

Perspectives on Overseas Retirement 2019



Perspectives on overseas retirement

Career success, personal fulfilment and a dream retirement. These are the things everyone works for. When it comes to life after work, we are all looking forward to our own versions of happiness. Whether yours is spending time with your grandchildren, going back to school, travelling the world, relocating overseas to live the life you've always wanted, making your dream retirement come true requires considerable financial and psychological preparation. At the same time, global geopolitical and economic climates can change and impact your plan for achieving financial security, and need to be included in your retirement planning.

Some people are actively planning their retirement, while others neglect to give it the attention it deserves. Which group do you belong to? Does the thought of your retirement fill you with confidence?

This booklet gives you an overview of retirement protection and planning in Hong Kong, explores local and overseas retirement options illustrated with real-life case studies to help get you prepared for your new milestones.

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Flexible planning for reaching your retirement goals



Global geopolitical tensions, uncertain economic outlooks as well as rising medical costs are some of the factors that should be evaluated and taken into account when you're formulating your retirement strategy. As we all know, political instability can weaken economic prospects, while market volatility often destabilises the value of personal investments. The threat of economic slowdown will always put pressure on your daily life and financial wellbeing, and the possibilities of stagflation, asset depreciation as well as increasing longevity are all additional variables that could impact your retirement plan.

According to government statistics, the average life expectancy in Hong Kong is now 80 years¹. While that is a good news, longevity also means longer-term medical costs. According to the latest estimates by US-based HealthView Services², a typical healthy retiring couple of 65 in the US now face 20 years of medical expenses totaling up to USD387,644 (approx. HKD3,015,870)³. New medical advances will no doubt contribute to longer lifespans, but they will also bring corresponding increases in medical and healthcare spending.

It is therefore vital that you review your financial planning strategy regularly in light of market developments to ensure you remain on course for reaching your retirement target.

1 Hong Kong Census and Statistics Department – Hong Kong Monthly Digest of Statistics, May 2019
 2 HealthView Services – 2018 Retirement Healthcare Costs Data Report
 3 Based on linked exchange rate (7.78:1)

Chapter 2

Retirement solutions in Hong Kong



A changing global economic climate affects our retirement planning. At the same time, an aging population is putting increasing pressures on Hong Kong’s public healthcare system. In recent years, the government has introduced a number of retirement solutions to encourage people to acquire extra medical protection and build their own pensions. These schemes can help sustain a stable income for retirees and protect them against rising medical expenses in their old age.

Types of solutions	Nature	Characteristics
Qualifying Deferred Annuity Policy (QDAP)	You can pay your premium by instalments, which are then accumulated during the accumulation phase. You will then receive monthly annuity payouts at the start of the annuity period ¹	<ul style="list-style-type: none"> Stable monthly income Up to HKD60,000 in tax deduction per person per year²
Tax-Deductible Voluntary Contributions (TVC)	Enhance your retirement savings by making additional voluntary contributions ³ on top of the mandatory contributions	<ul style="list-style-type: none"> Savings scheme with higher flexibility Up to HKD60,000 in tax deduction per person per year²
Voluntary Health Insurance Scheme (VHIS)	Let you purchase medical insurance with well-defined coverage and benefits to strengthen your health protection	<ul style="list-style-type: none"> Guaranteed renewal with no lifetime limit Up to HKD8,000 in tax deduction per person per year⁴
Reverse Mortgage Programme	Use your property as security to generate monthly payouts during your retirement while you continue to stay in the same property	<ul style="list-style-type: none"> Stable income Highly flexible; choose 10, 15, 20 years or a lifetime of monthly annuity payments⁵
Policy Reverse Mortgage Programme	Allow you to use your life insurance policy as collateral and convert the death benefit into a steady retirement income	<ul style="list-style-type: none"> Long-term and stable monthly annuity income Enjoy the flexibility to receive monthly payouts either over a fixed period of 10, 15 or 20 years or for life⁵

Even though retirement plans in Hong Kong are becoming increasingly comprehensive and diverse, everyone has their own long-term goals. Some want to stay in the place they know best, others look forward to a different way of life abroad. Whatever your goal, retirement planning should be undertaken as soon as possible. And if you want to relocate, you need to have a thorough understanding of your preferred destination and weigh your own expectations and financial capabilities.

¹ The Insurance Authority website

² The maximum tax-deductible limit for a single taxpayer in Hong Kong is HKD60,000 per tax assessment year. It is an aggregate limit for deferred annuity premiums and Mandatory Provident Fund Tax-Deductible Voluntary Contributions (“MPF TVCs”), which means an eligible taxpayer may claim tax deductions for deferred annuity premiums and MPF TVCs in aggregate up to this maximum limit per year.

³ Mandatory Provident Fund Schemes Authority website

⁴ The Voluntary Health Insurance Scheme website

⁵ The Hong Kong Mortgage Corporation Limited website

Chapter 3

Look to the world



As much as they like to travel, Hong Kong people are passionate about their work. Most can only go away for a few days at a time. That’s why for many, travelling the world after retirement is a dream come true. Some people would even consider purchasing a property in the destination of their choice, which would generate an income from rentals in the meantime and serve as a retirement home in the future.

Retiring overseas is nothing new, of course. For 40 years, *International Living*¹ has been compiling a list of the best retirement destinations based on 13 criteria, including cost of living, healthcare, climate, entertainment and amenities, housing, etc.

