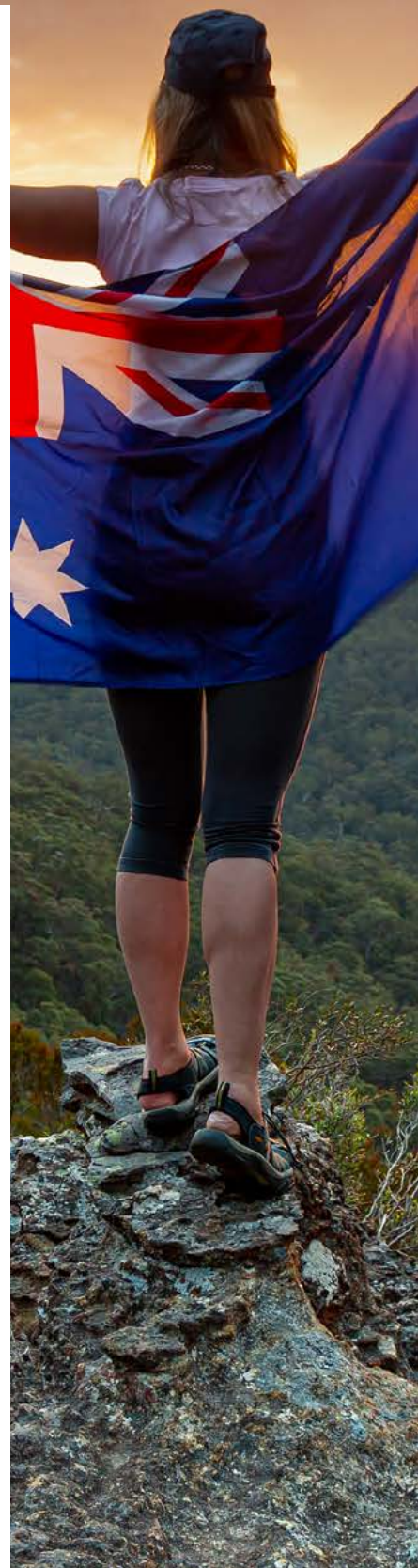




Australian Living Abroad

Tax-Free Savings Plans
For Australian Expats



Get Your Ducks In A Row

As an Australian living overseas, it is likely you are in the enviable position of enjoying a higher income and paying lower taxes, if any tax at all. However, if you intend to return home at some point, there are some very important things you need to do before you return or you risk potentially losing thousands of dollars in unnecessary taxes upon your return.





As international financial planning experts, we spend our time sourcing products that exist specifically to aid Australian expats who intend to repatriate at some time in the future.

There are many investment vehicles available to Australians. Finding the right one can be tricky and to establish the right product for you in a e-guide like this is impossible. However, we can tell you this; you will pay more tax if you don't speak to a financial planner than if you do. In fact, if you speak to a Skybound Wealth advisor now, you will not pay any tax that you don't need to.

Saving Offshore Is Less Taxing

Significant changes to the tax system mean that non-resident Australian nationals now have the power to build their wealth offshore in an environment similar to that of a Superannuation scheme. Essentially this means they will pay no tax on their accumulated wealth when they return home. However, whilst Superannuation schemes only allow concessional contributions up to AUS \$27,500 annually, with this solution there is no maximum amount you can invest, making this a great way of creating a tax-free income later in life.

There is of course no such thing as a free lunch, but to enjoy these fantastic benefits all you have to do is hold your investment for **10 years**.

There are still a number of benefits if you are unable to wait 10 years (more information can be found in the technical section of this guide) but let's face it, 10 years isn't a long time in the world of investments and retirement planning.





No FAF-ing About

The Foreign Accumulation Fund (FAF) replaced the previous FIF rules, as a result, offshore investments are now treated in the same way as their domestic counterparts. For expats, this presented an opportunity to improve the tax efficiency of their investments using offshore investment linked insurance bonds.

Being able to consider offshore investments means you have a wider choice, this in turn allows for the potential to achieve greater returns on your investment.





You don't even need to be outside of Australia for 10 years.

In fact, you can return home at any point during that time. To take advantage of this fantastic opportunity all you need to do is open your investment account now whilst you are an international worker. You can even continue making contributions when you are back on home shores.

The Basics:

- You must start the plan from outside Australia.
- You can carry on contributing, even if becoming resident in Australia in future.
- As your investments grow, year on year, there is no tax reporting requirement and no capital gains liability.
- Before ten years, you can access funds if you wish, but will pay income tax (if resident in Australia).
- After ten years, there is no tax to pay on withdrawals. You can take out lump sums, or pay yourself a tax-free income – even if resident in Australia.
- If you are planning to invest regularly into the solution, the annual contribution must not exceed more than 125% of the previous year's contribution, otherwise the ten-year clock starts again

Just as with your Superannuation fund, this tax efficient solution can be used for a range of financial goals such estate planning, or saving for your children's education fees. Another benefit of this product is its portability. As an expat it's quite likely that you will move throughout your career. As such your investments need to be able to move with you and be restructured to take advantage of regional regulation.

Case Study

Bill is 48 and has been living in Indonesia for the last five years. He plans to return home in two years' time and continue working until he turns 58. Whilst working overseas he has accumulated \$300,000 in savings.

