatest gifts and is undeniably the most significant enabler for the achievement of future potential. But at what cost does a 'good all round education' start these days? From private education to higher education, this chapter covers both the facts and the figures that will show you how best to utilise the offshore advantage to afford to give your children the greatest gift of all. Can you afford to ignore this chapter? Can you afford to restrict the future potential of your children?

Chapter Three - Estate Planning

It is universally accepted that estate or inheritance tax is THE most unjust taxation levied, and that it should be avoided wherever possible! This chapter focuses on the IHT liability your estate will suffer and what exactly you must practically do to stop the tax man in his tracks. Protect your

assets and protect you estate's beneficiaries and start taking action today! The sooner you consider the realities of estate planning the sooner you can get the solutions in place to protect all that you have worked hard to achieve in life and all that you want to continue to achieve and enjoy.

Chapter Four - Family (Part Two)

Your family is unarguably the greatest 'asset' that you have. Find out how best you can protect this asset from the uncertainties that life can bring. From the considerations of health and life insurance to the practical application of income protection cover, this chapter details all the insurances and assurances you might like to consider when protecting your family for life.

Chapter Five - International Financial Planning

As an expatriate or international investor you are in an advantaged position when it comes to investment choice and potential growth and returns. Find out how to maximise this potential today. Furthermore, this chapter covers everything you need to know about the **EU Tax Directive 2005** and how you can continue to grow your wealth securely and privately.

Conclusion



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Retirement Planning

"As our life expectancy increases, the number of years that we can expect to spend in retirement grows. Soon many people may well spend more time retired than they did in work, if they can afford to! "



Introduction

Why do so many of us constantly push the thought of retirement planning to the back of our minds?

Reluctance...!

1. Reluctance to save for an event that seems so far off
2. Reluctance to tie in to an inflexible pension scheme
3. Reluctance to put a large portion of our current income out of reach for the long term

But in terms of retirement planning, putting off until tomorrow that which you could get done today will end up costing you very dearly as the following graphic illustration shows.

The cost of delaying your pension planning is illustrated here based on the desire to achieve a fund of **£1,000,000** at the age of **60** using a typical offshore retirement plan with a net annual return of **5%**. -

Age next birthday at outset	Years of Investment	Monthly Payment	Total Cost	Cost of 1yr delay	Fund assuming 5% pa net return
30	30	£1,349	£485,640	-	£1,000,000
31	29	£1,438	£500,424	£14,784	£1,000,000
40	20	£2,640	£633,600	-	£1,000,000
41	19	£2,873	£655,044	£21,444	£1,000,000
50	10	£6,981	£837,720	-	£1,000,000
51	9	£8,216	£887,328	£49,608	£1,000,000

Considering the cost of delay, don't you think it's time you looked at the bigger picture and found out what options are available to you as an expatriate?

This chapter will uncover the myths of retirement planning and it will attempt to give you a fair indication of what can realistically be achieved and show you how to fulfil your retirement goals.

Popular Retirement Myths

i) I'm too young to worry about retirement planning...

Every month you delay your retirement savings planning, you significantly reduce the value of your future potential retirement fund.

Or put another way, every month you delay your retirement savings planning you significantly increase the amount that you will need to invest tomorrow to achieve the same level of retirement income than if you'd started today.

If a 25 year old and a 35 year old were to start saving for retirement at 55 and the 25 year old invested £300 a month towards retirement, the 35 year old would have to increase his contributions to £803 a month to achieve the same potential returns.

You may well feel that retirement is a long way off. But if you look at it in terms of how many 'pay days' until retirement you will see that it is not very far away after all!

Assuming retirement at 60 and mortality at 85...

Current Age	Number of 'paydays' to fund for retirement	Number of 'paydays' after retirement
30	360	300
40	240	300
50	120	300

ii) There's always the state pension...

Are you continuing to pay contributions to your state scheme while living abroad?

NO? - this could reduce or wipe out your entitlement.

YES? - any pension that the state pays is almost certainly not going to keep you in the kind of lifestyle that you will want in retirement.

State pensions may not even exist when you reach retirement age, and the age of retirement for state pension entitlement will most certainly rise.

Most state pension schemes are not funded, meaning that the state pensions paid out this month are paid from money collected by the Government this month.

Over the coming years the workforce worldwide will get smaller and at the same time we are set to live longer - therefore there will be fewer workers to fund an increasing number of state pensions.

What if future governments reduce or stop state retirement benefit?

What will you do then?

Do you really want to be dependant on the state?
Surely the ONLY person you can truly rely on is yourself.

iii) As a married woman my husband's pension will provide for my retirement...

It's a hard and bitter fact to accept: but in the West one marriage in two ends in divorce, and one second marriage in two ends in divorce. So how do you know that your husband will be there to look after you?

Isn't it naïve to the point of foolishness not to accept a women's right for financial independence – especially in this day and age and especially in retirement?

That said, only about 20% of all women receive an adequate pension, therefore many are approaching retirement without financial security.

When you consider that a woman's earnings tend to be less than a man's, this means that they will have potentially lower pension benefits as well. On top of that, up to 50% of working women don't have a company pension plan and still depend on their husband to support them in retirement.

A woman is currently less likely than a man to receive an adequate pension; therefore they can be exposed to a greater risk of not having enough money to live comfortably in retirement. And as women on average live longer than men do, so they often have to survive longer on less money.

So ladies, don't be indifferent to your plight!

Not So Popular Retirement Facts

At the state retirement age of 65 the average man will have some 19 more years to live and the average woman, 22 years. You will have to support yourself without work and, very likely, without state income.

This means that you will spend 25% to 30% of your life in retirement.

