



Trust & Estate
Planning

NEWS

Newsletter
No. 06 | Autumn 2020

© 2020
GGI | Geneva Group International

A professional athlete in a blue jersey is shown from the chest down, holding a black and white soccer ball. The background is a blurred stadium filled with spectators.

Wealth Planning for Professional Athletes: Special Tax Incentives in Italy

and further trends from the
Trust & Estate Planning sector

Editorial

Dear Reader

As the Global Chairperson of the Trust & Estate Planning Practice Group, I am very honoured to welcome you to this new issue of the our Autumn Newsletter.

Also, especially during this COVID-19 pandemic, I hope to find each of you safe and healthy.

Firstly, I personally thank all the authors who have taken part and have given their personal contribution with forefront articles dealing with topics and insights related to a wide range of countries, such as Australia, Canada, Gibraltar, Italy, Mexico, Singapore, and the USA.

The contents, of which I am enormously proud, are very interesting and detailed, relating to a large variety of estate and wealth planning measures. I suggest you address each author directly



to provide further information on the topics presented.

Furthermore, I deeply appreciate the opportunity of sharing country-specific topics and cross-border issues related to estate planning, in order to share with all GGI specialists the latest developments and trends.

With the wish that this health emergency will decrease soon, I

would be delighted if you will join us at future Trust & Estate Planning Practice Group meetings (hopefully face-to-face, or webinars for the time-being), which represent excellent and unique occasions to exchange ideas, to create new contacts, and to promote potential new business between professionals all over the world.

If you wish to be part of the Trust & Estate Planning Practice Group or if you want additional information, please do not hesitate to contact me at stefano.loconte@studioloconte.it.

I really do hope you enjoy reading this autumn newsletter and I am very much looking forward to seeing you and to hearing from you very soon.

Kind regards,

Prof Stefano Loconte
Global Chairperson of the
Trust & Estate Planning
Practice Group

Disclaimer – The information provided in this newsletter came from reliable sources and was prepared from data assumed to be correct; however, prior to making it the basis of a decision, it must be verified. Ratings and assessments reflect the personal opinion of the respective author only. We neither accept liability for, nor are we able to guarantee, the content. This publication is for GGI internal use only and intended solely and exclusively for GGI members.

Wealth Planning for Professional Athletes: Special Tax Incentives in Italy

By **Beatrice Molteni**

As commonly known, in Italy the sports industry, and especially soccer, represents an important source of wealth for the country.

Italian culture is strongly supportive of the phenomenon and it embraces all aspects concerning the sports industry. As a matter of fact, it is hard to find someone in this country that has no interest in sport, and it is even harder to find a child who has not a sport icon in his mind and who does not dream about becoming a soccer player or a basketball player in the future.

This means that the sport industry is one of the most dominant players in the Italian economic field and, year after year, it is reaching values (now estimated to be more than EUR 3 billion) as never before.

As a consequence of the potential growth of this industry, in 2019 the Italian legislature introduced special tax incentives for athletes that move to Italy for work.

The so called “Growth Decree” no. 34/2019 (converted into law on 28 June 2019 and entered into force on 30 June 2019) introduced some amendments

to the special tax regime for attracting human capital to Italy, pursuant to article 16 of Legislative Decree No. 147/2015, including new tax incentives for professional athletes and other inbound workers who transfer their tax residences to Italy starting at 2020.

The aim of the legislation, with the introduction of the provisions of the Growth Decree no. 34/2019, is to attract professional athletes, providing them strong fiscal advantages as long as certain requirements are met. More specifically, such taxation regime applies to all professional athletes who decide to move to Italy to play or work for Italian sports clubs starting in 2020.

First of all, to be admitted to this “special regime”, the professional athletes have to meet the following conditions:

1. Have lived as Italian tax non-residents for the previous two years before transferring their tax residences to Italy;
2. Qualify as Italian tax residents and plan to remain in Italy for the next two years; and
3. Perform the main work activity in Italy.

Moreover, this tax regime applies to all employed (as qualified in article no. 49 Italian T.u.i.r.) and self-employed professional athletes (as qualified in article no. 53 Italian T.u.i.r.).