"Global Retirement Index 2019" Best Retirement Destinations¹



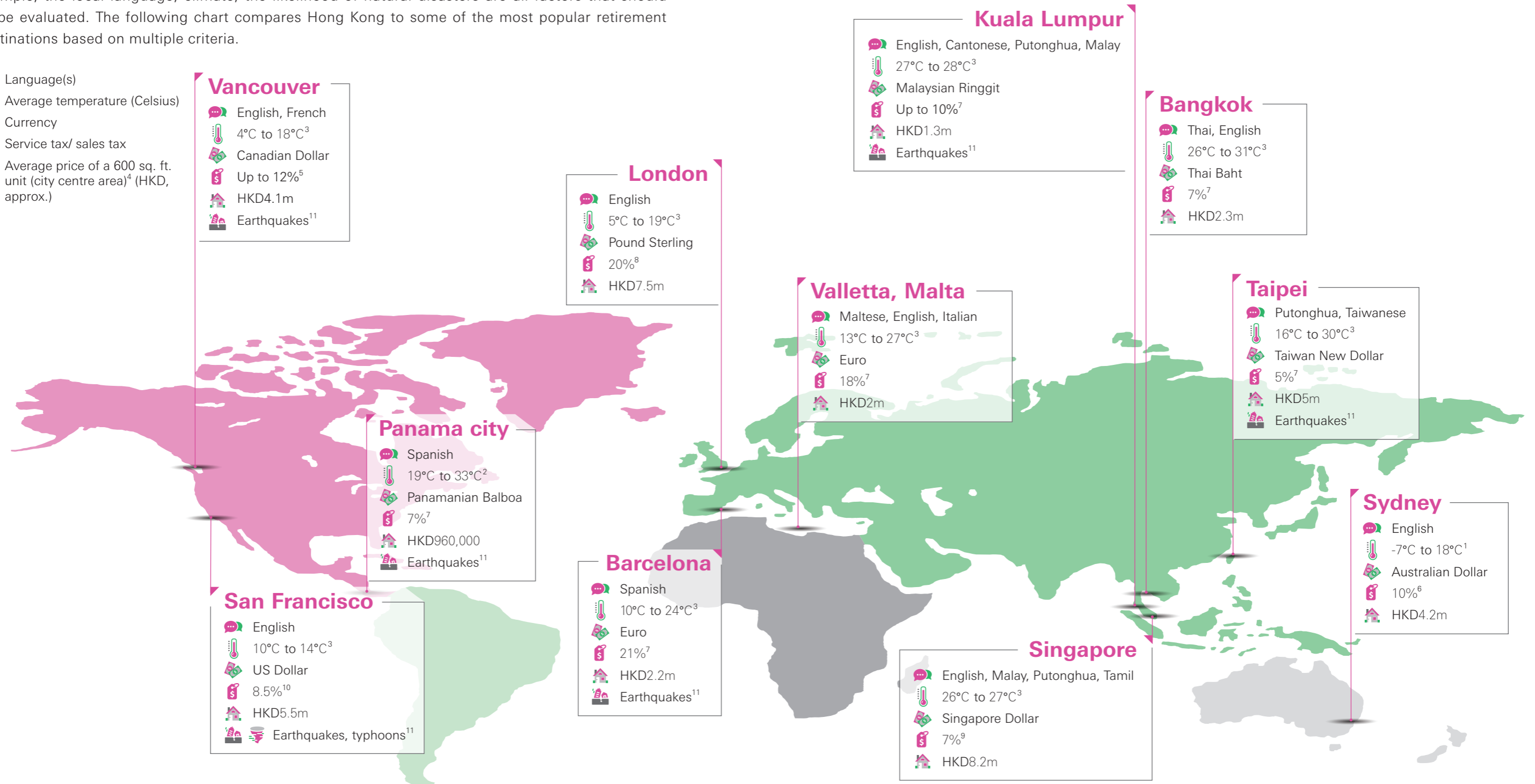
¹ International Living website <https://internationalliving.com/the-best-places-to-retire/>

Look to the world

Overview of popular retirement destinations

Relocating to one of these destinations for your retirement might seem like an attractive prospect, but leaving the place you know best and moving to an unfamiliar city has many challenges. For example, the local language, climate, the likelihood of natural disasters are all factors that should all be evaluated. The following chart compares Hong Kong to some of the most popular retirement destinations based on multiple criteria.

- Language(s)
- Average temperature (Celsius)
- Currency
- Service tax/ sales tax
- Average price of a 600 sq. ft. unit (city centre area)⁴ (HKD, approx.)



1 Hong Kong Observatory — World Weather Information (based on the average temperature of 3 winter months and 3 summer months) https://www.hko.gov.hk/wxinfo/worldwx/wwi_uc.htm
 2 <https://www.tianqi.com/> (based on the average lowest daily temperature and average highest daily temperature in a year)

3 <https://holiday-weather.com> (based on the average temperature of the warmest month and coldest month of the year)
 4 Numbeo's data on per-square-meter property prices in metropolitan city centre areas. The above figures are for reference only (up-to-date as of 22 October, 2019) and do represent actual prices in the respective locations. All figures are rounded off and might vary as a result of fluctuations in foreign currency exchange rates.