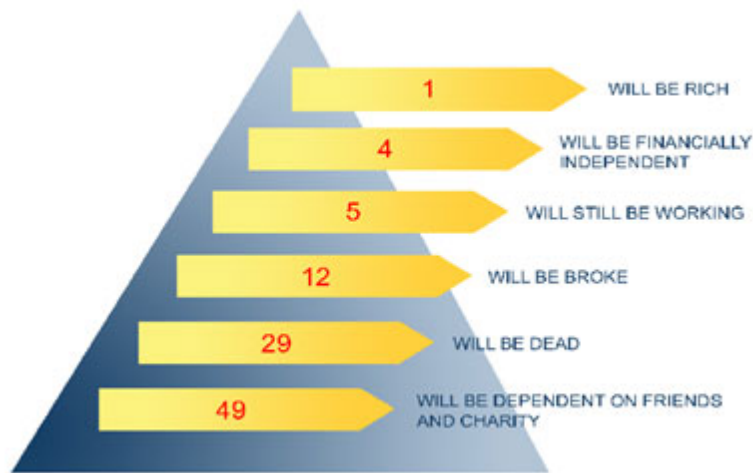
You will need substantial sums of money to support yourself in retirement in the manner to which you will have become accustomed throughout your life to date.

Recent figures show that individuals aged between 25 and 44 are saving 1/3rd of the amount they should be saving in order to support their current lifestyle in retirement.

In most countries you are forced to make your own pension provision if you want to have any chance of a comfortable retirement. The value of the government pension that you could once rely on is diminishing every year.

And last but by no means least: -

The graphic story of 100 young people now aged 25...and where they will be 40 years later at retirement



**Of those who live to retirement,
93% will be depending on friends, relatives and charity.**

Where will you be?

Ready to Start Planning?

As an expatriate you are in a more privileged position than most – chances are, you're enjoying a higher salary and extra benefits as a result of working away from home. Furthermore expatriates have greater freedom when it comes to making investment decisions: they are not necessarily restricted by the same regulations that domestic investors experience.

If you already had a domestic pension plan in place prior to working offshore, you may find that it is not as mobile as you are. And switching from plan to plan as you change from country to country doesn't make sense. It can mean that the income you end up with in later life is fragmented and may be whittled away by foreign exchange costs, charges or even a cash-strapped government!

Sometimes, an international company will offer a pension plan to expatriate employees as part of their benefits package, but unfortunately this is nowhere near as common as it used to be and therefore the onus is on you to provide for your own retirement.

Decisions That Need To Be Made

The most sensible solution would seem to be finding a safe harbour to anchor your retirement investments so that you can move from country to country as necessary without this having any negative impact on your assets.

However, if you decide to do this you need to decide exactly where that safe harbour should be.

Offshore financial centres present a viable solution - especially if you are undecided as to your eventual retirement destination. Basing your pension investment offshore should mean that future movements of capital or income are not impeded.

However you should remember that any retirement income you take could be liable for taxation depending on where you are living at that time.

What To Be Aware Of

Your own personal circumstances are unique.

Be realistic about how much you should be contributing.

Know that a good offshore retirement plan should allow you to do the following without penalty:-

- Reduce contributions without penalty (normally after an initial period of one to two years).
- Switch investments between different funds to respond to changes in the market. Preferably including funds managed by other people outside of the institution zone.
- Have the option of retiring when you want to without penalty.
- Allow certain access to monies invested (again, after an initial period).

How to Find the RIGHT Solution

Finding out what each provider's best products are currently, and then hand picking the best to suit your own personal needs and current circumstances is the best idea!

But how impractical!

Do you have the time to do this?

Would you consider yourself an expert in offshore investments and pension planning?

Where would you start?

Obviously professional advice will get you the right solution and save you time and money and reduce your cost of delay significantly!

If you would like us to assist you in sourcing the right adviser, contact us today and we will help you find an internationally focused independent adviser who understands your circumstances and is best placed to advise you.

Pension Surrender

Cashing in a UK or onshore pension is rarely the best option available to you.

If you have taken out an offshore pension policy and you are unhappy with it or want to take a break from paying into it, consider all the options that are available to you before you decide on your path of action.

1. Instead of encashment could you take a payment holiday?
2. Instead of encashment could you change your investment focus?
3. Instead of encashment you HAVE to speak to a brokerage to find out what options are available to you and which options are BEST for you.

You do not have to speak to the adviser or brokerage who set up the initial policy for advice - a good independent financial adviser will be happy to assist you with any previous policies or investments that you may have.

Get Informed!

If you haven't started your retirement planning or you want to check whether you need to do more or you want to find out what you can do with policies already in existence – from company pensions, personal pensions and offshore pensions - you need to act now!

As an expatriate you are in a privileged savings and investing position. Make the most of the options available to you while you can.

Find the right company to advise you about exactly what is available in the market place today.

Find the right company to get the best solution in place for you sooner rather than later!

If you need to find an adviser, the Offshore Investment Guide team are perfectly placed to assist you.

Contact them today with your requirements and they will find an international, independent sympathetic and experienced adviser or brokerage to match your exact requirements and to assist you.

[email: info@offshoreinvestmentguide.com](mailto:info@offshoreinvestmentguide.com)



Offshore Investment Guide 2007

Family - Part One

"Education is the greatest gift - and the investment any of us makes in our child's education and future is the greatest investment we can ever make"



Introduction

When considering your family's future and how best to provide for them and enable them throughout life, one of the fundamental issues you will need to consider is the education of your children.

Education is the greatest gift - and the investment any of us makes in our child's education and future is the greatest investment we can ever make.

And when considering this point, the initial questions you will no doubt be asking will centre on the value of the investment in your child's future and not the actual price it will cost you...the value of education versus the cost.

That said - how much is this investment going to cost you financially and can you really afford the greatest gift?

Quality primary, secondary and higher education these days is essential to your child if they are to stand the best chance in life.

Are you going to let finances stand in their way?

Private Education For Your Child

Doing the best that we can for our children and setting them up for their future is the best gift that we can give.

This part of the Offshore Investment Guide is designed to highlight both the considerations and the costs of educating your child.

Whether your child has yet to be born or is already in education - we will cover the facts that you need to be aware of at every step of the way - and we will attempt to answer those nagging financial questions that just won't go away!

