



Weather the Sterling Storm with Flexible Investments

by Bradley Warden, Blevins Franks



One casualty from Britain's decision to leave the EU has been the British pound. Since the Brexit vote, sterling has hit a 31-year low against the US dollar and dropped as much as 15 cents against the euro.

While it has since recovered, the pound remains unstable.

With Brexit likely to disrupt currencies and markets for a while, this is a good time to revisit your options. As a

British expatriate in France, you can find opportunities to protect yourself from the uncertainty ahead.

Should your savings be in Sterling or Euros?

There is no simple answer, but generally you should have both, and more besides. As always, diversification is the key to managing risk.

It is common for expatriates to keep savings and investments in British pounds. However, if you are living in France and spending euros daily, it can be much more expensive to take your income in sterling. This is especially true now that the fortunes of pounds and euros are tied so closely with unpredictable Brexit developments.

You can limit exchange currency risk with investment structures that allow flexibility to hold money in more than one currency and convert when it suits you. You could, say, invest in sterling now and switch to euros later when the exchange rate improves. Or you could hold savings in several currencies for different purposes – euros for spending in France and sterling for UK spending and your legacy to heirs.

The path to currency flexibility

You could get currency flexibility through an 'assurance-vie'. This is a specialised form of life assurance that allows French residents to hold a range of investments in a highly tax-efficient package. However, not all products offer currency flexibility.

There are many different types of assurance-vie options based in various jurisdictions, not just France. As these variations can make a huge difference to the advantages they offer, you should seek expert advice.

An assurance-vie issued in Luxemburg, for example, would enjoy French tax benefits afforded to EU countries. But as a foreign asset, it may avoid certain domestic liabilities, like wealth tax (for up to five years). And if it offers currency flexibility, you are not tied to keeping your investments in euros, even if the assurance-vie itself is from an EU country.

To establish the most suitable option for you, it is essential to get professional guidance, ideally through an adviser with in-depth knowledge of the complex French tax regime. They can help you take advantage of available opportunities and minimise risk – currency-related or otherwise – with a well-diversified portfolio tailor-made for you and your individual circumstances.

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Brexit - Facts not Myths.

Living in France, or thinking of living in France?

How will Brexit affect you:

- Pensions
- Investments
- Currency options
- Tax planning
- Estate planning

There will be uncertainties, but there are also opportunities. Now is the time to take action and ensure your affairs are set up for France, not the UK. Reserve your seminar place today.

Thur 3 Nov | Inter-Hotel Saint James **BOUFFÈRÉ**

Fri 4 Nov | Domaine du Griffier **NIORT**

Registration at 10am for a 10.30am start, ending 12 noon.

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