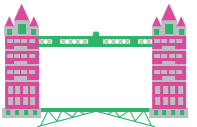
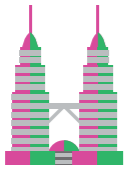



5 <https://www.tripsavvy.com/vancouver-and-british-columbia-sales-tax-1667911>
 6 <https://www.ato.gov.au/Business/GST/>
 7 <https://www.ey.com/gl/en/services/tax/worldwide-vat--gst-and-sales-tax-guide-2019---rates>

8 <https://www.gov.uk/vat-rates>
 9 <https://www.mof.gov.sg/policies/tax-policies/goods-and-services-tax>
 10 <https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx>
 11 The international disasters database and GDACS

Chapter 3

Look to the world

Where to go: destination snapshots

	Quick facts	Length of travel with a HKSAR passport	Requirements for extended stay
US	 <ul style="list-style-type: none"> Geographically and culturally diverse, home to many ethnicities. Each state has its own distinctive natural and cultural heritage; San Francisco is consistently rated as one of the most livable cities in the world. 	<ul style="list-style-type: none"> Visa required. The period of time and conditions of your stay will be authorised by a Department of Homeland Security officer when you arrived in the United States. 	<ul style="list-style-type: none"> You are required to invest USD900,000 (approx. HKD7m)¹ in a targeted employment area or USD1.8m (approx. HKD14m)¹ in a high-employment area and directly or indirectly create full-time positions for at least 10 qualifying employees, and meet other relevant requirements.²
Australia	 <ul style="list-style-type: none"> Known for its sunshine, beaches and temperate climate and fresh air. It is agriculturally rich, and produces many fresh ingredients. Less stressful than Hong Kong, ideal for those who prefer a slower pace of life. 	<ul style="list-style-type: none"> An electronic travel authorisation visa (eTA) is required. Up to a three-month stay. 	<ul style="list-style-type: none"> You're required to have at least 3 years' relevant working experience and be nominated by an Australian State or Territory government agency. You also need to have experience in managing a qualifying business or investments valued AUD1.5m (approx. HKD8.1m)³ or more and personal assets of at least AUD2.25m (approx. HKD12.15m)³. In addition, you will have to make a designated investment of at least AUD1.5m (approx. HKD8.1m)³ in the State or Territory in which the nominating State or Territory government agency is located and meet other relevant requirements.⁴ A holder of the visa who is aged 55 or below can stay in Australia for up to 4 years and 3 months⁴
Canada	 <ul style="list-style-type: none"> Famous for its unspoiled natural scenery, rugged mountain ranges and a rich multicultural heritage. Culturally diverse, with a large ethnic Chinese population. Four distinct seasons, winters can be very cold. 	<ul style="list-style-type: none"> An electronic travel authorisation visa (eTA) is required for entry and transit. Travelers who fly to or transit through a Canadian airport need an eTA before check-in. This does not apply to those entering Canada by land or sea. Up to a six-month stay. 	<ul style="list-style-type: none"> You need to have CAD2m or more in assets (approx. HKD11.98m)³ and meet other relevant requirements, applicable to the province of Québec only.⁵
UK	 <ul style="list-style-type: none"> Its capital, London, is a bustling metropolis with a wealth of historical architecture. Picturesque towns, coastal cities in the south and the idyllic English countryside towards the north combine to offer a spectrum of lifestyle settings. With many world-famous universities and academic institutions, the country is a cradle of academic excellence. 	<ul style="list-style-type: none"> Visa-free for up to a six-month stay. 	<ul style="list-style-type: none"> You need to have GBP2m (approx. HKD20.56m)³ or more in the UK or overseas when you apply and meet other relevant requirements.⁶
Malaysia	 <ul style="list-style-type: none"> A Muslim country with a multicultural heritage, where the government actively fosters social harmony between different ethnicities. Many locals are fluent English and Cantonese speakers. According to <i>International Living</i>⁷, Malaysia is among the places with the lowest cost of living. 	<ul style="list-style-type: none"> Visa-free for up to a one-month stay. 	<ul style="list-style-type: none"> Those who are below the age of 50 are required to have at least MYR500,000 (approx. HKD940,000)⁸ in liquid assets and an offshore income of MYR10,000 (approx. HKD18,900)⁸ per month. Upon approval of your application, you'll be required to open a fixed deposit account with MYR300,000 (approx. HKD560,000)⁸, and meet other relevant requirements.⁹ You will obtain a visa for a period of 10 years, which is renewable thereafter and will not affect your original nationality and citizenship status.⁹
Taiwan	 <ul style="list-style-type: none"> Very close to Hong Kong, with no time difference. Rent and prices are lower. Chinese heritage, similar to Hong Kong in terms of food culture, lifestyle, language and entertainment. One of the most popular short-haul travel destinations for Hong Kong people. 	<ul style="list-style-type: none"> Visa-free, but visitors need to apply for an Entry Permit of HK and Macao Residents, which is valid for 30 days at a time. Up to a 30-day stay per visit. 	<ul style="list-style-type: none"> Invest over TWD6m (approx. HKD1.56m)⁸ and meet other relevant requirements.¹⁰
Singapore	 <ul style="list-style-type: none"> Hot year-round. Shares many economic and cultural commonalities with Hong Kong. A very competitive economy supported by well-established education, housing and medical systems. 	<ul style="list-style-type: none"> Visa-free for up to a 30-day stay. 	<ul style="list-style-type: none"> You need to have sufficient capital and relevant investment experience. You may choose to invest SGD2.5m (approx. HKD14.14m)³ or more in a new business entity or in the expansion of an existing business operation¹¹, or Invest SGD2.5m (approx. HKD14.14m)³ or more in a GIP fund that invests in Singapore-based companies and meet other relevant requirements.¹¹
Thailand	 <ul style="list-style-type: none"> Tropical climate. The Thais are generally gentle and friendly people, and their country is known as The Land of Smiles, with a culture that respects the elderly. Retirees' overseas income is tax-free. According to <i>International Living</i>⁷, Thailand is among the places with the lowest cost of living. 	<ul style="list-style-type: none"> Visa-free for up to a 30-day stay. 	<ul style="list-style-type: none"> You need to provide a copy of a bank statement showing a deposit amount equal to and not less than THB800,000 (approx. HKD220,000)³ or an income certificate (an original copy) with a monthly income of not less than THB65,000 (approx. HKD18,000)³, or A deposit account plus a monthly income totalling not less than THB800,000 (approx. HKD220,000)³ and meet other relevant requirements¹². Non-Immigrant Visa "O-A" (Long Stay) is available to applicants aged 50 years and over. Holder of this visa is allowed to stay in Thailand for 1 year. Employment of any kind is strictly prohibited¹².