By opening a tax-friendly investment vehicle, created for Australian expats who intend to return home to retire now, Bill will be able access all his initial investment, plus any gains completely tax free by the time he turns 58.

Early Settlement

If a policy is held for less than 10 complete years and the policy has made an investment gain then:

- 100% of the gain is assessable if taken before the policy has been held for eight complete years.
- 2/3rds of gain is assessable if it is received before the policy has been held for nine complete years.
- 1/3rd of gain is assessable if received before the policy has been held for ten complete years.

For Example

A policy holder returns to Australia and fully surrenders all policies and makes a gain of AUS \$60,000.

If the policies were owned for:

| | |
|-----------------------------|---|
| Less than 8 complete years | AUS \$60,000 is included in assessable income |
| Less than 9 complete years | AUS \$40,000 is included in assessable income |
| Less than 10 complete years | AUS \$20,000 is included in assessable income |



Building A Portable, Flexible Investment Portfolio

As the saying goes; 'don't place all your eggs in one basket. And this has never been more important than when formulating a portable retirement plan. It's good practice to invest in a mix of asset classes and currencies to protect against market changes. Investing in tax beneficial offshore jurisdictions allows you to keep more of your money and limits the impact of moving as and when your life requires you to.

When formulating your offshore savings plan, we take the time to understand your attitude to risk, the level of input you wish to have in managing your investments and the specific objectives that you're trying to achieve. We will then make various recommendations, tailor-made to you.

Local Knowledge, Global Reach

Like feathers in the wind, the life of an international worker can take them to the most random and wonderful places as they excel in their careers. At Skybound Wealth we understand the importance of ensuring you retain regular access to either your investments or your financial planner regardless of where your journey takes you.

Our regional offices dovetail together creating one worldwide team, combining global coverage with local knowledge to ensure all our clients are able to realise the potential their international status brings, regardless of where their journey might take them.



Earning Your Money Is Your Job, How You Grow And Protect It Is Ours

And as global financial planning experts, we are always looking for ways to ensure you are able to keep more of your money.

Skybound Wealth Management is part of a group of several organisations, each of which is regulated in the respective jurisdictions where they are based.

Speak to a Skybound Wealth advisor
to find out how you can use your
international status to protect and
grow your wealth in the most tax
efficient way possible.





How Can Skybound Wealth Help You?

Let's cut to the chase, nobody likes paying tax and to deliberately avoid paying what you owe is punishable by prosecution.

However, the UK tax system provides universal opportunities for you to legally mitigate your tax liabilities meaning you are able to keep hold of more of your hard-earned wealth to enjoy in the future.

There are many investment vehicles available to UK expats. Finding the right one can be tricky and to establish the right product for you in a e-guide like this is impossible. However, we can tell you this; you will pay more tax if you don't speak to a financial planner than if you do. In fact, if you speak to a Skybound Wealth advisor now, you will not pay any tax that you don't need to.

Securing Your Future. Wherever You Are Today

We exist to educate and guide you through the important decisions required today, to ensure you benefit from the freedom of tomorrow.

What Our Clients Say...

At Skybound Wealth we are constantly asking our clients for feedback to enable us to gauge the service provided and identify ways we can improve.

With over 400 reviews rating Skybound Wealth 4 star or above on Trustpilot, here are some of our most recent reviews:

Charles says...

The review was based on facts and statistics. Informed advice was given based on the review of my financial position, balancing the risks and benefits associated with my current and future financial position. Outlook of future investments with attractive returns was provided based on historical data.

Bobby says...

Just had my review. Professional as always. Being able to meet online was a great help too, even if I do struggle with the modern technology, my advisor talked me through how to use Zoom!

Anthony says...

Professional and efficient team based in UAE providing clear advice on investment structure and portfolio spread removing the headache from day-to-day management.

Magdalena says...

Skybound Wealth Management financial advisors have been helping me for few years to manage my finances. They never go wrong with advice or switching the funds.

Mandy says...

I continue to have good working relations with Skybound Wealth Management. The team is professional in responding to requests and also follows up to ensure action is taken timely. They are responsible, flexible and take into consideration the concerns of their clients.

Ebix says...

My experience was very cordial, informative, and professional. I got the impression that I was dealing with a very knowledgeable and experienced individual. I am a very satisfied customer and cannot wait for the next review.



Working Together For A Brighter Future

Through a combination of passion for what we do, a desire to innovate and our ambition to define the future of the offshore wealth advice industry, Skybound Wealth Management exists to guide you through the important financial decisions required today, to ensure you benefit from the freedom of tomorrow.

Award winning international financial planning advice from Skybound Wealth Management.

In the words of International Adviser, 'Skybound is an established business with an impressive track record, impressive plans, extensive regulations a great strategy and all-round client focus.'

Skybound Wealth received seven awards across three jurisdictions, which recognise the efforts of every member of the Skybound family.



Skybound Wealth Management is a signatory of the United Nations Principles for Responsible Investing (PRI).

As signatories, Skybound Wealth commits to upholding PRI principles that aim to develop a more sustainable global financial system. Part of how we do this is by integrating ESG considerations into our investment portfolios.

Signatory of:





Securing Your Future.

Wherever You Are Today.

We exist to educate and guide you through the important decisions required today, to ensure you benefit from the freedom of tomorrow.