Is a private school education best for your child?

Clearly every child is unique; and as parents we all want our child to retain their individuality and to grow and develop into confident, independent, respectful adults with a wide cultural, social and educational awareness. Therefore every decision about whether a private school education is best for a child will be unique and will depend upon so many different factors.

The considerations of an expatriate

If you are an expatriate there a number of points that are worth considering when determining the right path for the educational needs of your child: -

Are you in an environment where the local education standards differ greatly from the standards that you would like to achieve for your child? What choices are available to you?

Are you living in an environment that is not 100% safe or stable for your child? Could this adversely affect their educational development? If so what action can you take to protect your child's educational needs?

Culturally, morally or religiously does the environment in which you live match your family's beliefs and ideals? If not, what can be done to safeguard your child's social welfare?

Are the educational, extracurricular and social facilities offered locally wide enough to encompass your child's personal needs, talents and desires?

Is the language in your country of residence going to prove a barrier or a retardant to your child's learning?

Do the standards of qualifications achievable in your country of residence compare favourably to the standards back home?

Do the standards of teacher qualifications in your country of residence compare favourably to the standards back home?

Is there a potential for the repetition of any educational or social disruption to your child if your job or that of your partner means that you will regularly have to travel or relocate?

How can you overcome any worry or anguish involved in potentially sending a child away from their family?

The considerations at home

The country in which you live, the town in which you live, even the area of the town in which you live can all dictate the standard of education that your child will be entitled to.

The considerations that you need to have in mind should encompass the following points: -

Are you happy to be at the mercy of the local education system?

Is your government doing enough to fund and develop and improve state schools?

Do the best local schools guarantee places to the best pupils?

Does your child stand a chance of getting the education they deserve?

Are you happy to leave your child's education to chance and play the lottery of the state school?

If only those children who leave education with the best qualifications stand a chance of getting the best jobs, will your local, state funded school provide your child with the best chance to achieve the best qualifications?

Class sizes, teachers' qualifications, facilities, availability of extra curricular activities for social and personal development.

Recognition, appreciation and ability to help special needs and specially gifted children.

How do you ultimately decide – private or state?

There are 3 clear points that you need to cover in your own mind: -

You need to make sure that you understand how important it is to you that your child has a good education.

Then you need to understand what that means to you in terms of selecting the right school and the right schooling method.

Finally you need to accept that it is down to you to take the responsibility of providing your child with the educational opportunities to set them up for life.

If private education is your decision, what next?

Having decided that due to your own personal circumstances a private school education is the best option for your child, you now need to find the best school.

The number of private schools available at home and abroad is vast. To make your choices, and ultimately your decision easier, focus on the basic considerations of what type of school will best meet the needs of you and your child.

You can use the internet, library and personal recommendation as starting points to narrow your search. Then contact a short list of about 10 schools for their brochures and detailed information.

Make sure you gather information on the average academic achievements of the school's pupils at each key stage of development and testing. Examine the school's facilities, security arrangements, pupil welfare programs – everything that is of importance to you and your child.

If you are thinking of sending your child overseas or back home to be educated will the school assist with the logistics of travel, what weekend activities are available for them, are there other pupils who will be in the same situation as your child, how easy will it be to communicate with your child?

When you have further reduced your short list, visit the schools that you are interested in with your child, and visit during term time. Get a feel for the atmosphere and talk to pupils and staff. Make sure you, and ideally your child, are comfortable with the school.

The costs

Fees charged in different countries and across the different institutions can of course vary massively.

As an example for you to base preliminary financial considerations on: -

> In the United Kingdom average private school fees in 2004 are just over £3,000 a term for education, that's at least £9,000 a year.

> In the United Kingdom average boarding fees in 2004 are just under £6,000 a term in addition to education, that's at least £18,000 a year.

> The demand for private schooling in the United Kingdom in 2004 is up for the 9th year in a row.

Carefully examine the registration, entrance and school fees together with boarding fees and extras when you research your preferred schools. If you have more than one child then obviously multiply costs applicably.

Also take into consideration inflation if you are planning ahead for the education of a young child – and inflation in educational spheres is currently running at about seven and a half percent per year.

Bare in mind inflation again when adding up the number of years your child will need schooling for and you can quickly and easily come to a large and frightening sum of around £100,000 per child for average school fees alone.

Affording to give the Greatest Gift

The benefits of providing your child with the very best start in life must outweigh the costs – both emotionally and financially.

On an emotional level you want to make sure that your child is given every opportunity to fulfil their potential and that their school life will be both enjoyable and productive – that makes you a great parent.

On a financial level there are many options available to you when it comes to the planning for, saving for, financing of and enabling your child's education.

As an expatriate there are advisers who can help you find and arrange savings and investment plans to provide the money you will need to pay for your child's education – make use of your offshore advantages – you'd be MAD not to!

Plan now

If you want to start saving or want to put away a lump sum to cover the investment in your child's future, today couldn't be a better day to start.

In this instance it really is a case of not putting off until tomorrow what you can do today – can you afford to neglect your child's future?

Contact an adviser

The Offshore Investment Guide team can work with you to make your money work harder for you.

All the advisers we have access to are completely independent and they have your interests at heart.

Through these advisers you will have access to the best deals tailored to your exact financial needs,

any advice given is given free of charge and you are under no obligation to act upon it.

So, what's stopping you?

Find out how an adviser can help you achieve your financial goals and your dreams for the future of your children.

Higher Education For Your Student Child

Doing the best that we can for our children and setting them up for their future is the most valuable gift that we can give and is our obligation to our children as their parents.

This obligation does not end in high school; this obligation carries on throughout higher education as it is only through the provision of a complete, comprehensive and well rounded education that we can expect our children to grow into the free, independent and forward thinking adults that we hope them to become.

How much does a university education cost today?

The fees applicable will depend upon: -

The class of institution your student child chooses.

Their chosen path of study.

The country in which they want to study and whether they are going to be classed as an overseas student or not.

