



# Succession Law and Estate Planning in France

by Bradley Warden, Partner, Blevins Franks



One of the most worrying issues facing retired British expatriates in France is its succession law, which imposes strict restrictions on how French residents can divide up their estate. Children are “protected” heirs and may inherit up to 75% of your estate; spouses are not protected.

The good news is that a new EU Directive comes into force next month that will allow British expatriates the freedom to distribute their estate in accordance with the law of their nationality.

The new European Certificate of Succession regulation, commonly known as Brussels IV, will apply to the succession of persons who die on or after 17<sup>th</sup> August 2015, although certain transitional provisions are already in force.

It provides a general rule that the “Law applicable to the succession in its entirety, shall be the law of the State in which the deceased had his habitual residence at the time of death”.

However, an individual may elect (by way of a statement in his Will) that on his death and when dealing with his estate, the laws of his country of nationality may apply instead.

The Regulation is binding on all EU member states - except for the UK, Ireland and Denmark who have opted out. This may affect French nationals living in the UK, but not UK nationals in France. When it comes to UK residents with property in France, the applicable law would be that of habitual residence – the UK.

Note that the Brussels IV regulations do not apply to tax. UK nationals therefore cannot opt for UK inheritance tax rates to apply instead of French succession tax.

So while you will now be able to more freely leave assets to more distant relatives and also non-relatives, this comes with a much higher tax price. The tax rates and allowances vary according to who the beneficiary is. Transfers between spouses and civil partners on death are tax free; for everyone else the tax rates range from 5% up to 60% and some exemptions can be very low.

It is very important to consider your tax position and the impact on your heirs when deciding to opt for French or UK succession law. Seek specialist advice on how to lower the tax burden for them, so that they receive most of the inheritance you have planned for them, rather than the taxman being the largest beneficiary.

*Do not risk your financial security. Protect your wealth against threats and make sure your adviser is well qualified and regulated by a body which imposes strict code of conduct requirements.*

“I’m worried about how much succession tax my family and heirs will have to pay on my assets. What can I do about it?”

Talk to the people who know.

French succession tax can significantly reduce the amount your heirs inherit from you. Take action now so the right people benefit from your estate - you may not realise how much tax you can save by having a ‘succession planning health check’. Contact the specialists at Blevins Franks for personalised and effective solutions.

contact us now on

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