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Everything you need
to know: **emigrating
abroad**

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According to The Economist, if the world's migrants lived in one place it would be the fifth largest nation. And more of us are setting out to carve new paths in new places; United Nations figures show 11 million people emigrated from 2010-2013. Whether you're moving for work, an alternative way of life or just a fresh start, there are a few common considerations you'll need to think about.

That's why we've put together this guide, which focuses on the financial side of moving abroad. We've covered all the basics, from the cost of migration and setting up a foreign bank account, to transferring money and buying your new home.

How much will it cost?

The exact cost will vary depending on where you're moving to, but the expenses you'll need to account for include:

- visas
- shipping possessions
- transport
- transferring funds
- accommodation
- healthcare
- insurance.

These aren't likely to cost the same amount in your destination country as they do in your current one. If you're emigrating from the UK to the US, for example, you might end up spending an extra \$8,500 a year on healthcare. If you don't have the time for a fact-finding mission, use a website like Numbeo. It shows the cost of everyday items (dinner for two, bottled water, monthly utilities) in cities around the world. So whether you're emigrating to Australia, Canada or Fiji, you'll have a good idea of what to budget for. And as always, shopping around can result in better bargains. For example, if you're flying to your new country, book your tickets six weeks in advance when prices tend to dip.

If you have a firm move out date in your diary, ask your foreign exchange broker (otherwise known as an FX or forex broker) to create what's called a 'forward contract'. Forward contracts lock your money



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into the current exchange rate, to be taken out at a date in the future. This means you'll know you've got enough money in the bank to cover your expenses.

How do I set up a bank account abroad?

Surprisingly, it's often easier to set up a foreign bank account before getting on the plane. But if you do want to wait until you're in your new country, you'll need the following documents:

- passport, and possibly a residence permit and visa
- a recent bank statement
- a letter from your new employer confirming your salary information and contract length
- proof of address
- your credit history report.

“if you want to set up your account pre-move, apply for it three months before you're planning to emigrate.”

The bank might also ask you to make an initial deposit, which a forex broker can transfer in.

The difficulty is the proof of address part – because it'll take a while for utilities bills to come through, you probably won't have proof straightaway. You can get around this easily by opening a foreign account in your home country. It's worth noting that global banks can take around 30 days to do this, and regulations can slow down the process more. So if you want to set up your account pre-move, apply for it three months before you're planning to emigrate.

How can I transfer my money?

PayPal and credit cards are fine for sending small amounts overseas, but won't necessarily do for transferring lump sums. While going through your bank is an understandably popular option for payments abroad, it's also the most expensive way to move your money. Each transaction incurs a fee (between £15-25), and those that advertise as 'commission-free' often inflate the exchange rate to compensate.

Bank transfers can also make it unclear how much money you'll actually end up with. For example, imagine you're buying a new car for 150,000 Chinese yuan (about £16,000 at a rate of 1:0.11). If your bank increases the rate by 0.5%, you'll accidentally underpay by around ¥7,000.

Hiring a forex broker helps to avoid these pricey miscommunications. They essentially act as a middle man between you and the international money marketplace. Their fees won't be hidden in a poor exchange rate, and are typically £0-10. Forex brokers' rates tend to be better anyway as they buy currency in bulk, usually saving you 3-4% on the rate. For more information on the cost of transferring money abroad, have a look through our money transfer 101 guide.

What if I need to get a mortgage?

If you need a mortgage, you can either arrange one with a local bank in your new country or with a global bank in your current country.

To get a clear view of how much your repayments are going to be, it could be better to go for the first option. That's because you won't be paying back, say, a loan on a Portuguese house in Mexican currency – exchange rate fluctuations won't confuse things. The amount local banks will lend varies between countries; in New Zealand you could be loaned up to 95% of the house's value, while in Spain that figure is closer to 70%. The second option can be a little trickier, as the bank has to operate in the country you're moving to and you'll be impacted by rate changes.

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What else do I need to know when buying property abroad?

Make sure you've factored extra expenses, like legal fees and house insurance, into your budget. These costs could be anything from 5% of the purchase price in the US to 15% in Italy.

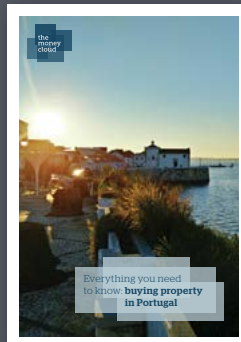
“Forex brokers can exchange between mainstream currencies like British pounds sterling, Australian dollars, Japanese yen and euros within 24 hours.”