The city in which they want to study etc., etc.

As a guide on which you can base your considerations please note that the total cost of a university education has doubled over the past five years and the average university course is now 4 years.

If you are an expatriate and your child will be studying overseas here are some example costs: -

UK: -

The education fees for an average science degree are £8,200 per year

The education fees for an average arts degree are £6,303 per year

The average living expenses for the academic year (September to June) are £6,600, add to this a flight, holiday and a little money for clothes and fun and it can easily amount to £17,000 plus per year.

USA: -

The education fees for an average degree from a private low cost university are \$12,000 per year

The average living expenses for the academic year are \$10,000

Of course when it comes to living expenses they are different for each individual depending on their lifestyle and the city in which they study.

How much will a university education cost in the future?

The cost of obtaining a degree will continue to increase as more countries adopt the American

system where, quite simply, the best colleges charge the higher tuition fees.

The cost increase is likely to be further compounded as the state actively encourages our children into further education and university places will come at a premium. In the UK nowadays, 1 in 3 children enter higher education compared to 1 in 20 in the 1960s and it is fair to assume that this number will not reduce.

Added to these facts, you have to take into account inflation of course - and the cost of education is currently growing way beyond the rate of inflation at around seven and a half percent per annum in the West. Though, if you simply base your future figures on inflation alone this could double the money required to finance your child's higher education.

Removing the financial barriers

In a comprehensive survey by the University of Glasgow it was found that for most students the university tuition fees are not the main problem when it comes to deterring high calibre students from achieving their educational goals.

More students and their families were put off the thought of higher education by the potential debts that would be incurred from the ever rising accommodation and utility costs, travel expenses, books, equipment and lifestyle costs.

It seems that debt rather than beer is uppermost in the modern student's mind and in 2002 as the average graduate left university with a debt of £10,000 you can see why!

Leaving university under a mountain of debt that will engulf finances for many years is not an attractive prospect, and as a result students are opting for cheaper, shorter courses closer to home. Quite simply, they are not being afforded choice, freedom or the ability to fulfil their potential.

So how can you help to remove the financial barriers that will restrict your child?

Planning, investing and financing

There are a hundred-and-one ways to save for university fees – especially as an expat offshore investor!

Initial considerations should be made depending on the length of time until your child is of age to attend university, the amount of capital hoping to be raised and the level of risk you are willing to subject your savings to.

There are tax free and tax friendly options available to you.

If you need the funds in the short term you might be in a position to consider a re-mortgage to release equity from your home for the education of your student child. If you do not plan ahead, this may be your only option.

The options and possibilities are out there.

Next steps

The decisions you will no doubt make will be based upon getting the best returns for your money

and affording your child the best chance for their future.

To help you identify the best financial options available to you, you will need personally targeted advice, and consider that making your money work harder for you is the focus that any decent independent financial adviser should come from.

Generally, the savings and investment plans that most expatriate parents choose are not restricted to education planning. This allows parents and their student children to use the money for other purposes if required – e.g., a wedding, a house purchase or a grandchild!

Speak to an independent adviser and talk your ideas through with him – he will have access to the entire product market place and will be in a position to offer you the best deals tailored to your exact financial needs.

Contact an adviser today: - info@offshoreinvestmentguide.com



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Estate Planning

"The solutions to your estate planning problems are out there but unless you get informed of your options, the tax man may very well benefit substantially from your death. Stop him in his tracks "



Introduction

You may think that as an expatriate you have slipped through the net and your estate will be free of inheritance taxation liabilities – well unless you have taken certain steps already this may very well **NOT** be the case.

The solutions to your estate planning problems are out there but unless you get informed of your options, the tax man may very well benefit substantially from your death. Stop him in his tracks – read on.

The Future

From school fee planning to retirement planning – when it comes to planning for our future and that of our families we have no problem considering the options and possible solutions.

Considering our own mortality however, is not something we like to spend much time doing! Yet the fact of the matter is - it is unavoidable. And just as death is not something we can escape from, death duty is just as inevitable.

That said - there is specific action that can be taken to protect your assets from the tax man.

This chapter will help you to understand what your estate tax liabilities may be, and how best you can take action to avoid your family losing out to the tax man.

What is IHT?

IHT or inheritance tax is what the UK Government call death duties, the US Government prefer to refer to death duties as Estate Tax and in France for example, death duties are called Estate and Gift Tax.

Whatever the name for this form of taxation one thing is universally true – the further taxation at death of assets on which and for which you have paid your tax liability throughout life, is quite simply unfair.

Automatic expatriate avoidance

If you believe that simply by moving away from your country of birth you can avoid inheritance tax, you may very well be wrong.

Depending on your circumstances at the present time it may well be possible to reduce your income and capital gains taxes – but it is far harder to escape taxation of your estate at death.

UK expatriate example

If you are British but no longer a UK resident and you hold property in the UK and abroad, at death the British tax man will be entitled to claim inheritance tax on your worldwide assets.

The percentage he will be able to claim will be 0% on the first £263,000 of your estate (tax year 2004 - 2005) and 40% of everything over that amount.

N.B., The first £263,000 is not exempt – it is simply taxed at 0%, meaning the tax man can change that to be a positive percentage amount at any time in the future!

Your UK inheritance tax liabilities are not based on your country of residence, they are not based on the amount of time you have been out of the country, they are based on your domicile.

Currently the UK government is debating whether to significantly raise IHT percentages as it is an easy and effective way for them to raise massive sums of money. IHT is not going to be reduced and is certainly not going away.

Determining domicile & changing domicile

Losing residency in your country of birth is fairly easy to do! Leave that country for long enough and you'll lose your residency there. Losing or changing your domicile on the other hand is quite another matter.

Your domicile will always revert to your country of birth unless you take specific and direct action to change that.

Going back to the UK expatriate example above: the expatriate Brit had given up his residency but had not given up his domicile, furthermore, as he still had assets in the UK, the UK tax man was able to claim IHT on his entire worldwide assets at the time of death. Maybe a good solution for him would have been to change domicile during his life.

