

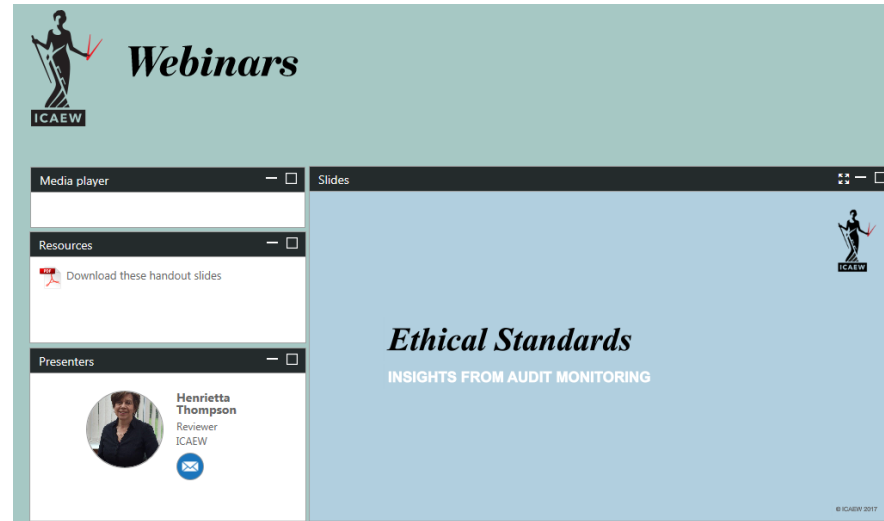


UK nationals visiting or moving to the EU in a post-Brexit world

IN ASSOCIATION WITH BLEVINS FRANKS

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Today's speaker



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BLEVINS FRANKS





UK nationals visiting or moving to the EU in a post-Brexit world

Jason Porter Director | Blevins Franks, London

Agenda

- **Blevins Franks** Who we are and what we do
- **Overall position before 31.12.2020**
 - Broken down between:
 - Frequent visitors, and
 - UK nationals who moved permanently
 - Withdrawal Agreement rules
 - Legal residency, healthcare, UK state pension
- **Deal or no-deal position after 31.12.2020**
 - Deal, or No-Deal position
 - Broken down between:
 - Frequent visitors, and
 - UK nationals planning to move permanently
- **Points of Interest**
- **Conclusion**

BLEVINS  FRANKS

Blevins Franks

Who we are and What we do

Who are Blevins Franks?

*The leading international
tax and wealth management
advisers to UK nationals
living in Europe*

Blevins Franks Group

A light gray map of Europe and surrounding regions is the background. Small icons of national flags are placed over various countries: UK (United Kingdom), France, Spain, Portugal, Balearics, Canary Islands, and Cyprus. The text is overlaid on the map in a dark blue serif font, with key figures in a gold color.