You'll also need to consider timings. If you need to move money quickly, be aware of how long it'll take. Forex brokers can exchange between mainstream currencies like British pounds sterling, Australian dollars, Japanese yen and euros within 24 hours. Less common currencies, like Thai baht will take closer to four days. Your broker will run you through these timescales, but do double-check with them before committing to anything. ■

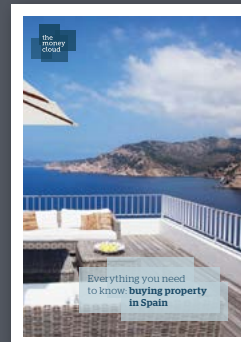
Everything else you need to know about buying property abroad is covered in our comprehensive guide. Have a browse through the rest of our guides for all things international money transfer, or simply give us a ring if there's anything else we can help you with.

Our guides

In this series of comprehensive guides, you'll find everything you need to know about all areas of international money transfer. We've designed them to provide clear answers to your money transfer questions, whether you're putting down a deposit on a beachfront villa in Antigua, packing up and moving across continents or paying for a Serengeti safari. They cover all the essentials, from the costs you'll need to account for to the processes you'll need to follow.



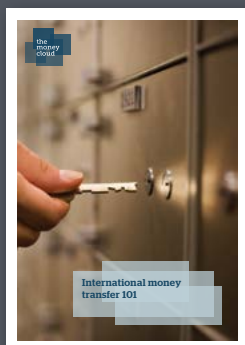
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Everything you need to know: buying property in Spain



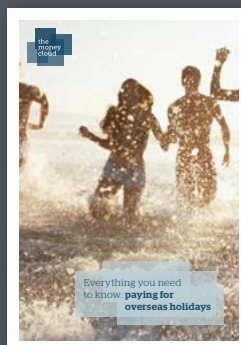
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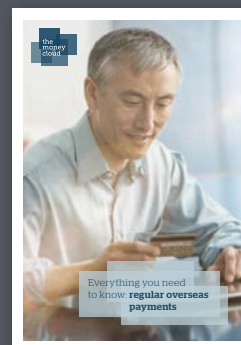
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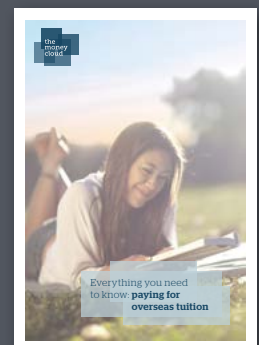
International money transfer 101 for business



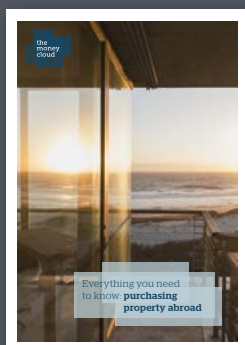
Everything you need to know: paying for overseas holidays



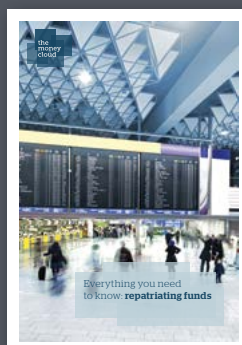
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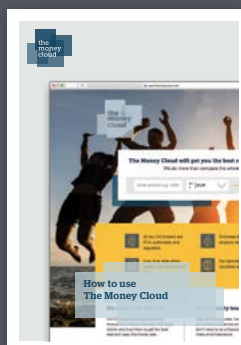
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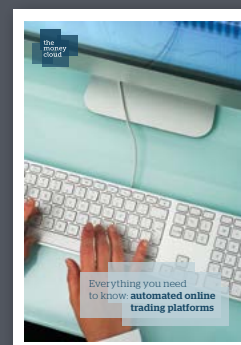
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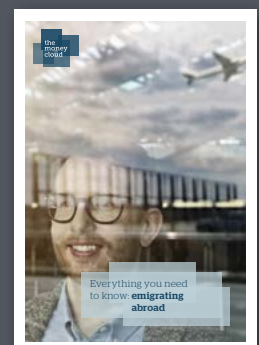
Everything you need to know: repatriating funds



How to use The Money Cloud



Everything you need to know: automated online trading platforms



Everything you need to know: emigrating abroad