...next page

GGI member firm
Loconte & Partners,
Studio legale e tributario
Advisory, Auditing & Accounting,
Corporate Finance, Fiduciary
& Estate Planning, Law Firm Services, Tax
Bari, Italy
T: +39 080 572 2880
W: loconteandpartners.it
Beatrice Molteni
E: beatrice.molteni@studioloconte.it



Beatrice Molteni

and asset protection. She specialises in the wealth and estate planning area and in advisory to the private clients for asset protection, including both domestic and international clients.



LOCONTE & PARTNERS

Loconte & Partners is a law firm specialising in tax and legal consultancy that assists its Italian and international clients, helping them to preserve and grow their wealth.

Beatrice Molteni is a Member of the Global Wealth Management Team of Loconte & Partners. After graduating in Law, she completed a postgraduate degree focused on wealth management

The professional athletes that transfer their tax residence to Italy could be subject to Italian personal income tax on 50% of their employment income from Italian sports clubs, while the remaining 50% of income from Italian sports club would be exempt from taxation.

This special tax regime would be applicable for five years, but there is also the possibility of extending the tax advantages for other five years if, during the first five-year period, the taxpayer becomes the owner of at least one residential real estate unit in Italy after being transferred to Italy

(or if the taxpayer becomes the owner of at least one residential unit in Italy within the twelve months prior to his/her transfer) or if the taxpayer has at least one minor or dependent child, even in pre-adoptive foster care.

In addition, a special contribution of 0.5% will be due on the taxable base of the income earned in Italy to support the professional athlete's confederation for young athletes in the future.

Concerning the "fringe benefits" related to the working relationship received by the professional athlete, they are included in the special tax regime.

The same consideration applies to the sponsorships, merchandising, and endorsement agreements of the professional athletes under the direct control of the Italian sports club.

In conclusion, it is reasonably clear why it is very convenient for athletes to take advantage of the fiscal opportunities related to the decision to move to work and play in Italy in the near future and, at the same time, it represents a unique chance for Italy to attract people with massive assets.

The Queen has a Gibraltar Trust

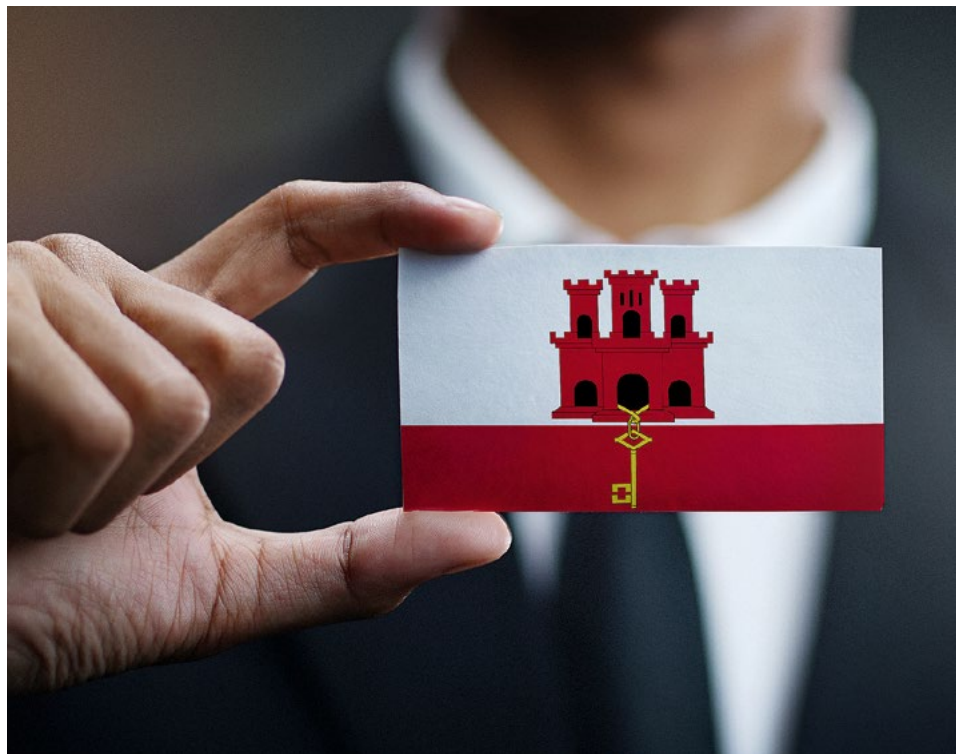
By Nathan Perez

Yes, only it's not that queen that you're thinking about. But still, if royalty thinks a Trust in Gibraltar is worth having, then that's got to be a good start.