Advising clients for over **45** years

7 countries

23 Offices

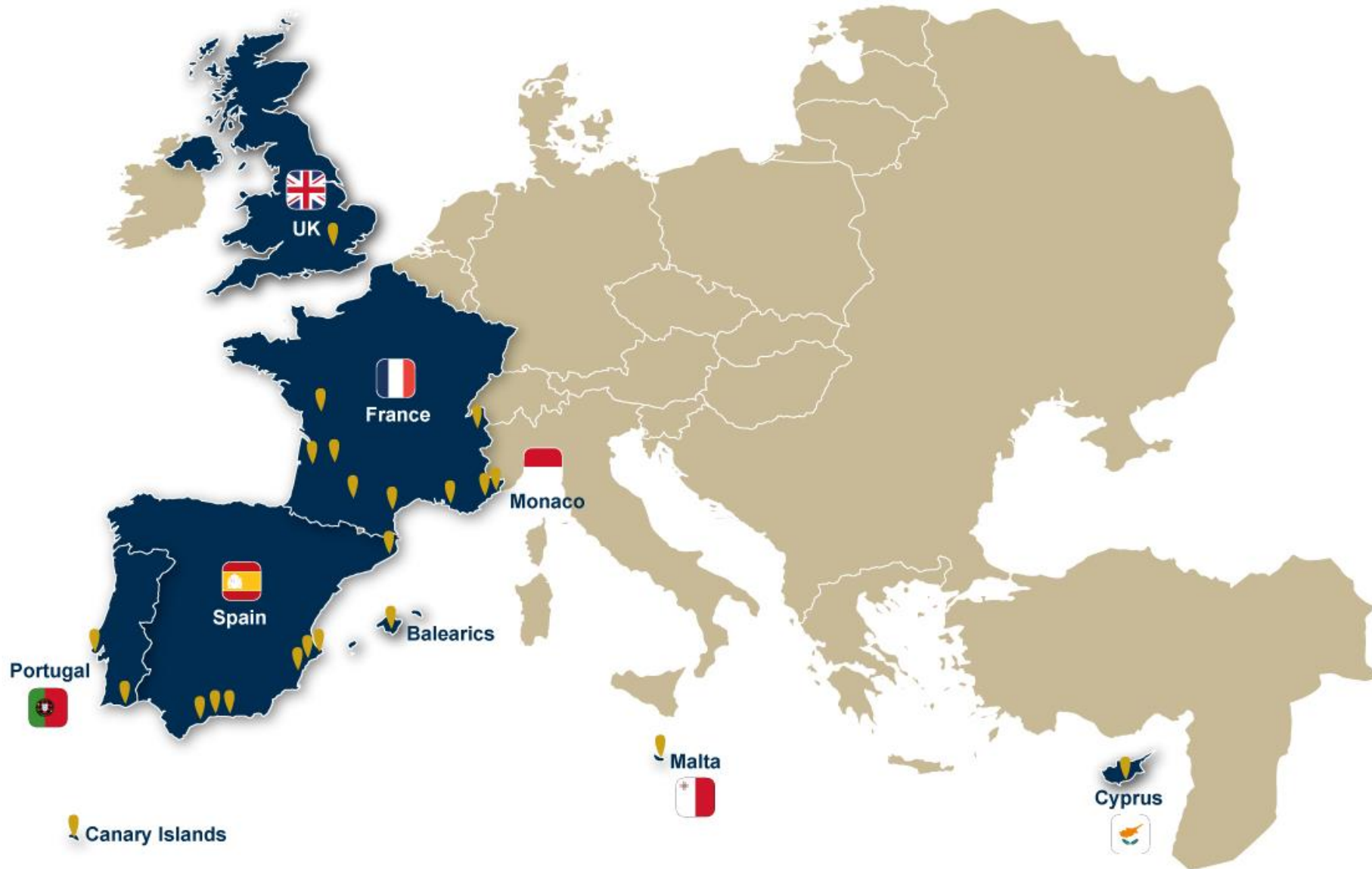
43 Partners and Private Client Managers

200+ Employees

5,100 Families

€2.8 billion Funds Under Advice.

Blevins Franks Group OFFICES IN EUROPE



Blevins Franks **Specialist Advisers**

- Deep understanding of UK Nationals living in France, Spain, Portugal, Cyprus and Malta
- Cross-border expertise
- Based locally in the country where our clients live
- Qualified and Regulated – UK & EU



**Overall position before
31 December 2020...**

Overall position before 31 December 2020...

- Some context...
 - UK formally left the EU on 31 January 2020
 - The Withdrawal Agreement (WA) laid out the legal position for the year ended 31 December 2020
 - Significantly curtailed ‘Transitional Period’ of 11 months to negotiate a long-term deal between the UK and the EU
 - A 12 or 24 month extension – but must elect by 30 June 2020
 - Legally prohibited by Johnson’s government - the UK will leave the Customs Union on 31 December 2020
 - What is the citizens rights position in the WA for 2020?

Overall position before 31 December 2020...

Frequent Visitors...

- Strict rule - UK national spending more than 90 days in any rolling 180 day period in the EU should apply for a residency permit
- Freedom of Movement has meant its not enforced - until 31 December 2020
- EHIC card remains in place for 2020
- As part of the WA, EU member states must introduce specific citizens rights legislation for UK nationals arriving before 31st December 2020
- Some already have – remainder by 31st December
- Protects their rights, in pre-31 December 2020 form

Overall position before 31 December 2020...

Legal Residence...

- WA citizen rights legislation protects the position of UK nationals who reside permanently before 31st December 2020 in respect of –
 - Legal right to temporary - and permanent residence in the EU
 - Healthcare – UK NHS reimbursement via form S1 for those of state pension age
 - Triple lock UK state pension increases
 - Other social benefits available as per EU social security coordination rules
 - Rights only fall away if you permanently leave the EU state occupied on 31 December 2020.

Overall position before 31 December 2020...

Residing Permanently...