The above information was current as of 21 November, 2019 and is for reference only. All information is for illustrative purposes and does not constitute any opinion or proposal offered to any individual and is not a substitute for professional opinion. You should not make any decision on the sole basis of the information provided in this booklet. Foreign currency exchange rates and changes to the travel/immigration policies of individual countries and territories could affect the regulations governing travel/immigration to those countries and territories. For details, please visit the relevant departments and offices and professional immigration consultants.

1 Based on linked exchange rate (7.78:1)
2 U.S. Citizenship and Immigration Services

3 Based on HSBC exchange rates (banknotes bank sell price quoted on 15 November).
4 Australian Government Department of Home Affairs

5 <http://www.immigration-quebec.gouv.qc.ca>

6 <https://www.gov.uk/tier-1-investor>

7 <https://internationalliving.com>

8 <https://www.xe.com> (based on the exchange rates quoted on 15 November).

9 Malaysia – My Second Home Program official website

10 URL <https://www.immigration.gov.tw/>

11 The Singapore Economic Development Board

12 Ministry of Foreign Affairs of the Kingdom of Thailand

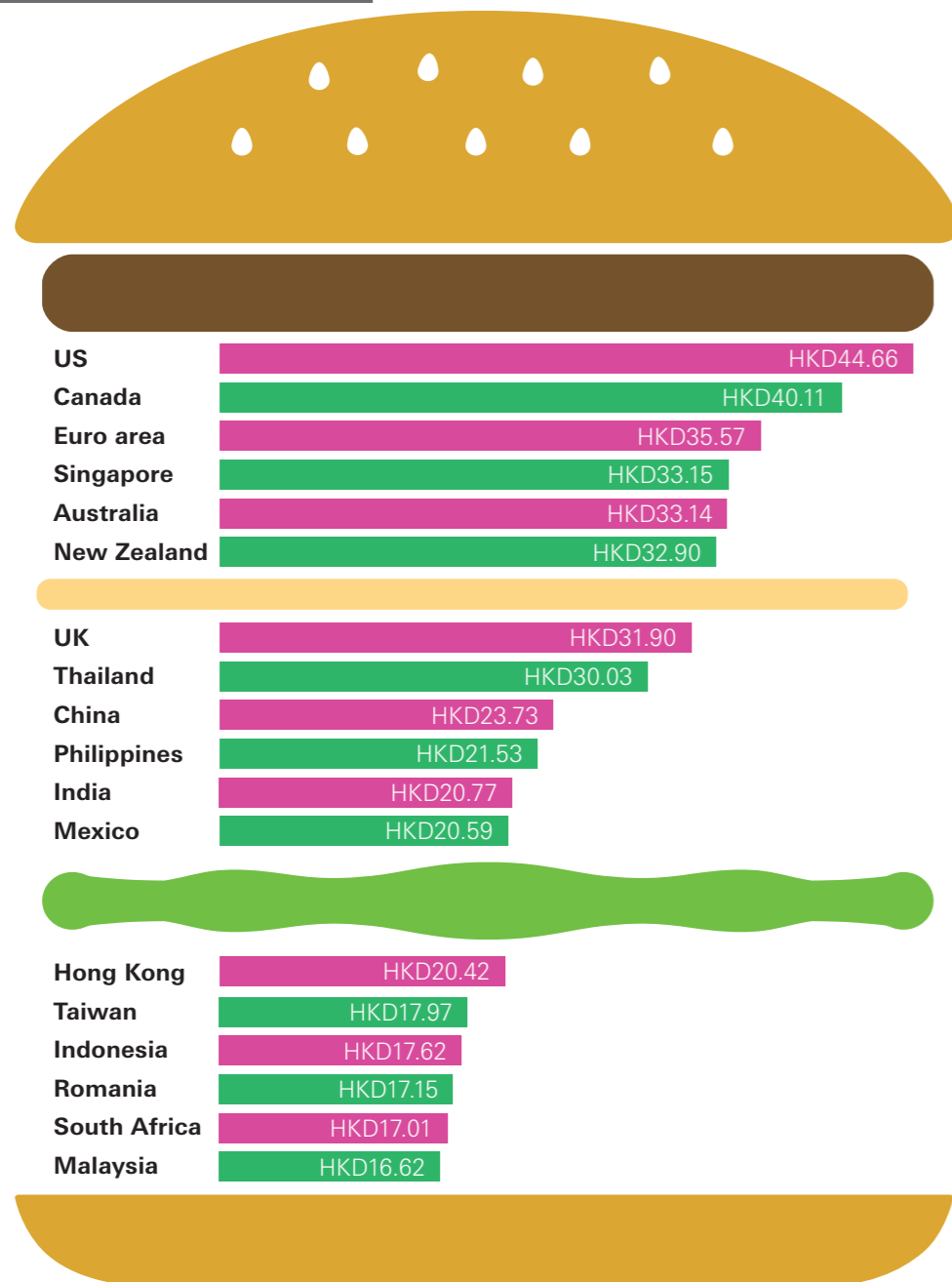
Chapter 3

Look to the world

Cost of living – by destination

Whether you're taking an extended holiday or planning to live abroad, the following is a range of cost-of-living data for your reference, from exchange rates, property and consumer prices to average costs of public medical services. These data will help give you a clearer picture of how much it costs to live in the retirement destination of your choice, so you can review and adjust your retirement plan accordingly. The Big Mac Index below, which lists Big Mac prices in different locations around the world, is also a useful indicator of the differences in overall cost of living.

Big Mac Price Index¹ (as of July 2019)



1 <https://www.economist.com>, based on linked exchange rate (7.78:1)
 2 Based on linked exchange rate (7.78:1)
 3 Based on HSBC exchange rates (banknotes bank sell price quoted on 15 November).
 4 <https://www.xe.com> (based on the exchange rates quoted on 15 November).