This article needs to be short so here's the "elevator test" on Gibraltar Trusts. We have had trust law as long as the UK has because Gibraltar became British in 1704 and has been applying UK jurisprudence ever since, amending it where necessary for local practice.

All trust case law therefore applies, and Gibraltar has its share of some interesting and important decided cases.

So, wherever in the Anglo-Saxon world you may be thinking of advising clients to domicile their trust, Gibraltar is up there with all of the others. Unlike some of its more far-flung



competitors, it's in the European time-zone, and operates to EU/UK levels of

regulation and professional standards. Like all the other "offshore" centres in

the European sphere, Gibraltar also has purpose trusts, private trust companies, and foundations. Asset protection trusts have been tried and tested in court here.

Gibraltar will soon be outside of the EU, together with the UK and all its crown dependencies, perhaps as soon as the end of this year.

Some of us actually think that, all told, that's a good thing. Trusts will long outlive all the regulations and constraints of current practice because they are necessary creatures of law, solving otherwise intractable problems, presenting settlors with an alternative vision for family and business succession.

The offshore trust world is a crowded space and it's often difficult for clients to make a decision as to which location is best. Gibraltar is easy to get to, via its land border with Spain and its international airport.

There is a panoply of excellent professionals in the fiduciary-services industry who tend to combine Mediterranean charm with British

GGI member firm
Abacus Financial Services Ltd
Auditing and Accounting, Fiduciary and Estate Planning, Tax
Gibraltar
T: +350 200 78777
W: abacus.gi
Nathan Perez
E: nathan.perez@abacus.gi

Abacus provides a broad range of financial services and products in Gibraltar for private and corporate clients. They serve a sophisticated global client base, ranging from individual private clients to large multinational corporations. Their success is embedded in their client-centric approach and their commitment to build long-term relationships with clients and intermediaries in order to create innovative and compliant solutions.



Nathan Perez

Nathan Perez read law at Nottingham Trent University. He then completed the Bar Vocational Course at Cardiff University, becoming a qualified barrister. Nathan further developed his career by completing his STEP (Society of Trust and Estate Practitioners) qualification and has been a member of the same since 2013.



standards of transparency, integrity, and robustness of expertise.

Being truly independent and fair-minded is part of that expertise,

but the most successful trustees are the ones who know that it's all about excellence at relationships. At the end of the day, even royalty has to trust its trustees.

Family Offices: Optimising Operations and Opportunities

By Harry Cendrowski

As economies around the world return to some semblance of normalcy, it is a great time for the family office and their advisors to evaluate the operations of the family office to ensure they are

keeping up with changing best practices and family expectations.

COVID-19 travel restrictions and stay-at-home orders forced many individuals to remote work and video conference solutions and use of the technology is now commonplace.

Many new solutions have sprung up to keep people in touch, even remotely. This has created an expectation of instant face-to-face communication and electronic information at our fingertips, through remote databases or portals. As
...next page

communication is a key value driver for the family office, the office should review their communication protocols to ensure they are remaining current with expectations.

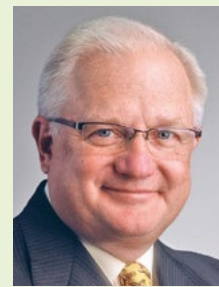
Investment in operating companies remains popular, although there is a trend being led by newer family offices to invest directly rather than through a fund. A recent study by FINTRX (FINTRX 2020 Family Office Industry Report) revealed 83% of single-family offices across the globe consider allocating directly, with much of the increase coming in the past five years. The study notes newer family offices are more likely to invest directly as their principals are less removed from entrepreneurial activities.