- Applies to the individual concerned and “close family members”:
 - Spouses, civil and unmarried partners
 - Dependent children and grandchildren
 - Dependent parents and grandparents
- Who live in a different country at any point in the future, if the relationship existed on 31 December 2020 and still exists when the person wishes to join a UK national in the EU

NOTE: Also includes any child born to an individual in scope if they have custody of the child

Overall position before 31 December 2020...

EU Member States can adopt one of two different systems...

➤ **Constitutive (13 member states):**

- Only obtain residence status if submit an Application for a new residence status permit and the application is granted
- A decision by the host state is required in order to have status confirmed
- Failure to apply by the deadline of 30 June 2021, will mean residence rights are not protected under the WA
- Includes France, Malta, Netherlands

Overall position before 31 December 2020...

EU Member States can adopt one of two different systems...

➤ **Declaratory (14 member states):**

- Residence status is given directly by operation of the law
- Not dependent upon Application
- But, those eligible have the right to be issued with a residence document confirming this
- Includes Germany, Greece, Spain, Italy, Cyprus, Portugal

Overall position before 31 December 2020...

➤ SPAIN:

- Resolution 2nd July 2020, effective 6th July 2020
- Replaces EU Registration Certificate
- New credit card style issuance, with biometric reading
- Applications currently in process – issue with new card
- Can replace old with new
- Will need to confirm economic means, and healthcare cover
- Valid for 5 years
- Then apply for permanent residence - valid for 10 years.

Overall position before 31 December 2020...

➤ FRANCE:

- Government website for UK nationals living in France launched (and failed) several times
- Finally went live on 1st October 2020
- Must apply online by 1 July 2021
- EU “Green Card” permits held by UK nationals - no longer valid
- New residence permits will bear the words "UK withdrawal agreement from the EU".

Overall position before 31 December 2020...

➤ PORTUGAL:

- Existing residency permits held by UK nationals will remain valid until 31 December 2020
- Thereafter, replacement cards will be made available
- Arrivals up to 31 December must apply for a Registration Certificate (*Certificado de Registo*) at their local town hall (*Câmara Municipal*)
- Thereafter via the SEF - Portuguese Borders and Immigration Agency
- Valid for 5 years. Then permanent card (valid for 10 years)
- As a legal resident – entitled to state subsidized healthcare



Deal or no Deal position after 31 December 2020

Deal or no Deal position after 31 December 2020

Setting the scene...

- As of 10th December 2020, negotiations remain “ongoing”
- Hold-ups have been concentrated in three main areas:
 - Fisheries
 - Level playing field
 - Adjudicating body re disputes
- A deal remains attainable but what about Citizens Rights?

Deal or no Deal position after 31 December 2020

“Third State”....

- Dictionary definition:

“a country which is not party to an international treaty or agreement”

- As UK is no longer an EU Member, it will no longer benefit from the four basic EU freedoms, including Freedom of Movement
- April 2019 - EU confirmed UK citizens coming to the EU for a “short stay” would be granted visa free travel (joining 62 other Third States)
- Short stay – up to 90 days in any rolling 180 day period

Deal or no Deal position after 31 December 2020

Frequent Visitors....

- Fundamental changes from 1st January 2021 – Deal or no Deal!
- UK visitors will be treated as ‘third-country’ citizens with full effect from January 1st 2021
- Must ensure British passports have at least six months left
- Britons will have to join the slower, ‘All Passports’ lanes at EU airports
- Passports will be stamped with the date of entry and exit
- EHIC no longer valid – will require more comprehensive health insurance cover, even for shorter trips

Deal or no Deal position after 31 December 2020

Frequent Visitors...

- End Freedom of Movement - stays restricted to 90 days in 180
- Overstay, and penalties could be imposed:
 - Warning
 - Passport Stamp
 - Fine
 - Prevented from returning for a time period
 - Removal!
- What about bending the rules and overstaying?...

Deal or no Deal position after 31 December 2020

Frequent Visitors

- 2016 – EU introduced the *‘Smart Borders Package’*
- By end of 2022 - ETIAS (European Travel Information and Authorization System) and EES (Entry-Exit System)
- **ETIAS** – visa waiver program to protect borders, like US system
- Main goal - identify possible threats or risks associated with visitors traveling to any of the Schengen Zone countries
- UK one of 62 countries that will need to apply for authorization to visit the EU’s Schengen Zone
- Designed for short-term stays of up to 90 days.