However, changing domicile is not easy to do and it is not something that is generally actively encouraged!

For a British national to change their domicile for example: -

1. They must leave the UK with the 'intention never to return'.
2. They must acquire a new domicile - a 'domicile of choice'
3. And they must then live in the new domicile and show that it is their intention to live there forever!

At this stage the ex-British national living in their 'domicile of choice' can still be deemed to be UK domiciled for IHT purposes!

You can be 'deemed domiciled' in the UK even if you have been away from the country for the last 17 out of 20 years for example.

You can be 'deemed domiciled' in the UK for the 3 years after you cease to be officially UK domiciled!

How are other nationalities affected?

US – For US citizens it's worse! No matter where you live in the world, no matter how long you've lived there and no matter where your assets are in the world; at death your entire estate may be liable for US Estate Tax at 50%.

Canada – Canada doesn't have a straight tax at death. Instead things are far more complicated! In Canada you have capital gains tax liable on the 'deemed disposal' of a person's estate, you can have probate fees...oh and rates applicable can change from state to state!

Europe – Taking France as an example where the rules are significantly more complex, note that the top rate is 40%, the same as in the UK.

Quite simply, whatever your nationality and wherever you now live, your estate may be liable for quite significant death taxes.

Death tax rates worldwide

The rates of tax applicable and the rules determining who gets what are different in every country. Here are some examples of the top rates applicable by country: -

Country	Top Potential Death Tax Rate
Australia	0%
Hong Kong	15%
Netherlands	27%
Germany	30%
UK	40%
Korea	45%
US	50%
Japan	70%

Practical liability example

Based on UK IHT: -

Anything left to spouse passes free of IHT

Assuming a widower leaves entire estate worth £600,000 (net) to his children: -

£263,000 is taxed at 0%

Balance is taxed at 40%

Estate Net Value	£600,000
0%	£263,000
Balance	£337,000
IHT Liability	£134,800
% of initial Estate Value	22.5%

That leaves just £465,200 from the original estate value of £600,000...

What's YOUR liability?

To determine the potential death duty liability on your estate, a full and comprehensive financial review will need to be carried out. There are so many areas that need to be considered, and professional advice is essential to make sure that you cover every potential aspect of the situation.

The fact that your loved ones will at least receive the remainder of your estate after death duties is simply not good enough!

Do you WANT the tax man to benefit again from the hard work you put in through life?

Take positive action today to determine your liabilities.

What can you do to reduce the liability?

There are a number of options open to you in life that will allow you to reduce the death tax burden due on your estate. Determining what action should be taken and what's right in your personal circumstance will require professional advice – financial and taxation advisers understand the rules and the liabilities, and can work with you personally to protect your assets and to protect your estate.

Some of the options and considerations that may be open to you and of interest to you are: -

Gifts – the giving of assets as 'gifts' during your lifetime can reduce liability at death. You have to be able to do without the asset gifted for the rest of your life of course. And you have to have made the gift a number of years before your death for it not to be counted as part of your estate.

Trusts - a trust is a legal entity which can be used effectively for financial planning and estate planning purposes – especially if it is established offshore. A trust can enable you to make long term plans for the preservation and distribution of your wealth during or after your lifetime. If you transfer your assets into trust, depending on the trust type you choose, you can make sure that the management of your assets will continue in accordance with your specific wishes.

Portfolio Bonds and Investment Funds – through which you can save to accumulate the money to cover death duty.

Wills – do not die intestate....if you do not make a will and keep that will valid and up to date, your estate will not necessarily be handled according to your wishes. As an expatriate you need to make sure that you have a will in the country in which you reside and governed by the laws of that country, as well as a will covering any assets you have back home. Furthermore divorce or marriage can invalidate a will.

Getting help & information

Getting to grips with the complexities of estate planning, protecting your loved ones, protecting your estate and protecting your own wishes requires professional advice.

You need to establish your liability and find the solutions to reduce and negate that liability.

Step one is to have a full financial review and discuss your options with an expert. To that end the Offshore Investment Guide team can assist you. Contact them today and they can put you in touch with a sympathetic and experienced independent financial adviser with whom you can discuss your situation and potential solutions available to you.

Through the advisers they put you in touch with you will gain a full understanding of your situation and then have access to the best solutions tailored to your exact needs.

Please don't let the tax man steal all that you have worked hard to achieve when you can legally and legitimately protect your assets and the future of your entire estate.



Offshore Investment Guide 2007

Family - Part Two

"Personal peace of mind will enable you to get on with enjoying your time abroad and allow you to concentrate on establishing long term financial freedom."



Introduction

If you and your family relocate overseas, one of your first priorities from a financial planning point of view may very well be establishing health care.

Costs and services abroad can differ greatly to what you are accustomed to 'back home'. Therefore it is essential to make sure that you are fully covered.

From straight health insurance for you and your family you may need to consider both critical illness insurance and income protection. Making sure that you have the important insurances in place will afford you greater peace of mind coupled with greater security as a family.

Personal peace of mind will enable you to get on with enjoying your time abroad and allow you to concentrate on establishing long term financial freedom.

Health insurance

In terms of health insurance, it is essential to make sure that you and your family are covered in your new country of residence and also when travelling.

Always make sure that you are comfortable with any restrictions or limitations of policies recommended to you, and any excess you may be liable for in the event of a claim.

Medical costs differ greatly around the world, as do the standards of treatment available. Find out what services are available in your country of residence, what your insurance covers you for, and always make sure that you have the option to repatriate in the event of an emergency.

There are so very many companies offering health insurance in the market place today and all come with features, benefits, exclusions and exceptions.

Speak to an independent financial adviser to find out what your best options are depending on your personal needs and those of your family.

With something as precious and essential as your health are you prepared to accept second best?

Know what's available and be a smart buyer!

Critical illness insurance

Critical illness insurance can take away stress and financial strain if ever you are incapacitated through serious illness.