5 Numbeo's data on per-square-meter property prices in metropolitan city centre areas. The above figures are for reference only (up-to-date as of 22 October, 2019) and do not represent actual prices in the respective locations. All figures are rounded off and might vary as a result of fluctuations in foreign currency exchange rates.

Exchange rates and estimated living expenses

City	1 unit of the local currency to HKD (approx.)	Price of a 600 sq.ft. unit (city centre) in HKD (approx.) ⁵	Basic monthly expenses (per person, living accommodations not included) in HKD (approx.) ⁶	Average expenditure per person on public medical services per year in HKD (approx.) ⁷
San Francisco	7.78 ²	5.5m	14,734	73,343
Sydney	5.39 ³	4.2m	11,697	33,984
Vancouver	5.99 ³	4.1m	11,806	36,200
London	10.28 ³	7.5m	14,116	26,340
Kuala Lumpur	1.89 ⁴	1.3m	8,625	8,112
Taipei	0.26 ⁴	5m	10,489	10,405 ⁸
Singapore	5.83 ³	8.2m	18,537	31,567
Bangkok	0.28 ³	2.3m	11,664	4,680
Hong Kong	N/A	13m	14,351	22,672 ⁹

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6 Estimates compiled by Numbeo based on per-person basic living expenses, including restaurant meals, entertainment, transportation, shopping, utilities and other miscellaneous expenses. The above estimates (valid as of 22 October, 2019) are for reference only and do not represent actual living expenses in the respective cities. All numbers are rounded off and might vary as a result of fluctuations in foreign currency exchange rates.

7 World Health Report, 2014
 8 Taiwan Health and Welfare Report
 9 Health Facts of Hong Kong, 2019

Overseas retirement case studies





The cases below are for your reference to help with your overseas retirement planning.





Case 1 – A carefree retirement in Canada

Mark and his wife Mary, both 45, returned to Hong Kong to work after graduating from university in Canada. He is an accountant and she is a university guest lecturer. They have no children, and plan to spend the next 10 years to actively save for their retirement so that they can live a more relaxed lifestyle when they are 55-65. They are affluent, with a combined monthly income of HKD178,000, and live in North Point in a property they own. Their monthly household expenses add up to HKD90,000, plus the HKD20,000 Mark gives to his parents to cover their living costs. Their total monthly expenditure is therefore HKD110,000.

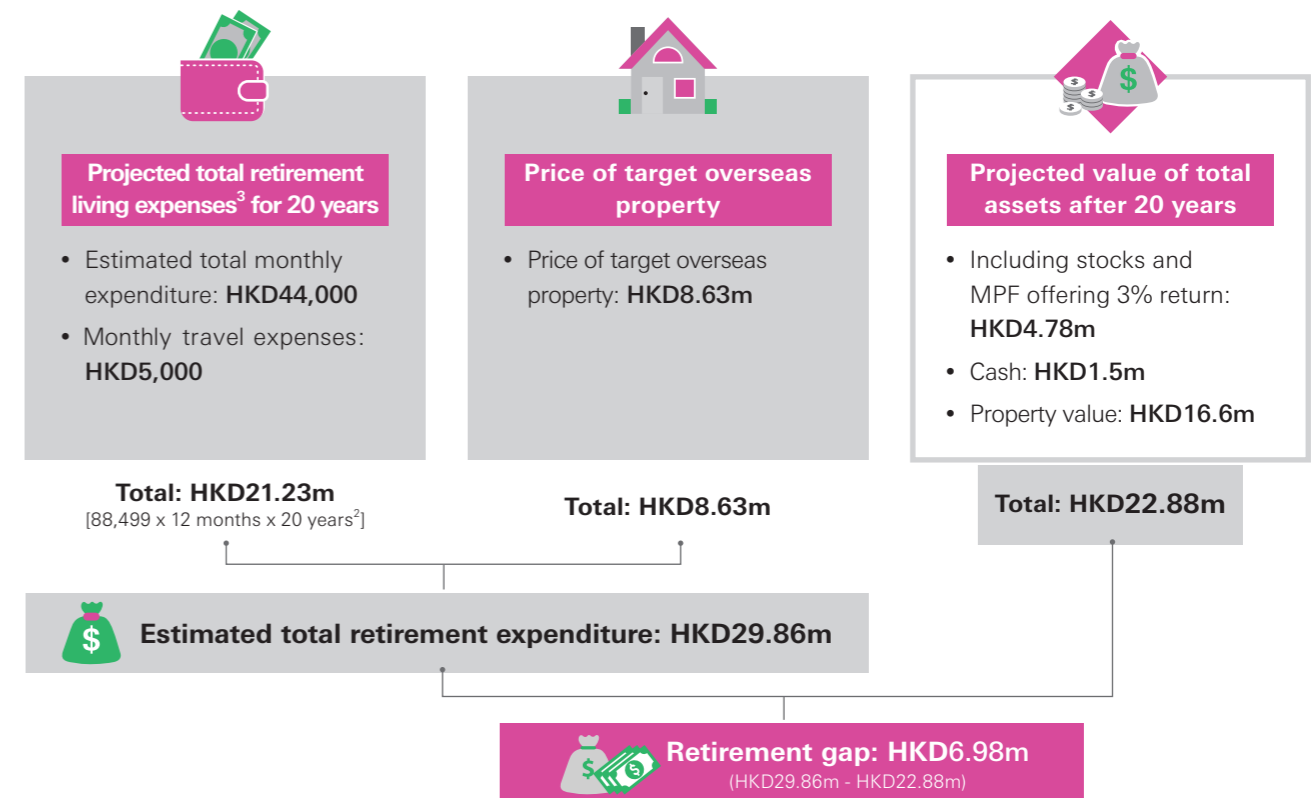
Mark and Mary plan to both retire at 65 and move back to Vancouver. They are considering buying a 2,000 sq.ft. house in Vancouver valued at approximately HKD8.63m¹.

