



EUROPEAN COMMISSION

Directorate General Justice,
Freedom and Security

CITIZENS' SUMMARY

Proposal: simplifying succession and inheritance across the EU

What is the problem?

Approximately 8 million Europeans live today in a Member State other than the one where they were born, and many own property (houses, bank accounts) in more than one EU country. When such a person dies, the potential heirs (children, spouse, etc.) often face complications due to the intricacies of so-called cross-border successions. This results in lengthy proceedings and high legal costs. This complexity also makes it difficult for someone to have a clear view of how his/her succession will be dealt with.

The problem is that today various national laws can apply to the same cross-border succession. In addition, the authorities of different Member States may be competent to settle the succession depending on the property's location. The outcome of cross-border successions is therefore often uncertain. This does not match the legitimate expectations of citizens. People making use of their rights to move and own property across the EU should not suffer as a result. The applicable rules should be easily predictable.

What are the benefits of the proposal?

The proposal will mean that a single competent authority will apply a single law to one and the same succession, irrespective of where the different assets are located. Most importantly, citizens will be free to choose the law that will apply. That will be either the law of their habitual residence or the law of their nationality if they prefer to keep close links with their country of origin. Making it easier to determine the applicable law will ensure that the rights of potential heirs and other persons concerned are better protected. However, the EU initiative will not affect national rules governing inheritance and property or the rules applying to inheritance taxation. This means that heirs will be taxed as owners in the country where they inherited assets.

Why was this action taken at EU level?

A large proportion of successions have an international dimension as more people opt to live or work in different EU countries, or to buy property there. Today some 145,000 cross-border successions occur each year. Coordination at EU level is needed to ensure that such successions can be executed as planned and as efficiently as possible.

How will this work?

The proposal will affect neither national rules governing inheritance or property, nor the way inherited property is taxed. It will, however, minimise the difficulties caused by the current situation for citizens, by enhancing legal certainty. Agreed common rules will make sure that:



- a given succession is treated coherently, under a single law and by one single authority
- citizens are able to choose whether the law applicable to their succession should be that of their habitual residence or that of their country of origin
- parallel proceedings and conflicting judicial decisions are avoided
- mutual recognition of decisions relating to succession in the EU is ensured

The status of heirs, administrators and executors will be recognised in all EU countries, thanks to a harmonised **European certificate of succession**.

When will these proposals take effect?

After discussion by the EU Parliament and member countries in the Council, it is hoped that agreement will be reached in 2010. The new rules should take effect around two years later.