Financial expenditure and outgoings will not cease if you are taken ill: your ability to provide for your family will however cease. Critical illness insurance is designed to pay out in the event that you are unable to work due to serious and ongoing illness.

Income protection insurance

Income protection insurance may also be available to you and of interest. This insurance is used to replace a percentage of your income if you are unable to work through injury or illness

Life Insurance

As an expatriate living in a 'foreign' country there are many uncertainties, upheavals, unknowns and concerns especially when it comes to fiscal matters.

Life insurance is one of the most important products when it comes to peace of mind. You want to protect your loved ones in the event of your death – protect them financially and emotionally.

For your family to maintain the same standard of living in the event of your death you have to make sure that you have the correct type and level of life insurance.

The type of life insurance you need depends on what you want to achieve with your policy.

If you simply require insurance against your untimely death for the fixed number of years of your offspring's childhood for example, this can be arranged via level term life insurance.

Decreasing term insurance can be used to pay off a mortgage or other loan in the event of your death during the outstanding period of the loan.

Whole of life insurance is exactly as it sounds – it covers your beneficiary in the event of your death whenever it occurs.

And annual renewable life insurance can be used by expatriates who wish to insure themselves one year at a time depending on their changing circumstances.

Life insurance policies are available for your whole family and are definitely something worth considering when it comes to financial peace of mind.

First steps

Whether you are a new expatriate, an expatriate in a new country, or an expatriate worried about the levels of insurance you have for your family, you shouldn't put off until tomorrow that which you can get done and dusted today!

Yes, insurance is boring!
But insurance does bring protection.
And protection brings peace of mind.

When it comes to financial and wealth management and making your money work harder for you and your family, the first step is to actually make sure your current position is secured.

We all know that we should have enough in the bank readily to hand to cover a rainy day or an emergency trip back home – but at the same time we need to look out for ourselves and our family today as well as securing our future tomorrow.

No one step in the financial planning lifecycle should be over looked! Depending on the stage of life you are at, certain solutions and concepts may be inappropriate to you - but the underlying fundamentals of each section should be considered.

And the underlying fundamental of this section is to insure yourself to ensure your future.

Based on your country of residence, country of domicile, intention to remain or repatriate, and the needs and requirements you have, a financial adviser will be best placed to advise you when it comes to all your insurances and assurances - contact an adviser today for a financial review and to take the first positive steps towards a secure future.



Offshore Investment Guide 2007

International

Financial Planning

"As an expatriate you are often in a far better position financially than both your peers back home and the local people in your new country of residence - find out how to make the most of your advantage"



Introduction

Having covered the main points of the financial planning lifecycle from an 'offshore' perspective, this final section of the guide will cover the general areas of consideration specific to international investors and expatriates alike.

As an expatriate are you profiting financially from your time overseas?

Are you an expatriate who takes high paid short term contracts around the world?

Or are you maybe an expatriate who has accepted a position with your company in a more extreme environment overseas and as a result you're benefiting financially for your 'hardship'?

Maybe the country in which you're now living and working has a far lower cost of living than you're used to back home, maybe you're lucky enough to have lower taxation?

Are you benefiting from extra financial incentives offered in a bid to get you to accept a riskier position or to take a contract that others may find unattractive?

If you are such an expatriate, profiting financially from your time overseas, you are in a far more privileged position than your peers back home, and possibly in a far more privileged position than you realise in terms of maximising wealth and securing your financial future.

Just think about it for a minute...

By taking advantage of the extra money you have, and intensively investing over the short, medium or long term; by taking advantage of the many offshore tax friendly possibilities and by using your time overseas wisely you can save in 3 – 5 years what an average investor might take his entire working life to accumulate.

Could you be benefiting more from your position as an expatriate?

Are you in a position to invest more as a result of higher income, lower taxation or lower cost of living?

If so, find out how you can make your money work harder and how you can build a wealthier future.

Understanding your position

As an expatriate you are often in a far better position financially than both your peers back home and the local people in your new country of residence.

Often the countries where expatriates go to work offer a far lower cost of living – from rental costs to the weekly food bill – and yet the expatriate could be receiving over and above what he earned back home.

If you've worked before in London or New York for example, you'll find a move to India or Australia shocks you when you can see how well people live on far smaller amounts of money.

Rental costs in major cities alone are enough to eat up a salary, and when you move to a country with lower living costs you will find that your salary will take you a lot further.

Even if you are not relocated and effectively compensated by an employer for a move overseas and you choose to source a contract for yourself, you may well be working in an environment that is unattractive for many foreign workers as a result of the climate, the security, the environment, the location or whatever – and you will be well paid for your services.

All these facts mean that your income should exceed your expenditure.

Further advantages

As an expatriate, you are legally entitled to take advantage of any tax savings offered in your country of residence.

Switzerland is a country which offers an incredibly high standard of living, political and economic stability, amazing scenery and all this for an average of 21% tax! Of course a country like Switzerland has very high living costs which might negate any taxation savings!

Dubai – another location which offers an incredibly high standard of living, economic stability and striking scenery (lots of sand!) – and a country where there are no corporate taxes and no personal taxes, because direct taxation is against the traditions of the UAE.

Wherever you choose or are required to go – check out the taxation benefits of going there and consider also the remittance basis when it comes to taxation and whether it is applicable to your circumstances....

The remittance basis

Income or gains may only be taxable if they are remitted to (or brought into) the country in which you are now living...it may therefore be possible to remit only the basic minimum for living costs and save on income and capital gains in your new country of residence.

Taking advantage

Investing your excess money is simply putting it to good use.

Rather than living up to your means by adopting an extravagant lifestyle you may well choose to live well but sensibly and invest the rest. Investing today for your future and that of your family will afford you peace of mind.

The sooner you invest in life, the longer you can invest for.

The longer you invest for, the greater the returns you can potentially achieve.

By establishing wealth you establish security.