Vancouver, though one of Canada’s largest cities, has a cost of living that is lower than Hong Kong’s. Based on the couple’s estimates, their monthly household expenditure in Vancouver will be HKD44,000. They plan to travel around and return to Hong Kong to visit their family and friends occasionally, for which they are budgeting HKD5,000 per month.

Mark and Mary – Snapshot		
	Mark	Mary
Age	45	45
Occupation	Accountant	University guest lecturer
Monthly income	HKD100,000	HKD78,000
Total monthly household income	 HKD178,000	
Total monthly household expenditure	 HKD110,000	

Mark and Mary’s current assets		
Jointly owned property	 A 688 sq.ft. in North Point, with a market value of	HKD16.6m
Other investments	 stocks and investment funds	HKD1m
Retirement reserve	 MPF assets	HKD1.64m
Cash	 savings	HKD1.5m

Mark and Mary’s projected living expenses in Canada and retirement gap



Based on the retirement age of 65 and a lifespan of 85 years, they need to have a total of HKD29.86m when they retire. With their current assets, Mark and Mary need to save HKD6.98m to fill their retirement gap. That means, without an insurance or annuity plan, they have to save HKD58,200 per month for 10 years. If they want less financial pressure, they can purchase an insurance plan with long-term potential growth when they are 45 and pay a monthly premium of HKD33,500 (assuming a 3.6% return), which may allow them to reach the projected target of HKD6.98m in savings when they retire at 65. Mark and Mary can choose a premium payment period that suits them and pay the premium within 10 years. They can take advantage of the benefits of potential long-term growth and enjoy a higher potential return when they retire. They also have the option to withdraw part of the cash value of the plan for daily expenses after they have retired. Furthermore, they can enjoy life protection during the policy term.

Note: These calculations are made based on property values and cash values that are assumed to remain unchanged after 20 years. Since property prices and cash values may be affected by inflation when they retire in 20 years’ time, estimates should be adjusted upwards to allow for inflationary impact. All figures are rounded to the nearest hundredth.

¹ Property Bureau, Greater Vancouver Area, February 2019 - average price of a house: CAD1.453m (based on an exchange rate of CAD1:HKD5.94)

² After 20 years, the couple’s projected total monthly expenditure (HKD49,000) will have increased to HKD88,499 due to inflation (assuming an annual inflation rate of 3%).

³ Based on the cost of living in Vancouver, in the “Cost of living – by destination” section

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Overseas retirement case studies





Case 2 – Simple Contentment in Malaysia

John, an IT project manager and his wife Christine are both Malaysian Chinese. They came to Hong Kong to work soon after graduating from university. They purchased an off-plan property in Tsuen Wan two years ago and are about to move in. The property has a saleable area of 427 sq.ft., mortgaged at HKD18,000 per month, with 10 years of mortgage payments remaining.





The couple have no children and don't need to support their parents financially. Since consumer prices are generally low in Malaysia, they plan to move back there when they retire at 65.

They plan to purchase a 1,200 sq.ft. apartment in downtown Kuala Lumpur, valued at approximately HKD5.5m¹. Their monthly household expenses in Kuala Lumpur are estimated to be HKD17,000, plus HKD1,500 in medical insurance premiums. They also plan to travel to nearby destinations in their retirement, for which they have budgeted HKD1,500 per month. They want to save up for their retirement over the next 10 years so that they won't have to work too hard for their retirement savings when they reach the ages of 50-65. Since Christine's family has a history of critical illness, they think it's necessary to purchase additional critical illnesses plus a life insurance plan with a potential growth element.

