



The Challenges of Estate Planning In France

by Bradley Warden, Blevins Franks



If you have made France your permanent home you need to review your wealth management to ensure it is designed around your new life in France. Besides considering how to achieve advantages for your lifetime, it is also essential to get your estate planning in order.

Estate planning in France is complex and challenging. The “forced heirship” regime does not allow you to freely distribute assets on death, and succession taxes can be as high as 60%. Arrangements that worked in the UK are unlikely to achieve the same results here and could have unexpected consequences.

Succession Law

French succession law protects your children above anyone else. This can prevent you leaving all your wealth to your spouse, or assets to other relatives, step-children, friends etc.

The 2015 EU succession regulation, ‘Brussels IV’, gives UK nationals the ability to opt through their will for UK law to apply on death instead. However, this is not necessarily the best route for UK nationals.

It remains obligatory for a French notaire to handle your estate, and in this case he will have to administer it under a law he is not experienced with. The UK opted out of Brussels IV, and there

is uncertainty as to how the rules will be interpreted. Adopting UK law could negatively affect your existing succession planning arrangements, and may mean your estate becomes liable to UK inheritance tax as well as French succession tax.

You need to have all the facts and consider your options carefully. There may be options available under French law that achieve your aims without complicating matters.

Succession Tax

Whichever law you opt for, succession tax continues to present a significant hurdle. Spouses/PACs partners are exempt, and children receive a €100,000 allowance each, with tax rates up to 45%. For everyone else the tax rates get higher and the allowances much, much lower. If, for example, you pass assets to step-children, they pay tax at 60% and only get a €1,594 allowance.

There are structures you can use here in France that can provide significant succession tax planning benefits. Look to accomplish tax advantages for yourself at the same time. Make sure the structures achieve what you wish, in the way you wish. While some arrangements may appear similar, small differences can have big implications.

Estate planning in France is a very specialist area and it is essential to take professional advice from an experienced wealth manager.

Summarised tax information is based upon our understanding of current laws and practices which may change. Individuals should seek personalised advice.

seminars *Book your place now by phone, email or from our website*

“Estate planning in France worries me. How can I ensure the right money goes to the right hands at the right time?”

Talk to the people who know.

Succession tax can be high in France and its forced heirship laws are very restrictive. The European Certificate of Succession comes with pitfalls; there are other options but care must be taken. Our seminars examine all the estate planning issues you need to be aware of and advise on how you can have control and certainty. They also cover recent tax and pension changes affecting UK nationals in France.

Thur 17 Mar | Domaine du Griffier **GRANZAY-GRIPT** (near Niort)
coffee at 10am for a 10.30am start, ending 12 noon

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