

Guide to Assurance Vie



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Introduction

If you have decided to settle in France, you may be looking for a tax efficient way to invest and plan for the future. As an expat, opening a French life assurance policy, an 'Assurance Vie', can provide you with a flexible and effective estate planning and investment solution.

As a tax wrapper for your investments, Assurance Vie provides the opportunity to generate tax-free capital growth and benefit from a reduced rate of taxation on those investment gains when withdrawals are made. This versatile financial instrument also provides flexibility, enabling you to align and adapt your investments according to changing circumstances.

And because Assurance Vie policies are aligned with France's legal and tax framework they act as an effective estate planning tool, ensuring that your beneficiaries receive favourable tax treatment with reduced inheritance tax liabilities.

Effectively addressing the key challenges of taxation, estate planning and financial flexibility, opening an Assurance Vie policy can serve as a valuable solution for British expats in their adopted country.

What is Assurance Vie?



For residents in France, an Assurance Vie life assurance policy is one of the most popular and effective ways to build and protect your personal capital in a tax efficient manner.

Available to expats resident in France, Assurance Vie policies benefit from an advantageous legal and tax status and can be adapted to meet your financial objectives.

Assurance Vie is also an ideal way to supplement retirement income given its advantageous tax benefits.

What are the benefits of Assurance Vie?

The key benefits of Assurance Vie are:

- **Tax-free Growth**
There is no income or capital gains tax to pay on your funds whilst they remain in the policy, no matter how much your capital has grown.
- **Tax-efficient Withdrawals**
Withdrawals are taxed very favourably, with only the growth element being taxed rather than the whole withdrawal.
- **Income Tax Reduction**
The rate of income tax chargeable on the growth element of a withdrawal is reduced if the policy is held for eight years or more.
- **Currency Options**
You can elect to denominate your investments in Euros, Sterling, US Dollars or Swiss Francs.
- **Inheritance**
Succession law does not apply to Assurance Vie, so it allows you to pass on additional capital to your chosen beneficiaries. Your capital will be passed to your surviving spouse or partner free of tax and it is possible to pass on up to €152,500 entirely tax free to each child beneficiary. This is in addition to the usual direct line allowance under French inheritance law (€151,950).
- **Investment Strategies**
Investment options are fully aligned to your risk profile with exclusive access to Forth Capital's award-winning, low-cost, fully diversified investment strategies.
- **Unlimited Investments**
There is no limit to the amount that you can invest in the policy.



What are the potential drawbacks of Assurance Vie that you need to be aware of?

The potential drawbacks of Assurance Vie are:

- **Longer-term Investment**
Withdrawals before eight years are taxed at a higher rate, making it less beneficial for shorter-term investments.
- **No Currency Change Once Established**
Once the policy currency has been selected, it cannot be changed.
- **No Guarantee of Growth**
As with all investments, there is no guarantee that your investment will grow.

What's right for you? We're here to help.



Our dual-qualified advisors can help you to explore all the investment and estate planning opportunities available to you as an expat in France, making the complex simple and clearly explaining how each opportunity could benefit you.

Our international financial planning and wealth management expertise means we can help you to achieve your future goals and make your money work harder for you, in the most tax efficient way possible.

Contact us today to learn more about Assurance Vie and schedule an initial consultation with one of our dual qualified advisors, to ensure that you make the right financial decisions for you and for your family.

**To discuss your Assurance Vie, and how
we could help you, contact us today.**



Contact Us

Email us at:

enquiries@forthcapital.com

or call us on:

Europe +353 1 640 1984

Switzerland +41 22 311 1441

UK +44 131 6000 625

Australia +612 9248 0169

USA +1 346 245 8824

Hong Kong +852 3589 5510

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