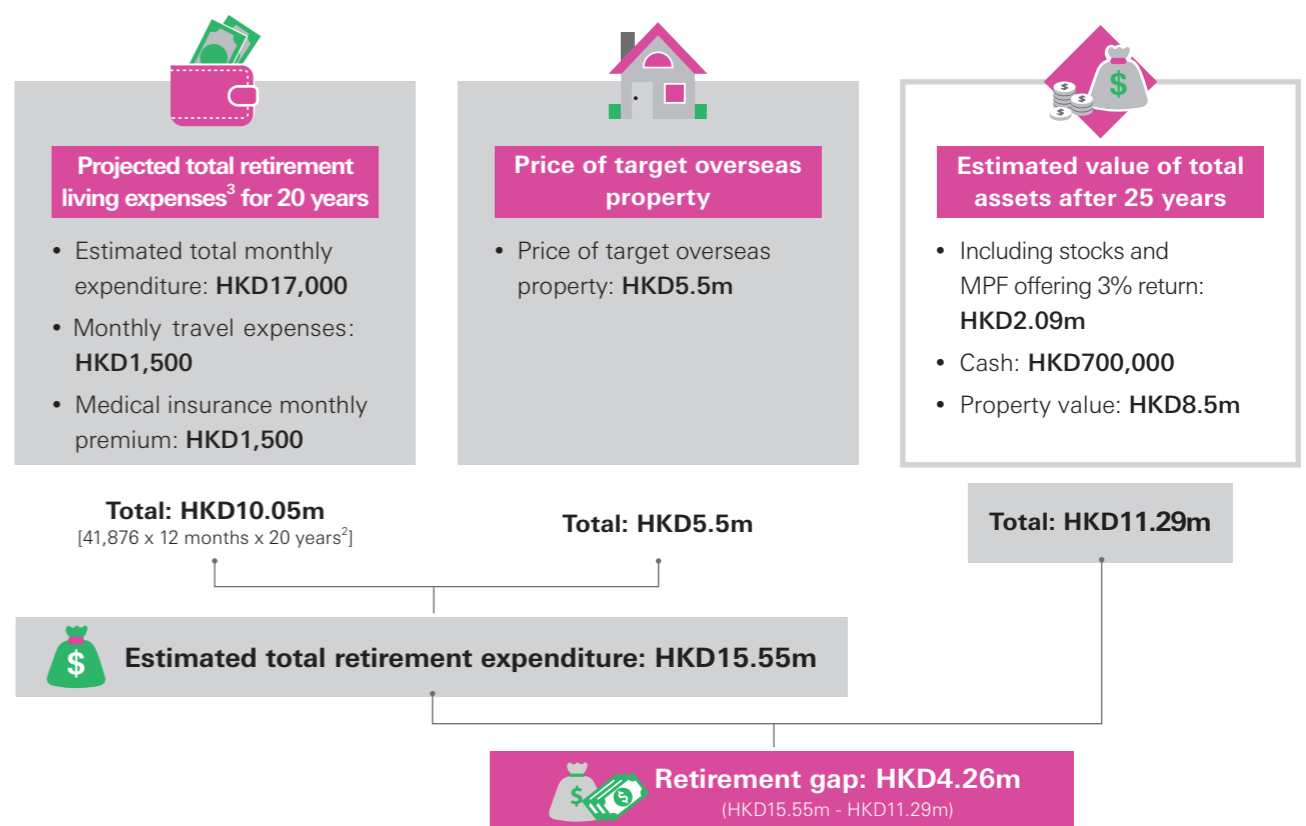
John and Christine – Snapshot

	John	Christine
Age	40	40
Occupation	IT project manager	Marketing manager
Monthly income	HKD51,000	HKD40,000
Total monthly household income	 HKD91,000	
Total monthly household expenditure	 HKD71,000	

John and Christine's current assets

Jointly owned property	 A 427 sq.ft. unit in Tsuen Wan, valued at (mortgaged at HKD18,000 monthly, with 10 years of mortgage payments remaining)	HKD8.5m
Other investments	 stocks and investment funds	HKD200,000
Retirement reserve	 MPF assets	HKD800,000
Cash	 savings	HKD700,000

John and Christine's projected living expenses in Canada and retirement gap



Calculations are based on the retirement age of 65 and a lifespan of 85. John and Christine need to have HKD15.55m when they retire. Based on their current assets, they need to save HKD4.26m to fill their retirement gap. Without an insurance or annuity plan, they need to save HKD35,500 per month for 10 years. If they want to make it easier for themselves, they can buy an insurance plan with additional critical illnesses and potential appreciation with a monthly payment of HKD16,700 per month (assuming a 3.7% return). That way, they will have HKD4.26m in savings for their retirement and critical illnesses. Even though Christine is concerned about the validity of her critical illnesses when she leaves Hong Kong, she needn't be. As long as the insured person has proof of the occurrence of a critical illness provided by an appropriate registered hospital, coverage will continue even if she is living in another country.

Note: These calculations are made based on property values and cash values that are assumed to remain unchanged after 25 years. Since property prices and their cash reserves might be affected by inflation when they retire in 25 years' time, estimates should be adjusted upwards to allow for inflationary impact. All figures are rounded to the nearest hundredth.

¹ Hong Kong Economic Daily, Overseas Investment & Immigration

² After 25 years, the couple's projected monthly expenses (HKD20,000) will have increased to HKD41,876 due to inflation (assuming an annual inflation rate of 3%).

³ Based on the cost of living in Malaysia, in the "Cost of living – by destination" section

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Retirement savings and the 4 overseas retirement essentials



Retirement savings formula

After studying the data provided above, you should have a better idea of what you will need for your retirement. No matter what kind of retirement life you want, you still need to draw up a detailed plan based on your goals and your present circumstances. The 123 Formula outlined below can help you estimate the retirement reserve you need, which you can regularly review and adjust to ensure you are on course for reaching your target.