Wealthy individuals have always tended to invest in the industries where they accumulated their wealth, which certainly makes sense given their expertise in that area. As more entrepreneurs accumulate wealth from the technology industry, it is natural their family offices will invest in technology companies. As such, there is a current trend in family office investing towards the technology sector. As with any non-traditional investment, a key to success is the family's deal pipeline. The pipeline may include personal and business networks, as well as professional

GGI member firm
Cendrowski Corporate Advisors LLC
 Advisory, Corporate Finance,
 Fiduciary and Estate Planning, Tax
 Bloomfield Hills (MI), USA
 T: +1 248 540 5760
 W: cca-advisors.com
Harry Cendrowski
 E: hc@cendsel.com

Located in Bloomfield Hills (MI) and Chicago (IL), **Cendrowski Corporate Advisors** provides specialised professional services to clients internationally. With expertise in tax planning and family office advisory services, they also specialise in business valuation, risk management, and dispute advisory, including economic

CENDROWSKI CORPORATE ADVISORS
 a different perspective™



Harry Cendrowski

damages analyses, fraud investigations, and forensic accounting services.

Harry Cendrowski is a Founding Member and Managing Director of Cendrowski Corporate Advisors (CCA). Harry has worked in the family office space for over 35 years and is known for innovative solutions in tax and transition planning, real estate, and private equity investments. Harry helps family businesses and entrepreneurs develop strategies and processes to help ensure continued success.

advisors. A poor pipeline may result in fewer quality opportunities, or the presentation of a deal after it has been rejected by many others.

The trend towards direct investment rather than through a fund presents complications for the family office. Private equity and venture funds provide a layer of oversight and

management that the family office may need to replicate to monitor and support the investment if they directly invest. While many family members may become involved with the management of the investment, the family office should review their staffing models to ensure they have the expertise and capacity required to support the investment as well.

Excepted Income Rules Tightened

By Tony Nunes

Income earned by minors is typically taxed at higher rates in Australia. Where the income is derived by the trustee of a testamentary trust

and distributed to children, it is concessional taxed. This is because up to AUD 22,000 of income distributed from a testamentary trust to each child can be tax-free and the remainder is taxed at the progressive

tax rates applicable to resident adults. On 17 June 2020, Parliament passed legislation that has retrospective effect as from 01 July 2019. The new law imposes additional tests in relation to the "property" that can



generate concessional income distributed by a testamentary trust to children. Before the introduction of the new law, property unrelated to the deceased estate could be “injected” into the testamentary trust to generate “excepted income”. This is now not possible, but the legislation does not address whether concessional income can be generated from:

1. Assets acquired from the sale of the original assets transferred from the estate (“replacement assets”); and
2. Superannuation death benefits paid to the estate.

The explanatory memoranda seem to address the replacement assets issue. It notes that the concessional tax treatment applies to “assets representing assets of the deceased estate”. This would suggest that such assets can continue to generate concessional income.

Superannuation death benefits can only be paid to a limited range of persons. On the death of a member, superannuation death benefits cannot be paid direct to the trustee

GGI member firm
Kelly+Partners Chartered Accountants
 Advisory, Auditing & Accounting,
 Corporate Finance, Tax, Fiduciary
 & Estate Planning
 Sydney, Australia
 T: +61 2 9933 8866
 W: kellypartners.com.au
Tony Nunes
 E: tony.nunes@kellypartners.com.au

Kelly+Partners Chartered Accountants is a specialist chartered accounting business which assists private businesses, private clients, and families to manage their business and personal financial

**KELLY +
PARTNERS**
 CHARTERED ACCOUNTANTS



Tony Nunes

affairs. The Kelly+Partners tax consulting practice is respected as one of the foremost tax advisory firms in Australia and offers the full range of direct, indirect, and international tax services.

Tony Nunes has over 22 years’ experience in providing tax advice. He has extensive experience in advising clients on issues affecting cross-border transactions, acquisitions, and restructures, and in all aspects of structuring the ownership and financing of corporations and their operations.

of a testamentary trust – it must first be paid to the deceased estate. Thus, the superannuation death benefits are arguably paid from the estate of the deceased person, as is required under the new legislation.

As the new law is applied, there may be other issues that arise with the use of testamentary trusts. Trustees need to be cautious and carefully scrutinise the assets that are used to generate concessional income.

