



If you were a tax resident in Spain who was persuaded to transfer your pension to a QROPS, this FREE brochure will explain what you should do now.

Spanish tax residents and the

QROPS debacle

Know the **FACTS!**

1. There are NO tax advantages in transferring a UK pension into a QROPS for a Spanish resident. Check the Double Tax Treaty between the UK and Spain!
2. The Pension Commencement Lump Sum is taxable in Spain!
3. Transfers to a Gibraltar QROPS reduces your options even further!
3. Most insurance bonds are not regulated for sale in Spain and fall foul of Spanish Law. This could help you!
<http://belegal.com/blog-by-antonio-flores/2017/11/>

What went wrong?

Many holders of British pensions, living in Spain, were told to transfer their Defined Benefit and Contribution Pensions into a QROPS- usually in Malta, Gibraltar, the Isle of Man, Guernsey or New Zealand.

Advisers then put pension funds into expensive commission driven insurance bonds that reduce performance, decrease fund value and income in retirement.

How this applies to you?

Your pension charges, indicated to be 1% per annum, are often 3 to 4 times that and have penalties attached.

Not only have you lost money already, but you WILL CONTINUE TO LOSE MONEY IF YOU TAKE NO ACTION.

Your future retirement is therefore at risk.

What should you do if you were persuaded to move your UK pension to a QROPs if you are resident in Spain?



Expatriates were, and continue to be told, that they should take control of their pension pots by transferring to a QROPS or SIPP. An Insurance Bond is then sold.

Why?

The sales people earn high commissions from the transfer and, again, from the investment funds they use. They only earn commission if they persuade you to transfer into insurance products, as their regulation often does not permit lower cost investment only products.

Advisers might not always tell you...

The Spanish Tax System negates the promoted tax advantages of a transfer to a QROPS.

To take tax advice and you probably haven't declared your QROPS to the Spanish Tax Authorities on the Modelo 720. KEY Point: It is unlikely that you have been informed how taking a lump sum would be taxed or that this must be declared to the Hacienda.

An insurance bond is not suitable for a pension and many fall foul of Spanish Law.

Changes to investment funds or withdrawals from the Insurance Bond often have high penalties.

Structured notes are not suitable for the majority of investors.

There is a better way to hold your money, with lower charges, no exit penalties, a wider range of licensed investment funds and no hidden commissions.



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Using a transparent, regulated, fee-based adviser will increase your chances of having a larger income in retirement. A fee based adviser can help you minimise the taxes that you pay. Fees are much lower than commissions, they do not damage your investments and can be quickly offset by your improved position. The focus is ADVICE and VALUE to clients....



Most “expat advisers” you are speaking with are salesmen. They are usually only regulated to sell insurance bonds based from places like the Cayman Islands or Isle of Man that are not regulated for sale in Spain. These salespeople want you to move your pension or assets out of the UK to they earn commissions; often making unsubstantiated claims and warnings of losses if you do not. They receive hidden commissions and do not declare the charges, other than a 1% ongoing charge.

KEY POINT: The FCA published a paper in April 2018, outlining who should be considering reviews and when, along with a straightforward procedure required when giving advice on UK Pensions, SIPPs and Defined Benefit transfers.

Take advice **1...2...3** straight forward steps

- 1** If you have a QROPS or an Insurance Bond wrapper, you need advice on your position from a financial adviser regulated for investment and insurance products.
- 2** Start with Tailormade’s free Forensics Report to get your investments right. No hidden commissions, exit penalties or inappropriate high risk funds.
- 3** Tailormade may then be able to recommend a cost effective and transparent solution that can further improve your investment and tax position.



Please note: If you retain a QROPS or Insurance Bond, you will need tax advice on your position from a Spanish Accountant.

As a Spanish resident, you will likely find yourself in the position where a QROPS does not give you the benefits you expected, and that Spanish taxes may apply where you did not expect them. **If you take no action, you will continue to lose your future.** This position can be corrected.

Talk to us!

Tailormade is regulated for investments and insurance products throughout the EU, with advisers qualified to Certified and Chartered status in the UK. We have the relevant specialist qualifications to advise you and to improve your pension / investment, and tax positions.

To see how we can help, contact our team of advisers

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