123 Formula

1

represents one month of projected post-retirement living expenses:

When calculating this number, keep in mind that retirement can last as long as 20, even 30 years. And as you grow older, your health condition will likely change, which means adjustments will have to be made to your monthly budget allocation. When you first retire at 60, for example, you would be in good health to spend more on travel and hobbies. When you're 80, however, your health would probably require more attention and a bigger healthcare and medical budget. It's also a good idea to allow for possible elderly care services and other medical expenses in your calculations.

2

represents two time periods:

the length of time before you reach retirement age and the estimated length of retirement. The longer your pre-retirement period, the more time you have to prepare for it. On the other hand, the longer your estimated length of retirement, the more substantial the retirement savings you need.

3

represents three figures:

average inflation rate, the expected rate of return for your pre-retirement savings and your investments.

Retirement can be a costly proposition. Even if you started saving for it when you were young, your savings alone may not be enough to get you where you want to be financially in the time that you have. So you need to review your current savings and your yearly investible amount to plan for your retirement more effectively.

4 overseas retirement essentials



Retiring overseas is the beginning of a new chapter in your life. While it is something you are no doubt looking forward to, keep in mind that there are many variables you should carefully look into as well.

Medical care

As you approach retirement age, medical expenses will gradually increase. Hong Kong has a relatively well-established medical system, and locals can access medical services at public hospitals and clinics at relatively affordable fees. In the US and many parts of Europe, medical technology, though advanced, can be very expensive. That's why you need to have an understanding of the local medical system and fees beforehand and consider your medical options. If you already have or intend to purchase medical insurance in Hong Kong, check to see if your coverage extends to overseas locations.

Taxation

Many countries have a global tax system. That means even if you are living somewhere else or if you have assets in Hong Kong, your income is still taxable. Please talk to professional tax consultants for details.

Transitioning to your new life

Starting a new life in another place always comes with an adjustment period. You can ease your transition by doing the following:

- Establish a new social network as soon as possible.
- Immerse yourself in the local culture, try new things, starting with foods.
- Unless you have to sell your Hong Kong property in a hurry, you can consider using online banking property management services or placing it under third-party management.
- Keep in touch with family and friends back in Hong Kong with video calls or other tools to help bridge your new life and old one.

Buying property

If you're looking to buy a property, make sure you understand your ownership rights. In Thailand, for example, permanent ownership properties are preferable. That type of property is popular and has a bigger market, so it would be easier to cash out if necessary. And if you decide to purchase an overseas property and arrange for mortgage from a local bank, please pay attention to the following:

- You might not be able to obtain the full mortgage
- Documentation takes time
- Your mortgage might be subject to currency fluctuation risk
- Possible restrictions on non-residents' applications

You can also consider using a bank with an international network. HSBC's global banking services, for example, can guide you through the whole journey from providing insights to helping with overseas mortgage applications. There are, however, factors such as exchange rates, insufficient mortgage and mortgage interest rates to consider.

Purchasers of overseas property should also be mindful of any possible geographical restrictions that mortgage services might have, ie whether the mortgage services cover properties worldwide. Some banks do not service global properties. Some only cover UK properties, while others specialise in Japanese and Australian real estate.

Chapter 6

Global banking services for managing your international assets with ease



Moving overseas as a retiree is not quite the same as visiting it as a vacationer. There will be everyday matters that require your ongoing attention, such as your finances. That's why The Hongkong and Shanghai Banking Corporation Limited ("HSBC") offers international services to help you start a new chapter in your life with ease.

If my parents are staying in Hong Kong, how will I send money to them?



- HSBC has a global network to meet all your international banking needs. You can simply use HSBC Global Transfers¹ or make telegraphic transfers to your parents or their elderly care service providers, so they can continue to enjoy life while you enjoy great peace of mind.

How do I manage my investment accounts or insurance when I'm abroad?

- HSBC Global View and Global Transfers allows you to manage your worldwide HSBC accounts with one single log-on. This is especially useful for withdrawing your monthly annuity payout, allowing you to enjoy your retirement life abroad and manage all your finances with ease.



How do I handle overseas transfers?



- Through HSBC Global View and Global Transfers¹, you can move your money instantly between your globally linked accounts or to third-party HSBC accounts abroad, and set up recurring or future transfers when needed.

Through its International Banking Centre in Hong Kong, HSBC can connect you to its vast global network, which allows you to pre-open overseas accounts as well as manage other financial matters. Through your HSBC Global View and Global Transfers¹, you can review all your accounts, make transfers, manage your finances, trade foreign currencies and make payments. And that's not all. You can also transfer assets, pay insurance premiums, even receive pension and annuity payments. HSBC is here to support you at every step of your overseas retirement journey, from relocation, purchase of property, mortgage, investments to preparing for your children's overseas education. Whether in Hong Kong or abroad, you can look forward to a carefree life.

In addition to HSBC Global View and Global Transfers¹, HSBC also provides a series of services and plans to help you realise your dream retirement. For details, please visit any of our branches or contact your customer service manager.

The services mentioned above are offered by HSBC and are outside the scope of service of HSBC Life (International) Limited.



¹ Third-party remittances via HSBC Global Transfers are available to Australia, Mainland China, Singapore, the UK and the US. This service will be extended to other countries and territories soon. The service is exclusively available to HSBC Jade, Premier and Advance customers. It is free of charge to Jade and Premier customers exclusively.

HSBC Life (International) Limited is the proud winner of the following awards:



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