



Private Client Law Bulletin

Advice for buying property abroad

For those who manage to get away to a holiday home over the summer, it is worth remembering the legal issues of owning property outside the UK when it comes to estate planning.

Unfortunately, the position is complex with each country having its own rules on what happens following a death. It is not safe to assume that a will made in this country will be effective to transfer assets abroad, and proper legal advice should be sought in the country concerned to see what can be done and what foreign taxes may apply.

Very often a will made in the country in which property is owned is necessary. Ensuring that this does not cut-across (or accidentally revoke!) the provisions of a current UK will is crucially important and will require advisers in different countries liaising with each other.

A common scenario involves property owned in Spain by a UK couple. Making a Spanish will is highly advisable as English law concepts such as Executors and trusts are not well understood in Spain and cause delay and expense. The effect of Spanish taxes on death however is often overlooked. By making use of a usufructo, for example, it is possible to satisfy Spanish forced heirship provisions and minimise Spanish taxes whilst not putting the spouse exemption at risk for UK tax purposes.

Brabners Chaffe Street can provide access to lawyers in different countries through its membership of two leading European Legal Associations, the Association of European Lawyers (AEL) and Eurolegal. We have diverse experience in dealing with foreign assets and have strong connections through these international associations to help guide you through the tax and legal implications of owning property outside the UK. We also have many people within Brabners Chaffe Street who speak various foreign languages and who are happy to act as translators if necessary.

If you require any specific advice in connection with the material contained in this bulletin, or on any other Private Client issues, please contact: Duncan Bailey in Liverpool on 0151 600 3451, Richard Bate in Manchester on 0161 836 8840 or Stephen Marriott in Preston on 01772 229 816.

If you no longer wish to receive the bulletin please let us know by return e-mail to helen.calvert@brabnerscs.com

This bulletin is for general guidance purposes only and should not be used for any other purpose.

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