Estate Plan Activity Increases in Response to Pandemic

By Bill Brammell

The coronavirus pandemic is affecting people personally and professionally. Over the last six months it has become apparent that estate planning is at the forefront of many clients' minds as focus has turned to protecting both assets and loved ones. GGI member firm DBL Law estimates that its attorneys have spent 16% more time providing legal assistance for wills and estate planning clients thus far in 2020 compared with 2019. There has been an increase in the number of individuals under 50 years of age that are interested in preparing a will, trust, health directive, guardianship, or other estate-planning



document, many citing the need to take precautions "just in case".

Prior to the pandemic, the number of individuals who traditionally invested in estate planning had been on the

decline. According to a 2020 survey conducted by Caring.com, only 32% of older and middle-aged Americans have a will or similar document, compared with 42% in 2017.

In these uncertain times, some may be asking "Are my personal affairs in order?" "Is it time to create or review my estate plan documents?" The following should be taken into consideration during the estate-planning process:

- Do you have a medical power of attorney and a living will?
- Who are your powers of attorney? Have they been notified?
- Have you appointed guardians for your children?
- Do you have the appropriate beneficiaries designated in your life insurance policies, pensions, and IRAs?
- What are the benefits of a revocable trust?

It is important to note that estate planning amidst a pandemic has presented additional challenges as individuals strive to comply with social distancing and other restrictions. Fortunately, many states have enacted laws to allow remote notarisation of documents, while others permit witnesses to sign electronically. Individuals wishing to customise an estate plan to meet his or her needs, should contact an estate-planning attorney.

GGI member firm
DBL Law
 Law Firm Services
 Cincinnati (OH), Crestview Hills (KY),
 Louisville (KY), USA
 T: +1 502 572 2500
 W: dbllaw.com
Bill Brammell
 E: bbrammell@dbllaw.com



Bill Brammell

Dressman, Benzinger LaVelle psc (DBL Law) provides a complete range of services to meet legal needs in a wide variety of industries. With cross-industry collaboration, DBL Law attorneys offer comprehensive service on complex matters that transcend simple categorisation in many areas of law.

Bill Brammell is a Partner in DBL Law's Civil and Commercial Litigation group. He holds a JD from the University of Kentucky

College of Law, an MSc in Democracy and Democratisation from University College London, and a BA in Political Science from the University of Louisville.



Singapore as an Ideal Place to Set Up Family Offices

By Nikki Cheong

Asia has experienced a boom in wealth creation, largely in the last two generations, minting new UHNWIs at a faster rate, surging in demand to preserve family legacy and wealth.

Singapore, a choice destination with many advantages in aspects

of business, asset protection, and personal, has also benefitted from a slew of high-profile investors setting up family offices in the country. Investors exploring immigration to Singapore may consider setting up a family office that offers employment passes as a springboard to permanent residency in future.

To enhance Singapore's attractiveness as a financial hub, domestic legislation provides for tax exemption (under Sections 13R/13X) on "specified income" derived from "designated investments". Under such incentive schemes, family offices can utilise the new Variable Capital Company (VCC) structure for open/close-ended

...next page

Advantages that make Singapore attractive



Business

- A trained labour force for higher value-added activity
- Congregation of multinational countries means that the ecosystem is already well established
- Sits at the strategic heart of Asia, giving access to 4.6 billion population within a 7-hour flight radius
- Strong network of trade agreements: 25 bilateral and regional free trade agreements

Asset Protection

- Independent sovereign with stable political party
- Common law jurisdiction
- Strict privacy rules
- Comprehensive intellectual property protection
- Strong ecosystem with deep pool of talent such as asset managers, private bankers, legal/tax advisers
- Stable competitive tax system. Has signed more than 80 tax treaties with other jurisdictions, which offers tax exemption benefits

Personal

- High standard of living, low crime rate
- World-class healthcare system
- Same time zone with major economies (11 countries) in the region
- Multiracial and tolerant society conducive for bringing up a family
- Strong education system focusing on multiple language proficiencies

Photo Source: Adapted from www.123rf.com/photo_29675047_singapore-skyline.html

investment funds with traditional and alternative strategies, and foreign funds could also be inward re-domiciled as VCCs.

