



10 Little Offshore Investment Secrets

How To Test The Credibility of a Financial Adviser

"Getting the wrong advice could cost you thousands. Here are the 10 most important questions that you should be asking anyone who offers you financial advice "



1: How Safe is My Money?

First things first, if you are making an investment, opening a savings account, buying shares or whatever, no money should ever be paid directly to a financial adviser or broker!

Any transfers you need to make should always go directly to the financial institution with whom you are investing - they will then will in turn pay a management fee or bonus to an adviser where applicable.

If an adviser or broker asks you to transfer any money directly to them for any reason whatsoever **DON'T DO IT** and question them closely about any advice they may have given you already!

Note 1 - If the financial adviser or brokerage company you are dealing with is reputable, any investment or savings transfer will always be made directly by you to the financial institution that you are investing with.

Note 2 - The major offshore locations and jurisdictions favoured by reputable investment advisers have the highest levels of investor protection anywhere in the world. Investments made in the Isle of Man for example are covered by a worldwide investor protection scheme which offers protection of up to 90% of the value of the investment at the time, in the unlikely event that the provider is unable to meet their financial liabilities.

2: How can I be sure that an independent financial adviser referred to me is actually any good??

You need to know how experienced the adviser is with whom you are considering working, and how reputable their brokerage is.

Chances are, if the brokerage your adviser works through has many hundreds or even thousands of clients in many locations around the world, you can be fairly sure they are professional, reputable and have a solid reputation...find out from your adviser more about his own client base and the brokerage he works for, if he works for a good company he will be more than happy to tell you all about it.

If you are considering working with a one or two person company, ask yourself who will advise you and look after your financial interests if the principal is ill, changes company, moves or retires? Then further consider what you will do if you relocate or repatriate...who will look after you and your interests then?

Generally speaking the larger International brokerages advertise - they should have a reputable website and have the resources to ensure that their advisers are fully trained and up to date with latest products and market knowledge. Check out your adviser's brokerage for your own peace of mind.

Finally, your chosen brokerage should offer a regular newsletter to their clients. Through this the brokerage can show their investors the types of products available in the marketplace at the current time, and they can keep their investors informed of any updates and news relevant to them.

3: Why should I consider 'offshore'?

There are a number of reasons why one should consider offshore investing. For example - offshore investment companies have far more flexibility when it comes to investing in alternative currencies, they can make use of diverse markets and they can benefit from different hedging mechanisms.

Also, offshore returns can be accumulated free of any tax. This means that the potential returns can be significantly higher when tax is not deducted! Take as an alternative onshore example a UK fund that will have tax deducted from the dividends received - a similar offshore fund will have NO tax deducted and therefore enjoys gross compound growth.

A good internationally focused independent financial adviser can help you determine whether offshore investing is applicable and appropriate to your needs of course.

4: How does Tax-Friendly work?

Usually **ALL** returns in an offshore investment plan can be totally tax free.

This means that your gains build up far quicker and are compounded far more.

Over a number of years this can mean that you build up far greater and more significant amounts in terms of wealth building through a tax friendly investment plan in a tax friendly jurisdiction than you ever could if you were tax liable.

5: What would happen to my offshore investments if I were to repatriate?

This of course will generally depend on your original country of domicile to which you are planning on returning...

Taking 2 examples -

If you're a British expat investing into a savings plan or investment vehicle on a regular basis you can continue to invest in this way if you move back to the UK.

If you are from the USA and choose to repatriate you are slightly more restricted – you cannot increase contributions or switch funds for example.

In general terms of tax liability: taxation should only apply to growth that has been made on your

investment after the date you moved back home. Furthermore, any tax liability would only arise when you came to cash in your investment.

The level of taxation levied at that time may depend on which country you choose to take the proceeds in.

A good offshore independent financial adviser will be able to answer questions such as these comprehensively for you.

6: What about expatriate abandonment – how can I get a truly international service?

As an expatriate one of the most important questions you should be asking when it comes to international financial planning is: -

‘what will happen to me and my financial affairs if I relocate or repatriate - who will be able to advise me then?’

Don't be an expatriate statistic – many expatriates get promised everything from a local adviser in their current country of residence, and then they receive nothing in terms of support, advice and wealth building guidance if they relocate.

If you relocate and leave your local adviser behind what are the realities?

What if you ever need to complain - how can you?

What if you need customer service - who can you contact?

What about different time zones?

What about being kept up to date with new investment opportunities or legislation?

If you relocate or repatriate who will look after you and your investments?

Make sure you are secure in the knowledge that no matter where you go you will have financial advice back up!

Think global and make sure your financial advice company does too! Find out from any adviser you speak to about the size and scope of their brokerage. Ask all the right questions before you commit.

Does your adviser's brokerage have offices and contacts around the world?

Do they have a central service centre with whom you can always get in touch?

7: How much will good advice cost me?

A good adviser will never charge you a fee for his advice.

Why?

Because he will be remunerated by the financial institutions that your business is placed with.

A reputable financial adviser builds his reputation through the referrals and recommendations he receives, and so depending on the number of clients he or his company has, you can be fairly well assured that if the numbers are high the advice is good!

8: Which financial institutions do advisers generally prefer and why?

A truly independent financial adviser will be fully aware of which products are available in the entire marketplace and will recommend the products and institutions that best fulfil your personal requirements.

If you would like to, you can directly approach any financial institution your adviser recommends to you and ask them whether the brokerage you've been advised by has put business through the institution before.

You can ask them whether they consider the brokerage to be reputable.
You can ask them whether they know how long the brokerage has been in business etc

This way you can hopefully gain some peace of mind about your adviser and the advice that you have been given.

Ask questions of your adviser and find out whether he favours a small number of institutions - if so, ask him why, and determine whether this will restrict your investment potential.

9: How do I know that my adviser is independent?

Some advisers are tied to one company or a small number of companies – this restricts the products and market diversity they can offer you.

If you want a truly independent adviser make sure you get one.
Ask.

And if you are still in doubt, the brokerage the adviser works through may have a website which can give you the facts about their position in terms of independence or fixed loyalty.

10: How many clients does my adviser have?

People wonder why this is important to know...well, consider this - if you are you are your adviser's ONLY client you are either SO high net worth and SO high maintenance OR your adviser has a potentially poor reputation!

Ask you adviser for numbers, statistics and facts in terms of his client base and that of his brokerage.

Furthermore, as there is nothing worse than taking out an investment and then 6 months later finding that your adviser has disappeared on you, you need to know that the company he works for is secure and likely to be around for the long term.

If the brokerage is servicing a lot of clients it is most likely doing a good job and as a result it is likely that it will be around for the long term.

And finally - a good and reputable adviser will be happy to help you with previous investments made through another broker.

Finally

If you are unsure about any offshore investment matters please contact us at info@offshoreinvestmentguide.com we have partnered with some of the most professional and experienced advisers throughout the world, they all offer free no obligation advice and will be happy to help your financial planning.

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

We wish you every future success with your offshore investment planning.



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

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