

QROPS – ADVISER CHECKLIST FOR POTENTIAL CHANGE IN RESIDENCY

CHECKPOINT 1

Introduce into Fact Finds the following questions:

1. Have you an intention in the future to live outside the UK? Yes/No
2. If so please state the country or countries in question?
3. Have you discussed with anybody your eligibility to live in those countries stated in 2, if so when and what were you advised of your likely chances?
4. Are you or your spouse/partner a national of that country? Yes/No
5. If yes will this entitle you to automatic residency? Yes/No
6. If No will you be applying for residency?
7. Are any of your immediate family living outside the UK?
8. If yes where?

CHECKPOINT 2

Install in all Client Fact Finds checking procedures that “You Know Your Client” (as above) and in the event that a client gives an answer that suggests overseas residency is an option the UK adviser *must* instigate overseas retirement and financial planning discussions - this would incorporate the recommending of only *suitable* UK savings/investment/life products that takes into consideration the tax consequences in the client’s new country of residence. This advice would also include the appropriate use of QROPS. **TCF issues if not considered.**

CHECKPOINT 3 – as part of the review process/content for an off line/on line newsletter

Tell us if:-

You are no longer in the UK

Intending to live other than in the UK

Risk assessment.

Review all *existing* client files and determine advice strategy for those where it is believed that *Checkpoint 1* would have applied at the date of advice.

Should Checkpoint 1 apply, the adviser should establish if there are any mis-selling issues by:

Reviewing all financial advice given and determining whether or not the advice runs over into the other country, i.e. would that product mature in a country other than UK?

- a) Your understanding of the tax rules in your client’s (potential) new country or jurisdiction.
- b) Procedure to follow if:
 - i) Client is still in UK

- ii) Client is moving imminently
- iii) Has already moved and you have given advice post departure
- iv) Has moved and you have not given advice post departure

Do you have sufficient expertise regarding the rules and regulations of the client's new country of residence to plan to minimise risk exposure?

CHECKPOINT 4- Post review actions

Where it is clear that advice is required which has to factor in a possible UK departure, assess the client's position in relation to the interaction of UK rules and regulations and the interaction of the rules with the country of actual or intended residence, taking into account the following:

- A) Taxation
- B) Retirement Planning and Pension Products
- C) Social Security
- D) Non-Retirement Planning and Non-Retirement Products
- E) Residency rights

CHECKPOINT 5 – Suitability review

Are overseas investments, savings and retirement products (such as QROPS*) potentially a more appropriate option for your client? (*Note all existing UK pensions not in payment plus any UK Unsecured Pensions are potentials for transfer to QROPS).

Go back to Checkpoint 4 and re-assess your position and capacity to give advice. If satisfied go to CHECKPOINT 6

CHECKPOINT 6

Go to Guidance Notes as drafted and risk assess