

Private
Wealth

CW CANTOR & WEBB P.A.
ATTORNEYS AT LAW
FOR THE INTERNATIONAL PRIVATE CLIENT

Wealth Preservation in the International Context

Steven L. Cantor
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Know Your Geography

- Cultural Differences
- Various Legal Systems
- Politics and Current Events



Resident/Nonresident Domiciliary/Nondomiciliary

- **RESIDENT**
- **DOMICILIARY**



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- **DOMICILIARY**



Know Your Client

- **Family**
- **Assets**
- **Business**
- **Citizenship, Residence and Domicile of all family members**
- **Investment Objectives & Diversification**
- **Tax and non-tax objectives**



Just The Facts!

- **Many times it is difficult to get clients to reveal all of their pertinent information**
- **Clients often are unaccustomed to disclosure at the level required for United States tax and financial planning**



DRAGNET

Planning Questionnaire

questionnaire

QUESTIONNAIRE

1. <i>yes</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. <i>no</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. <i>yes</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. <i>yes</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. <i>no</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Preresidency Planning Spectrum

**“We might come to
the U.S. Give us a
plan.”**

**We're here now and
we're not leaving. Go
figure out how we can
save on taxes.”**

Objectives

- **Minimize United States and Home Country taxes**
 - **Consult with local counsel**
 - **Consider interim residence**
 - **Least aggregate amount of taxes in both countries and avoid double taxation to the greatest possible extent**
- **Coordinate tax and estate plan with non-tax issues**
 - **Family relationships**
 - **Cash flow**
 - **Access to assets**
 - **Understand United States financial disclosure and other relevant laws**
- **Maximize protection from creditors**
- **Address spousal rights, if any**

Tax Considerations – United States and Home Country

- **Analysis of various types of tax systems**
 - **Basis upon which income and assets are subject to tax**
 - **Pre-residency and expatriation issues**
 - **Tax treaties**
 - **Home Country “Black List”**
 - **Foreign tax and earned income credit, deduction or exclusion**
 - **Review marital property and “forced heirship” laws**

Tax Considerations – United States and Home Country continued

- **Residency and Domicile**
 - **Difference in tax consequences for resident and non-resident, domiciliary and non domiciliary**
 - **Coordination with relevant immigration rules**

Non-Tax Considerations

- **Business & Economics**
- **Social & Personal Issues**
- **Personal & Financial Security**

How Do We Explain the Concept of a Trust?



Planning Strategies



United States Income Tax Strategies

- **Accelerate income and gains**
- **Postpone deductions and losses**
- **Reorganize or liquidate entities**
- **Life insurance products**
- **Gifts**
- **Step-up basis**
- **Foreign Trusts**



United States Estate and Gift Tax Strategies

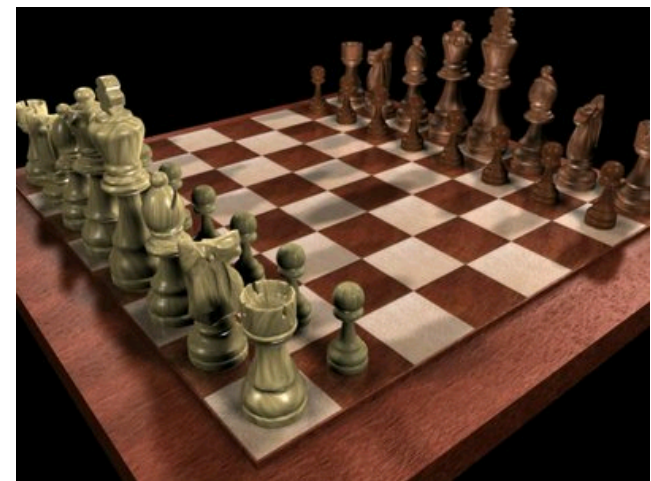
- **Review existing estate plan**
- **Global Estate Planning**
 - **Wills**
 - **Trusts (QDOT's)**
 - **Other Entities**
 - **Gifts**
 - **Life Insurance**
- **Marital Agreements**

How to Maintain Non-U.S. Domicile (if desired)

- **Facts and circumstances**
- **Maintain contacts in home country**
 - **Residence**
 - **Business interests**
 - **Other assets**
 - **Social memberships**
 - **Religious organizations**
 - **Statement in will/trusts as to domicile**

Working With Foreign Counsel

- **Client's existing home country advisor**
- **Retaining home country counsel for Client "X"**
- **Assist in understanding home country income tax, transfer tax, and other relevant laws impacting the migrant client**



Pitfalls to Avoid

- **Failing to plan in advance**
- **Failing to verify the domicile of the settlor and tax status of beneficiaries**
- **“My brother is back at home with my money”**
- **“I’m a fiscal resident but I’ve never filed income tax returns”**
- **An investment policy which does not take account of the situs of investments**



Steve's War Stories

- **“I have a nonresident cousin. He can own everything for me.”**
- **“What do you mean my father didn't leave me his assets per stirpes?”**

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