



Succession Law and Estate Planning in France

by Bradley Warden, Partner, Blevins Franks

On 17th August this year, the new European Succession Regulation, commonly known as 'Brussels IV', was launched. Brussels IV was devised to end confusion over cross-border inheritances. As welcome as this is, without the right guidance UK nationals may end up paying unnecessarily large tax bills.

How Does it Work?

Generally, it means that the law of the state in which the deceased had his habitual residence at death governs how his assets are distributed within the Brussels IV zone.

This is the default position. However, Brussels IV allows you to opt for the law of your nationality to govern your assets across the zone through your will.

What Does this Mean for Me?

Under Brussels IV, you can opt for UK law to rule how your assets are distributed. This seems like good news as French succession law is different to that in the UK and restricts how you can leave your assets. In France children are 'protected heirs' and may inherit up to 75% of your estate; spouses generally are not protected.

So I Should Choose UK Law?

Not necessarily. The UK, Ireland and Denmark have opted out of Brussels IV. We need to wait and see what effect this has. You may actually be better off under French succession law.

How is That Possible?

For example, Brussels IV does not cover tax laws. You cannot choose to pay UK inheritance tax so French succession tax still applies.

French tax rates are high (up to 60%) for heirs other than your spouse, children and parents, while allowances are low (as little as 1,594€). So if you used UK law to leave assets outside your immediate family, your beneficiaries could receive a large tax bill.

Also, under the UK/France double tax treaty, if you choose UK law, you could find your estate liable for both UK inheritance tax and French succession tax. Your heirs in France would receive a credit for tax paid in the UK, but they could still end up paying a lot.

Do I Need to Do Anything?

If you do want to choose UK law, you need to specifically state this in your will. However, it is important to first seek specialist, personalised advice to make sure you understand the implications, and to create the best succession plan for you and your family.

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



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“What should I be doing following the new EU succession regulation and UK pension reforms?”

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Both the UK pension reform and new EU succession law are game changers for expatriates in France. Both could also have consequences if you get it wrong. Our seminars outline the reforms, look at the pros and cons and discuss solutions.

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both seminars with coffee at 10am for a 10.30am start, ending 12 noon

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