



Briefing paper for Rt Hon David Davis MP
Secretary of State for Exiting the European Union

**BREXIT: Property & Associated issues for
British citizens owning property in the EU**
The 20 key points at issue

Accessing consumer & trade stakeholders through AIPP
AIPP seeks engagement with HMG on these issues

AIPP
Westminster, London

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A. Scope & purpose of this paper

AIPP seeks engagement with HMG to create a forum for information exchange on British owners of an EU property before, during and after the BREXIT process.

More than 1 million British citizens own property in the EU – foreign property ownership brings the most complex set of frequently encountered issues in leaving the EU (much more than just tourism or travelling for business).

An estimated 2.2 million foreign citizens own property in the UK (including non EU nationals)

This paper outlines 20 property and property-related issues regarding British citizens owning property in the EU and which are likely mirrored for EU citizens owning property in the UK.

The two main types of British owner of a foreign property are:

- British residents owning a 2nd home for holiday or retirement (planning)
- British expats ordinarily resident in an EU country

British owners of a foreign property come from right across the income, socio-demographic and political spectrum

AIPP can act as a single reference point for HMG, providing access & consultation with cross-border industry experts including highly specialist lawyers & all the leading property portals – a leading source of data.

AIPP can disseminate HMG information to a variety of trade and consumer groups in our network.

Whilst HMG strategy & policy remain to be determined, negotiated and agreed with the EU, AIPP seeks engagement now to open and establish clear communication lines and to help feed-in and out of the BREXIT process with all stakeholders – consumer & trade.

AIPP corporate members number more than 400, based in more than 30 countries around the world with all European markets covered.



B. AIPP – Association of International Property Professionals, Westminster, London

[AIPP](#) is the industry body for all international property professionals, improving commercial standards in foreign property sales. Our services are completely free to property buyers & owners.

AIPP members are companies involved in the cross-border property industry and, as such, include; Agents, Property Developers, Lawyers, Financial Services co's and other specialist companies.

AIPP is not-for-profit funded by member subscription now with over 400 corporate members in over 30 countries around the world. AIPP focuses on two key areas:

1. Consumer Education & Protection
2. Trade Business Development & Best Practice

AIPP members are bound by the AIPP [Code of Conduct](#) and held to account by the independent UK-based [The Property Ombudsman](#)

AIPP White Paper – November 2014

AIPP has previously published and presented a White Paper to UK members of Parliament proposing guidelines for the sale of overseas land and property to buyers from the UK.

Although we could not get traction with MP's on this matter at that time, we think BREXIT now brings into sharp relief the need to protect British owner's foreign property interests and to bring necessary change to how such properties are sold.

A copy of our White Paper may be found below, for reference.



AIPP White Paper
18114 FINAL.pdf



C. Industry data – more available upon request / in consultation

There are approximately 4.5 million Britons living abroad with approximately 1.3 million of them living in Europe. Details as per PDF below



Britons living
abroad.pdf

An industry has evolved to serve and support the estimated 35,000 British citizens who will buy a property abroad in 2016. Research data from the UK's No. 1 property portal, Rightmove Overseas, puts at a peak almost 70,000 British buyers of a foreign property in 2006 (vast majority in the EU) before declining to just over 10,000 in 2011 – due to the GFC of 2008. Details as per PDF below



Overseas
Transactions.pdf



D. The 20 key points for British owners of a property in the EU (more may be added later)

1. The ability to visit European countries:

- i. Visa requirements,
- ii. Time limits
- iii. Restrictions
- iv. Travel arrangements (driving, flying, ferry, boats etc)
- v. Ability to take items in and out of the country (own assets, goods bought in a country etc)

2. The ability to travel freely within Europe once you are there:

- i. Visa requirements
- ii. Time limits
- iii. Restrictions
- iv. Travel arrangements (driving, flying, ferry, boats etc)
- v. Ability to take items in and out of the country (own assets, goods bought in a country etc)

3. Ability to bring goods back to the UK freely and take goods to Europe:

- i. For example taking your furniture to your property in Spain, bringing back household items bought in France etc. - whether for personal use or for business

4. Ability to own property in EU countries:

- i. Restrictions on where you can buy? (eg country or even within a country - military sensitive areas for non-EU citizens, borders etc)
- ii. Restrictions on how many properties you can buy?
- iii. Ability to rent out / restrictions on rental
- iv. Permission needed to buy?
- v. Do you have to be resident or can you also be non-resident?
- vi. What does ownership entitle you to, if anything, over and above just a normal visit to the country?



5. Ability to Live in Europe:

- i. Work
 - a) Requirement for work visas?
 - b) Limit on length of time?
 - c) Ability to set up a business
 - d) Ability to be shareholder / director of a company
- ii. Retire after retirement age
- iii. Retire “early”

6. Harmonisation:

- i. Ability of non EU spouses of EU citizens to enter & reside, travel without visa

7. Implication on double taxation treaties:

- i. Capital Gains Tax
- ii. Income Tax
- iii. Inheritance tax

8. Treatment of taxation generally:

- i. Impact on tax harmonisation; local taxes on foreigners reduced to same level as for nations (e.g. CGT in Spain)
- ii. Additional taxes on non EU citizens

9. Inheritance:

- i. The [harmonisation of Inheritance Laws within Europe in August 2015](#), which has made this area much easier and fairer

10. Consumer protection laws

- i. For example Timeshare legislation, advertising standards, enforcement etc

11. Enforcement of judgements / debt collection between the UK and the EU

12. Lending laws / mortgages



13. Healthcare:

- i. For visitors to EU
 - a) Free emergency healthcare (EHIC)
 - b) Non-emergency treatment / necessity for travel insurance
- ii. For people working in EU
 - a) What is included / free
 - b) Necessity of insurance?
 - c) Requirement to work there?
- iii. For people retired but under retirement age (which retirement age – UK or EU Country?)
 - a) What is included / free
 - b) Necessity of insurance?
- iv. For people retired but over retirement age (which retirement age – UK or EU Country?)
 - a) What is included / free
 - b) Necessity of insurance?

14. Cross border transactions (for example agents selling property):

- i. What laws in which countries apply?
- ii. What happens if the laws conflict?
- iii. Increased red tape due to, for example, requirement to register for anti-money laundering in two jurisdictions?
- iv. Consumer
- v. Taxation on sales
- vi. [European Professional Card](#) / Licenses to sell property in EU?

15. Retirement:

- i. Pensions;
 - a) Ability to have pension paid directly to that country
 - b) Increase in pensions in line with inflation or static at date of moving?
- ii. Voting rights

16. Ability to apply for citizenship of EU country



17. Cars (and other vehicles including boats and planes):

- i. Travelling within EU
- ii. Ability to export personal car to another country. How long do you have to re-register
- iii. Insurance issues when travelling in Europe
- iv. Enforcement of traffic legislation between countries

18. Pets:

- i. Ability to travel with pets / Pet Passport

19. Administration:

- i. Ability to have official documentation in a language of the EU / right to have documentation in English

20. Banking:

- i. Ability to have a bank account / open a bank account
- ii. How much money can you have in account
- iii. Restrictions on transfer of money
- iv. Protection of money in accounts
- v. Ability to open an account in one country for use in another when the bank has a branch in UK
- vi. Ease / harmonisation of AML - Anti Money Laundering Regulations

E. AIPP contact details

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