Deal or no Deal position after 31 December 2020

Frequent Visitors

- **EES** – to register the entry and exit of eligible third-country citizens crossing into the EU
- Will support other border control systems in managing the influx of third country nationals
- Records data about travelers to and from the EU who visit for a short stay period (90 days in 180)
- Enhance detection of nationals who overstay permitted time
- Information available to EU member states law agencies, consular visa services and Europol.

Deal or no Deal position after 31 December 2020

Frequent Visitors

- **ETIAS** and **EES** – significantly enhanced detection tools
- Makes it more important you maintain a diligent control on days visiting a holiday home or travelling in the Schengen zone
- You must look backwards, but with an understanding of your future visiting plans
- Exceeding 90 days a temptation – but from 2022, detection and possible penalties a real possibility

Deal or no Deal position after 31 December 2020

Residing Permanently

- With no Deal, UK will have third country status, and see the demise of Freedom of Movement
- UK nationals will have to follow other third state protocols to move to and live in the Schengen Zone
- Initial application will now take place in the UK, via the member states local embassy or consulate
- Allow 3 months for the process from the day all documents are presented
- Normally must collect visa within a month

Deal or no Deal position after 31 December 2020

Residing Permanently

- Then on arrival, you visit the local police station or Mayor's office to collect/exchange visa for a residency card
- Each member state will have slightly different procedures, residency cards and card validity periods
- Third state rules more onerous around:
 - 'Sufficient resources' - financial means, so as not to be a burden on the member state's social system
 - Proof of either public or private healthcare coverage.

Deal or no Deal position after 31 December 2020

Residing Permanently

- Sufficient resource test is likely to become more onerous
- EU Directive suggests minimum income level increases from host members state's unemployment benefit or pension
- Could be up to the legal minimum wage
- Minimum wages:

France	€18,250 pa
Spain	€12,600 pa
Portugal	€6,400 pa
- This may be a 'per person' calculation

Deal or no Deal position after 31 December 2020

Residing Permanently

- Proof of health coverage also becomes more difficult – and potentially expensive – to satisfy
- Previous form S1 route not available without a Deal
- In most cases, cannot access an EU member state's health system without having a residency card
- First year may require private health insurance to get residency card
- Year 2 onwards – once in the system, see if you can access local subsidized healthcare

Deal or no Deal position after 31 December 2020

FRANCE

- Subsidized healthcare – pay social charges of 6.5% on investment income exceeding €20,262 pa (pension income is excluded)
- Few people will therefore pay social charges to join the state PUMa system

SPAIN

- The '*Convenio Especial*' - access to state healthcare system for a monthly fee
- €60 per person under the age of 65 and €157 for those age 65+.

PORTUGAL

- Residency permit - entitlement to state subsidized healthcare



Points of Interest

Points of interest

Is *'no-Deal'* the end of the road?...

- UK - EU negotiators have for 1,631 days concentrated on fisheries, 'level playing field' and agreement on an adjudicating body
- Citizens Rights one of first areas signed off in Withdrawal Agreement
- But, were in danger whilst the rest of the WA was agreed
- Similar with Deal negotiations - does not mean there will not be a stand-alone, Citizens Rights Deal later
- Member states - bi-lateral arrangements, specialist programs, eg. Golden Visas
- France, Spain, Portugal, Greece etc., may subsequently examine this route to protect their coastal economies.

Points of interest

'Golden' Visas - another route to a residency permit...

- Spain, Portugal, Malta, Greece & others - specialist visa regimes for those making a significant, minimum capital investment, eg...

SPAIN

- Commonest route - acquisition of real estate. Investment – at least €500,000 per applicant (lower in Portugal)
- Only need visit once a year (Portugal - 7 days year 1, 14 days year 2+)
- Freedom of Movement in the Schengen Zone
- Includes authorization to work
- Other routes – €1m cash in bank, company investment, jobs



Conclusions

Conclusions

- Those thinking of moving to an EU member state must now look to satisfy any new regime to apply from 31st December 2020
- No clarity currently on new rules for movers after 31st December 2020, but likely to reflect current third state rules
- Consider 'Golden Visa' route, if you can satisfy member states rules
- Impact of Covid 19 - economic downturn, reduced tax revenues and increased government spending means members states may need to attract the wealthy
- Possibility of Citizens Rights Agreement post-Transitional Period, or bi-lateral arrangements

Take professional advice before any move!

Thank you



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