

Cross-border Investing



If you are a Canadian citizen living in the USA, or an American citizen living in Canada, finding an investment professional who is qualified to manage all of your retirement assets can be a daunting task.

At Pacifica Partners, we are in the unique position of being able to offer a solution: **Discretionary investment management services for clients on both sides of the border.**

We help simplify the complexities that expatriates encounter. Pacifica Partners can manage your Canadian and US investment portfolios as one comprehensive and seamless package.

Why Pacifica Partners?

Government securities regulations commonly prevent U.S. residents from managing their Canadian investments while domiciled in the USA, and Canadian residents from managing their US investments.

Pacifica Partners is a licensed Portfolio Manager based in Canada, and a Registered Investment Advisor with the Securities & Exchange Commission in the USA.

Our firm specializes in cross-border investment management and financial planning. We can assist in determining the best way to structure your investment accounts prior to your move. We will also help you understand the tax ramifications and the continuing tax reporting requirements that you may be confronted with.

Harnessing Resources on Your Behalf

Although our primary focus is wealth management on both sides of the border, we understand it is only one part of the equation. We also recognize that cross-

For this reason, we have partnered with leading Tax and Legal experts, allowing us to present a comprehensive solution for our clients. We will coordinate the planning amongst your tax professional (CA/CPA), and/or legal advisor.

In addition, we have partnered with two nationally recognized firms for the safekeeping and custody of our clients' assets: TD Waterhouse Institutional Services in Canada and TD Ameritrade Institutional Services in the USA.

Some common account types that we manage include:

- 401k plans
- IRAs (Individual Retirement Account)
- LIRAs (Locked-in Retirement Account)
- RRSPs, RRIFs (any registered Canadian accounts).
- Pensions, charitable trusts and endowments
- Individual and joint investment plans

Our Clients

Our cross-border clientele consist of a wide variety of professionals and individuals throughout numerous US states and Canadian provinces. Our cross-border clients include:

- Professional Athletes
- University Professors
- Engineering & IT employees
- Senior Executives & Managers
- Retirees & Snowbirds

Simplified and Accessible Reporting

Our integrated investment portfolio platform can present a single all-inclusive statement summarizing all of your investment accounts regardless of where they are domiciled.

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In addition, our clients have the ability to access their accounts online allowing them to view any and all details wherever they may reside.

Key Cross-border Issues to Consider

Cross-border wealth management can be complex. Some key issues include:

- Taking requisite steps to minimize taxes prior to changing your residency.
- Declaring RRSP income to US tax authorities.
- Analyzing whether you should effect a “step-up” basis in your RRSPs.
- The effects of currency movements on your investments after you leave.
- Severing ties with Canada – what happens to your investments left behind?
- Managing cross border income requirements: If your assets are denominated in a home currency but you need income in a foreign currency.
- Seamlessly incorporating the advice of expert cross border tax professionals into your investment portfolio.
- Addressing the complications of IRAs for Canadians and LIRAs for US residents.
- Reviewing your last Will to ensure the terms have equal application in both countries. In addition, exploring the option of creating multi-jurisdictional Wills.
- Ensuring a capable and active investment manager advising you on both sides of the border.

Common Queries or Pitfalls:

Rollovers: There are no feasible rollovers of Canadian RRSPs to US IRAs. Persons with RRSPs leaving Canada to move to the U.S. should consider leaving their RRSPs intact in Canada until retirement.



However, IRAs can be rolled over into RRSPs.

RRSPs: Before leaving Canada, you could file a “departing Canada” return and step-up the cost-basis of your RRSPs. Additionally, US residents are taxed on income earned within an RRSP plan unless your tax advisor completes an election on Form 8891 for each applicable year (not available in all states).

Estate Management: If you are a Canadian married to a US citizen, you should consult with qualified tax and legal professionals in order to keep the Canadian individual’s assets out of the US spouse’s estate.

Pension Plans: Canadians working in the USA are often participants in pension plans sponsored by their U.S. employer, such as a 401(k). Once the Canadian retires and returns to Canada, there can be complex issues arising from the pension. Clients should explore the option of strategically transferring the US pension plan to a Canadian RRSP, with appropriate declarations and offsetting exemptions.

Contact Us

Canadians and Americans must manage several issues when addressing cross border tax and investment planning. **In our experience, many of the pitfalls can be avoided through proper planning and consultation prior to immigration or emigration.** Contact us and we can help design, implement and execute a strategic plan that serves your best interests.

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