Other benefits of VCCs include flexibility in distribution from income or capital, as the capital of VCCs will always be equal to its

net assets, as well as preserving confidentiality, as financial statements and shareholder information of a VCC are not publicly available.

GGI member firm
SingAlliance Pte Ltd
 Advisory, Fiduciary and Estate Planning
 Singapore
 T: +65 6303 5050
 W: sing-alliance.com
Nikki Cheong
 E: nikki.cheong@sing-alliance.com



Nikki Cheong

SingAlliance is an independent asset manager with presence in Singapore, Hong Kong, and Geneva, specialising in providing wealth management solutions to HNW individuals, families, and institutions. In Singapore, SingAlliance holds a Capital Market Services licence for Fund Management issued by the MAS.

Nikki Cheong is a Senior Relationship Manager at SingAlliance

Singapore with more than 12 years of private wealth management experience in Hong Kong, Geneva, and Singapore. She first joined SingAlliance as a Portfolio Manager specialising in equities, before switching roles in early 2020 to service HNW clients in Asia.



VCCs require local service providers' engagement to maintain substance, including a Singapore licensed/regulated fund manager. Instead of going through the lengthy process of acquiring regulatory requirements and substantial resources to employ investment expertise to establish infrastructure, single-family offices may outsource the asset management activities to a qualified fund manager.

Today's fast-changing landscape necessitates the rise of global citizens and long-term planning of wealth for future generations. Singapore's strategic location, stable political environment, multiracial society, and world-class healthcare system are compelling considerations for wealthy families to make the move.

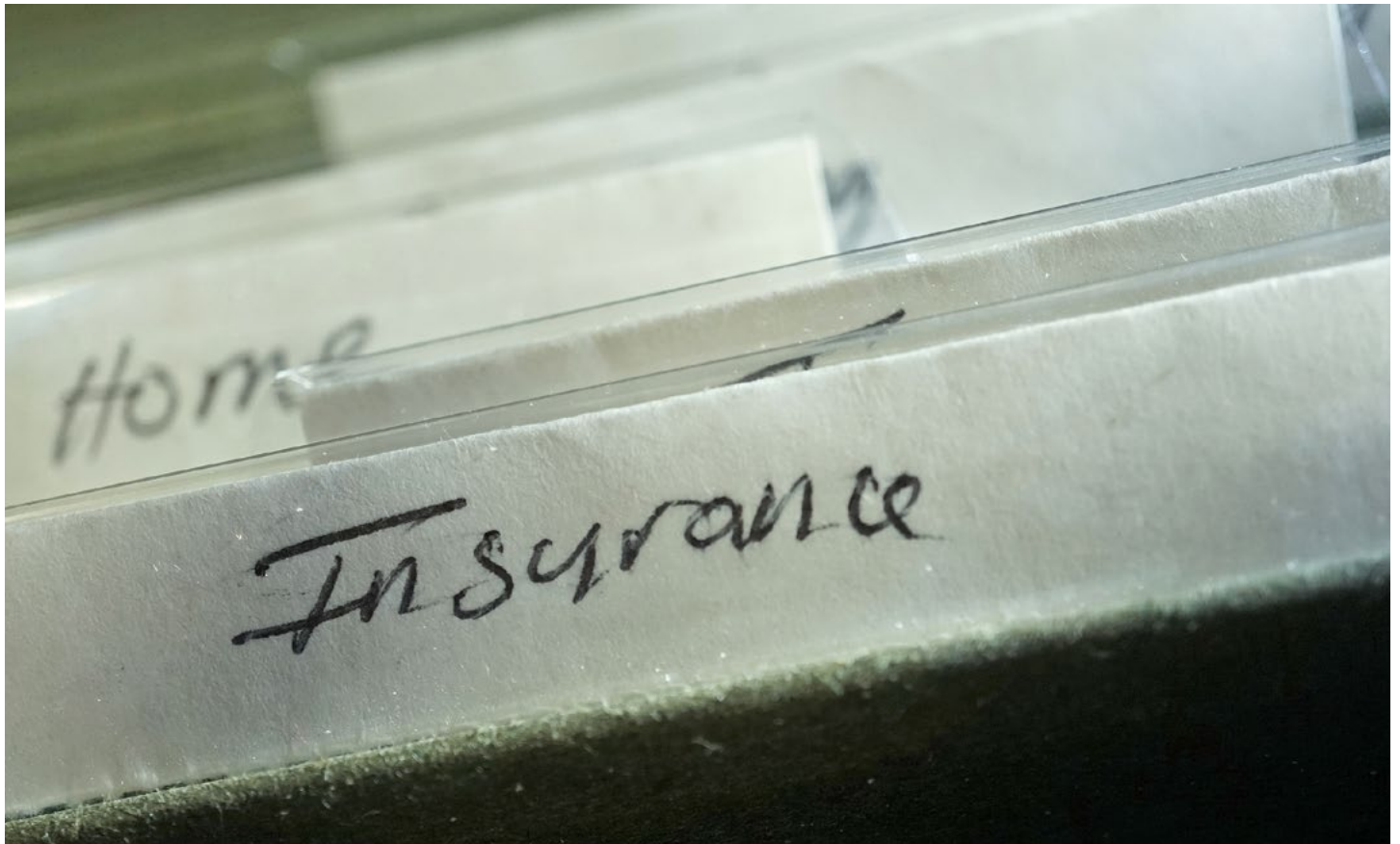
IRS Provides Reporting and Penalty Relief for US Individuals with Tax-Favoured Foreign Trusts

