

## Are International Bank Accounts Really Worthwhile?

It seems that reading a newspaper or accessing a website would not be complete nowadays without the appearance of an advertisement for an *international bank account*.

Reading the publicity, it would seem that all expats need such an account; but is that really the case? International bank accounts can potentially offer tax efficiency; provide a secure place to keep your funds; and provide flexibility and convenience.

In fact, this type of account is no different from an offshore bank account; only the word *offshore* has taken on a negative connotation recently. If we take off all the trimmings, it is basically an account that someone holds outside of the jurisdiction in which they reside.

If an expat is resident in a low or zero-tax jurisdiction, in a country with a volatile currency or an insecure banking system, then an offshore account could be advantageous.

Otherwise, the deciding factor on the value of such an account is the potential flexibility. If you move often or travel regularly, having an international account negates the need to keep changing banks and it can be in different currencies. This is ideal if you are not paid in the local currency and you have financial obligations in another country and currency.

Holding one, do-it-all account is also good for establishing a strong relationship with your bank. This should result in a better service from your bank. After all, they can make money from the account fees you pay and the financial leverage they get from holding your money.

Taking on expatriate clients is big business for banks. Consequently, they offer all sorts of extras to woo potential clients and it is easy to be taken in. It is of course important to consider that for the banks it's all about sales – the banks want us, so they can make money. It is also crucial to remember to get the account that's right for your needs and not sign up for something that looks good on paper but has little overall benefit.

Of course, opening an international account is not always necessary – in many circumstances a local current account receives your income and pays the bills.

It really depends on the individual's circumstances and you can easily compare and contrast accounts on the internet. If you're still unsure what really is the best account for you, seek advice from a regulated, independent, qualified financial adviser.

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