

# Dumping your UK domicile

## Retirement Years

By David Mayes

MANY British expats are unaware that as long as they remain UK domiciled, their estates will be subject to inheritance tax. Even if you have been living outside of the country for 40 years, this doesn't mean you automatically have lost your UK domicile. In fact it is a little tricky to shed and this means your estate could end up paying 40% on anything above the nil rate band (currently at 325,000 pounds sterling).

There are two types of domicile; by origin and by choice. Domicile by origin obviously can't be changed and it is usually based on the domicile of the father. However one can establish a domicile of choice by choosing to make a permanent home somewhere abroad after they have reached the age of 16. To do this you not only have to prove your new home is permanent, but also that you have



If you have left the UK to seek sunnier climes, you might find the inheritance tax will follow you across the globe.

no intention to return to the UK.

This is where it gets tricky, as you could have "made a permanent home" in Spain for 20 years, but if you then up and move to Thailand, your domicile instantly returns back to domicile of origin.

Many expats who work for multinational corporations never settle in any one place, as they continuously have a new three-year contract and "home" after each "one changes, making it difficult to establish a domicile of choice during their working life. However,

once retired, it becomes a little easier.

The concept of a 'trust' was originally developed by the English courts and goes back to the middle ages. In essence it is an arrangement whereby one person, called a trustee, becomes the legal owner of any property transferred in by its owner, called the settlor. The trustee holds it for the benefit of another person, called the beneficiary. A trust can include just about anything from land, to shares, insurance policies and even physical gold.

If the settlor is excluded as a beneficiary from the trust, then when that person passes there will be no IHT to pay. However, UK domiciled individuals are restricted to the amount of assets they transfer into a trust without triggering a lifetime IHT charge (currently at 20%). Therefore one can gain a big advantage by losing their UK domicile, as they can then transfer the bulk of their assets into a trust and potentially avoid

any IHT, depending on the laws of their new domicile of course.

If you think your estate might be at risk of facing a large IHT bill, it is worth looking into what possible steps might be available to mitigate those risks. It may be transferring as much as possible into a trust if UK domicile cannot be lost, or it could be making a declaration of domicile of choice. One trust company I work with can obtain an opinion from the Queen's Council on domicile. If there is a lot of tax money at stake, seeking the proper advice may well be worth it.

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# Capturing phuket through Google Glass

BY THE time the Christmas holidays roll around this year, I'll have one of the first sets of Google Glass in Thailand. Imagine being able to walk our beautiful beaches here in Phuket and capture the sights, sounds and experiences hands-free. That's what Google Glass will allow me to do and most people here won't even realize that my 'glasses' can do everything my smartphone can do.

Google is getting ready to launch Google Glass sooner than expected. The launch was previously expected in 2014 but company CEO Sergey Brin has now publicly moved the launch to later this year.

At the Technology, Entertainment, Design (TED) 2013 Conference last month, Brin performed a live demonstration of Google Glass. He said the product launch will occur just in time for the Christmas holiday shopping season.

The 'glass' field looks to be a competitive arena and Google is securing first-mover advantage. Other companies have filed patents indicating that they are developing a similar product. Microsoft, Apple, BlackBerry, Samsung and Sony are all rumored to be developing their own glass product. All these companies see the 'glass' market as the next big market after the mobile handset and smart phone device category.

With Google Glass, the user has a wearable computer that has the same features as a smartphone. Everything is visible through the head mounted display. The first demos that have been seen appear to look like regular eyeglasses. There's even speculation that one day the Google Glass can be fitted with prescription lenses.

Google Glass will operate via voice commands. If I want to take a picture or record a video, I just say 'take picture' or 'record video'. One of the most exciting aspects is that I can share what I'm currently seeing with anyone I want to via a Google Hangout or through Google+ or Gmail.

How many awesome sunsets or sunrises have we seen here in Phuket? I can record

## Island Investor

By Don Freeman

the sunset or sunrise and shoot the live video and invite my friends to view it with me and see what I'm seeing with Google Glass. So what I'll be doing is viewing the scene, recording it and talking to my friends at the same time as we all watch it. It'll be like having them with me.

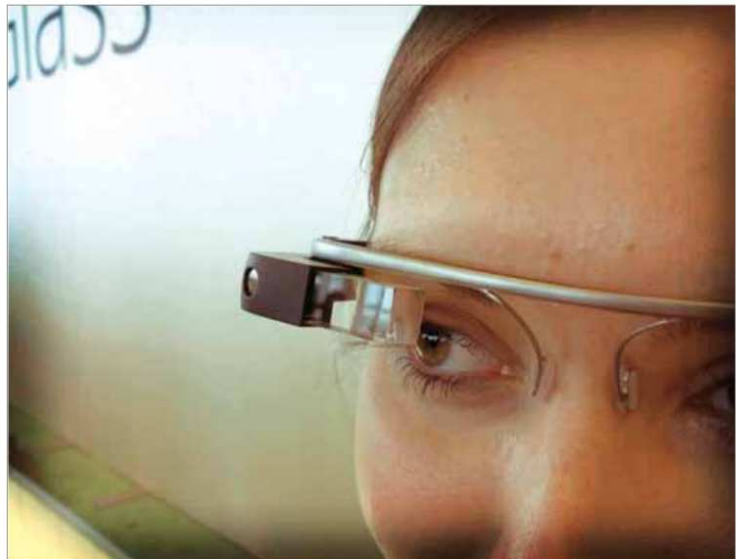
For me the most exciting and functional aspect to Google Glass, is the ability to incorporate directions and maps visually. I've always wondered why Google spent so much time and money with Google Street View and mapping the entire world. Now I know why. With Google Glass, you can ask for directions and it will give them to you in Google Glass. Now when you're driving or walking, you have the directions right in front of you completely hands-free.

Google has effectively bundled all of their services into a usable wearable computer. If you want to Google something, just ask and the answer will show up in Google Glass. If I need to translate something into Thai, I just ask Google Glass and I get the translation and pronunciation. As all of us expats know living here in Thailand, this feature alone is priceless and makes Google Glass worthwhile.

The glasses themselves are strong and light. Colors that will be available available include charcoal, tangerine, shale, cotton and sky. Recently Google CEO Larry Page went on the New York City subway wearing the glasses and most people failed to recognize that he was wearing Google Glasses.

The deeper I delve into the Google Glass product, the more excited I get about the stock. Google's stock continues to make new highs and the stock is up 16% so far this year and up 45% since June 2012. Most analysts price targets for Google now range from \$900 to \$1000.

The company has a forward P/E of 15 and that's still very cheap for a growth company. Google has an operating margin of 26%, which is one of the highest in the industry. Google has over \$48 billion in cash on its balance sheet, or \$145 per share.



WEARABLE COMPUTER: Google Glass is set to revolutionize how users interact with mobile computing devices. Photo: Antonio Zugaldia

The momentum players see a compelling valuation and a company with tremendous growth prospects. The creation of the Google Glass product is truly revolutionary.

Technologists have been wanting to create a wearable computer for the past 50 years, but none have been able to do it and develop a commercial product. Google looks to have done that and that's why I'm not only buying Google Glass, but also buying Google stock.

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## 10 COOL THINGS YOU CAN DO WITH GOOGLE GLASS

- Take pictures.
- Access Google Hangout.
- Record a video and share with others in real time.
- Pop up a reminder for you next appointment.
- Current weather report.
- Dictate texts and messages to friends and family using Google's cloud-based speech recognition.
- Travel alerts.
- Access Google Maps and get directions.
- Translate signs into your own language.
- Navigate inside buildings.