As an expatriate there are many offshore jurisdictions with tax friendly policies that offer interesting investment opportunities to you. When choosing the right jurisdiction as the harbour for your money considerations need to be made based on a number of factors including: -

- Your country of residence
- Your nationality
- Other countries you may be wishing to relocate to
If/when you'll be returning home

Your personal circumstances will dictate what solutions are available to you.

International independent advice.

To find out what investment opportunities are available to you and in which jurisdictions you will benefit most from investing your money you should speak to an international independent financial adviser.

Local advisers in your country of residence may be locally biased and may not understand the concept of putting your expatriate offshore status to its full advantage. Furthermore, if you relocate again or repatriate, your local adviser will no longer be in a position to assist you. If you have invested through the local adviser how will you benefit from financial reviews etc., when you no longer reside in the same country?

Contacting an adviser back home will bring similar issues. He will not understand how best you can utilise the extra income you're receiving from a taxation point of view in your country of residence, and he will not know how you can benefit from your status as an expatriate in your specific country of residence. Contacting an adviser back home may also prove tricky when considering communication links and time zones.

An internationally focused independent financial adviser with a comprehensive overview and understanding of all things 'offshore' will be your most valuable contact when it comes to planning how best to invest your excess income to build wealth.

A Financial Review

Whether you are an experienced international or expatriate investor or thinking about getting your financial affairs in order for the first time, a full financial review or an investment overview is a

worthwhile undertaking.

Your financial independence and security couldn't be more important, and the first step to making sure you're on the right road to financial independence is to have a full financial review.

Why?

Because successful financial planning, astute offshore investing and generally making your money work harder for you can only be achieved when you consider your finances from a position of complete understanding.

Whatever your personal financial goals a complete financial review will inform you of the options available to you and areas for your attention and consideration.

To arrange a no obligation independent financial review, contact the Offshore Investment Guide team today and we will arrange for an internationally focused independent adviser from our network of the best advisers globally to contact you.

Tax friendly jurisdictions

Finding the best haven for your money where you can invest it into wealth building investment opportunities will be a matter of personal preference and available options depending on various criteria.

To examine every tax friendly jurisdiction would be impractical, and your adviser will discuss with you the merits of any location available to you.

However, to give you one example of how a tax haven works and how it can prove interesting to you in your wealth building planning lets look at the Isle of Man.

Isle of Man

The Isle of Man has a stable and independent legal, economic and political climate
All life assurance companies based there are closely regulated.

The island is a designated territory of the UK under the Financial Services & Markets Act 2000. This means investors are protected through laws accepted by the UK authorities as at least as effective as their own.

Compared to Luxembourg for example, the Isle of Man is the only one with a statutory compensation scheme for offshore life assurance companies.

Investors worldwide who invest in policies issued by Isle of Man authorised life assurance companies benefit directly from this level of protection afforded them.

If a company is unable to meet its financial liabilities, this worldwide investor protection scheme will compensate investors affected by up to 90% of the value of their policies and there is no upper amount to the monetary limit.

Financial institutions on the island are prohibited from disclosing client or transaction details to anyone, unless obliged by law to do so (under a drug enforcement or terrorism order for example).

Non-residence is the key to obtaining offshore tax treatment on the island

In the Isle of Man there is no general capital gains tax or capital transfer tax and apart from VAT at 17.5%, the only significant tax is income tax which is 18% max. and does not apply to offshore funds.

Suitable investment products for maximum wealth building potential

Finding the right investment solutions based on your requirements and situation and from the point of view of security for your money, tax efficiency of your investment and ease of administration of the policy is something your financial adviser will be able to help you with.

As you are unique, so are your needs, requirements, current situation, future desires and overall objectives – you need personal and specific advice from a qualified and experienced adviser. Make sure you get it.

To give you one example of the flexible products on offer in the marketplace which can offer tax efficiency, cost effectiveness, asset protection and personal confidentiality together with insurance coverage and income options, let's discuss portfolio bonds.

Whether this product is available to you or right for you, only your adviser can tell you – this is simply one example of what can be achieved with your extra income and for the benefits of personal wealth building.

The Portfolio Bond

This is a simple holding structure for a wide range of investment vehicles – stocks and shares, bonds, funds, cash etc.

Key Points of a Portfolio Bond

1. The investor enters into a contract with an insurance company (probably one in an offshore tax haven)
2. Convenience of holding all your assets in 1 portfolio
3. Significant initial discounts from fund management groups
4. Opportunity for greater tax efficiency
5. Ability to transfer in existing quoted share holdings
6. Almost total investment freedom
7. Flexibility to change your investment portfolio at any time
8. Easy access to capital
9. Regular income facility

You would benefit from having access to the full range of investment vehicles available, and from having your assets handled by professional asset managers.

In certain jurisdictions portfolio bonds are 100% free of local taxes and can be structured for individual requirements in terms of their taxation status.

There can be massive benefits from structuring your portfolio through an offshore bond type vehicle

As the benefits change depending on individual personal circumstances this is an area that you

really must discuss with a good independent, internationally focused financial adviser.

EU Tax/Savings Directive 2005

The EU Savings Directive will commence on the 1st of July 2005 after being delayed for 6 months, and the EU will require a complete exchange of financial information between all EU member states – including the Isle of Man, Jersey and Guernsey.

If you are an EU resident and have any money in a bank account or on deposit in any one of the EU countries your information can be disclosed to the tax authority in your country of residence.

Every EU resident and EU domiciled individual will potentially be affected.

The Directive will require financial institutions and banks in any EU country who pay any form of savings interest to individuals who are tax resident in another EU country, to pass on all the information to the domestic tax authority or to levy a withholding tax.

The purpose of the Directive is to enable a taxpayer's local tax authority to find out whether the taxpayer gets savings income which may not have declared.

Jersey, Guernsey, the Isle of Man and the Cayman Islands are all included in this Directive.

Jersey, Guernsey and the Isle of Man have chosen to introduce a withholding tax similar to that taken in Belgium, Luxembourg and Austria – this will afford the individual a choice when it comes to either declaration of his assets or a taxation payment from the savings interest that he receives.

