



## DON'T LOSE OUT TO THE SPANISH TAXMAN

If you own a holiday home on the Costas, are you confident you have done all you can to minimise inheritance tax when you leave it to your loved ones?

Many second home-owners are unaware of how severe inheritance tax in Spain is and don't realise that a beneficiary could end up paying tax in both the UK and Spain, and that includes a spouse of the deceased.

Typically, a British person inheriting a Spanish home could pay 40 per cent of the estate's value and legal fees on top to probate in Spain. Simply making a Spanish will does not reduce the tax obligations of inheritors – as it just leads to savings in translation and legal fees incurred when a British probate includes a Spanish asset.

One solution that could mean the beneficiaries of your Spanish property pay no tax in Spain, is to transfer ownership of your property to a UK limited company, which you own outright. This would allow you to transfer the company's shares – in effect ownership of the property – to beneficiaries through your British will, avoiding the cost and bureaucracy of probate in Spain.

Spanish tax consultancy Wincham Consultants, which has offices in the UK and Spain, has pioneered a scheme that allows you to do just this. For a single fee the company will form and set up a UK limited company for you and transfer ownership of your Spanish property to it, and oversee all the necessary paperwork in Spain and the UK. Any further properties transferred to the company at the same time cost £300 (plus VAT) each if the transaction is dealt with all together.

“Another benefit is that transferring a Spanish property to a UK company does not incur a seven per cent transfer tax in Spain, unlike if you were transferring the property to another individual, who could also incur capital gains tax,” said Mark Roach, director at Spanish tax consultancy Wincham Consultants. “Also, the company structure means that attributable expenses such as mortgage interest, council tax bills, water, electricity, repairs and maintenance can all be tax deductible by the company, and this may include car hire and flights for the ‘directors.’” This cannot be done in Spain if the property is owned in individual names.

[www.winchamiht.com](http://www.winchamiht.com).



## FIND A LAWYER ONLINE

If you're looking for an overseas lawyer, whether it's to help you buy property or for any other type of legal aid, you'll welcome the launch of a new website that introduces clients to law firms.

The Law Bazaar ([www.thelawbazaar.com](http://www.thelawbazaar.com)) allows you to contact and assess different law companies around the world for free. And the site has a rating system, so you can read other people's reviews of law firms and even chat anonymously to them about your case online, to help you decide whether to use them.

Not only will the website help you choose between lawyers but it should also help keep their fees competitive.

## EXPAT = EXPENSIVE

Japan has become the most expensive place to live as an expat. Tokyo and Osaka are ranked one and two respectively in an annual survey that ranks 143 cities around the world on the cost of living for expatriates. Also in the top ten, in descending order, are Moscow, Geneva, Hong Kong, Zurich, Copenhagen, New York, Beijing and Singapore. London is 16th, while Johannesburg is the least expensive city in the ranking. Mercer, a provider of consulting, outsourcing and investment services which does the survey each year, said the recent currency fluctuations around the world had caused “a significant reshuffle” compared to last year's results.