Investments affected include bank accounts, interest bearing investments, money market instruments etc.

Assets held by a life company are not currently affected – this means that if you have an offshore life assurance policy for example, this will continue to operate as a tax efficient wrapper for you and to protect you from the effects of the EU Savings Directive 2005.

AND - Portfolio Bonds Don't Count Either!

If you already have money invested offshore in an EU tax friendly jurisdiction and are concerned that you may lose your confidentiality and suffer as a result, speak to an internationally focused independent financial adviser immediately.

There are steps you can take to protect your assets, your wealth, your investment returns and your personal privacy.

Don't wait until July 2007 when it may be too late.

Find out if you will be affected.

Find out what action you can take – NOW.

Every single independent financial adviser in the Offshore Investment Guide's network can give you the specialised confidential assistance you need in this area. To speak to one of the advisers contact us TODAY, do not WAIT as the EU Tax Directive is real, it is about to happen and you may very well be adversely affected. Protect yourself and your assets immediately.

Next steps

Having established the fact that as an expatriate you are likely to be in a far more interesting position when it comes to investing – from both the point of view of benefiting from 'excess' money and from the fact that you can probably make use of tax friendly jurisdictions and tax friendly investment opportunities – a decision needs to be made as to how you can best utilise the opportunities open to you.

Based on your country of residence, country of domicile, intention to remain or repatriate, attitude to risk and a whole host of other criteria a financial adviser will be able to advise you when it comes to wealth building and wealth management.

Find an internationally focused independent financial adviser with an international, expatriate and offshore understanding. And armed with the information contained herein, you will be able to speak to the adviser from an informed point of view - meaning that through the adviser you will have access to the best deals tailored to your exact financial needs and through your knowledge, you will understand how best you can utilise them.

The Offshore Investment Guide team can put you in touch with such an adviser, if you require our services or simply have questions contact us today

info@offshoreinvestmentguide.com

Contractor Specific Solutions

Short term, long term, fixed term or renewable – whatever your contract status your financial goals, objectives and necessities are dictated by your current status and the fact that your status can change.

Understanding and meeting a contractor's offshore financial needs can often require the services of an expert. Make sure that any financial advice you seek and act upon is given from your unique position.

If in doubt the Offshore Investment Guide team will find you the right adviser for your particular situation.

The team has global reach – which means that through the network of advisers we can always find an independent financial adviser to assist you no matter how often you change your contract, your status or your location.

Whether you have a need for a tax efficient short term solution, or flexible health or life cover or a long term, highly flexible offshore investment and tax planning vehicle – we can assist you to find the right adviser!

And don't think that if you move location once, twice or even once or twice a year that we can't help you. We will be your central service provider and your constant.

High Net Worth

As an international experienced investor or a high net worth individual, you generally know exactly what you are looking for in investment terms. For you it is essential to have investment power,

freedom of choice and - wherever possible - to be able to design your own investment.

The investment consultants that form part of the Offshore Investment Guide team pride themselves on understanding your specific needs and will work directly with you to fulfil your personal requirements. These investment consultants can offer specialised solutions to high net worth individuals - your requirements can be discussed and met based on the information that you give.

The relationships in place between the Offshore Investment Guide team, the investment consultants and the fund managers mean that you will be able to access the most interesting and flexible investment opportunities from all the major financial institutions offshore.

Contact the team today and see how they can assist you.

info@offshoreinvestmentguide.com

Why use the Offshore Investment Guide team?

The Offshore Investment Guide team includes an international network of offshore focused independent financial advisers from the best brokerages in the world.

These advisers and brokerages help so many investors that they have built up excellent relationships with fund houses and offshore financial institutions throughout the world meaning that you not only benefit from the best advice in the marketplace, but that you directly benefit from the best deals and offers in the marketplace. Through the network of advisers available to you both savings and special offers can often be accessed.

It's simple!

These savings and special offers simply could not be available to you if you went directly to your favoured institution, nor would they likely be available if you instructed an individual independent adviser or small firm of financial advisers to act on your behalf.

The Offshore Investment Guide team only ever put you in touch with professional, experienced, independent, internationally focused offshore specialist financial advisers, and furthermore, the advice you are given is always 100% free and without obligation.

And to enable you to have full confidence in the advice you receive, the adviser you receive it from and the brokerage he represents, we have included with **'The Offshore Investment Guide 2004'** the independently written mini guide **'10 Little Offshore Secrets'** which we hope will assist you.

This mini guide not only contains the questions you really need to ask to make sure your adviser is giving you best advice, it contains the answers that you should receive to the questions you should ask! Put your adviser to the test with this mini guide and make sure he comes up to scratch.

To contact the team and find the RIGHT adviser for your specific needs email us or complete the online form and we will be in touch.

email: info@offshoreinvestmentguide.com or use our FREE Call Back Service



Offshore Investment Guide 2007

Conclusion

"What would financial freedom mean to you and what is financial security worth for you?"

Act Now!

Make long term, comprehensive financial planning your priority TODAY and: -

- Build your wealth
- Protect your wealth
- Manage your wealth

Because financial security is FREEDOM and FREEDOM is priceless.

Contact Us:

Please use our **FREE** call back service or email your offshore questions to

info@offshoreinvestmentguide.com

Offshore financial information from the Offshore Investment Guide team is free and no obligation.

Alternatively you can contact us via FAX using the form at the back of the guide.

Good luck with you offshore financial planning.

The Offshore Investment Guide Team





Confidential Contact Form

Please print and fax to +44 (0)870 751 7745

Your Full Name

Confidential Email Address

Daytime telephone number including full international code

Home telephone number including full international code

Mobile telephone number including full international code

Confidential fax including full international code

Address including country

Address Line 1

Address Line 2

Town or City

State or County

Country

ZIP/Post Code

Your comments - Please include your question and any relevant information in the box below

Please tick the appropriate box if you require specific product information

Retirement Planning

Education Fee Planning

Regular Savings

Lump Sum Investments