By Ladidas Lumpkins

Amidst the worldwide COVID-19 crisis, many US citizens who have worked abroad and paid into pension trusts may have missed a significant change made by the US Internal Revenue Service (IRS) on 02 March 2020. It is

a change that will not only alleviate much of the tax-paperwork burden for those who have worked, or are working overseas, it eliminates the possibility of a minimum USD 10,000 fine for untimely or inaccurate reporting. Until this past March, an individual who paid into a pension trust

while working a handful of years overseas was subject to the same reporting requirements as foreign trusts created primarily to leverage any overseas angle that might hide taxable money from the IRS. Realising this inequity, on 02 March, the IRS issued Revenue Procedure 2020-17.



This IRS move exempts “US individuals” – that is, certain US citizens and resident individuals — who hold designated “tax-favoured foreign trusts”, from the information-reporting requirements applicable to certain foreign trusts – that is, Form 3520 and/or Form 3520-A.

Prior to the issuance of IRS Revenue Procedure 2020-17, US individuals who failed to file these forms in a timely manner or provided incomplete or incorrect information on these extensive forms, were subject to a minimum penalty of USD 10,000.

According to the IRS, “tax-favoured foreign trusts” include foreign retirement trusts and certain tax-favoured foreign non-retirement savings trusts. Also important to know: Tax-favoured foreign retirement trusts, which are akin to US retirement plans, are generally exempt from income tax under the laws of the trust’s jurisdiction.

One final benefit of the new IRS Revenue Procedure: Eligible individuals

who have been assessed a penalty for failure to comply with the information-reporting requirements with respect

to an applicable tax-favoured foreign trust may request an abatement under this revenue procedure.

GGI member firm
Prager Metis International LLC
 Advisory, Auditing & Accounting,
 Corporate Finance, Fiduciary
 & Estate Planning, Tax
 More than 15 offices throughout the US
 T: +1 212 643 0099
 W: pragermetis.com
Ladidas Lumpkins
 E: llumpkins@pragermetis.com

Prager Metis International LLC is a top accounting firm providing a full range of accounting, audit, tax, and advisory services to domestic and international clientele in a wide range of industries. With 17 offices worldwide, they have a level of expertise and a unique global presence that makes their clients’ world worth more.

Ladidas Lumpkins is a Partner in the Trusts and Estates Department of



**Ladidas
Lumpkins**

Prager Metis. She provides strategic tax planning, compliance, and consulting to high-net-worth families and their closely held businesses. She specialises in the US taxation of individuals and trusts in multi-national family groups.



PragerMetis
Your world. Worth more.

Can You Dispose of Corporate Assets by a Will?

By Craig Ross

The Ontario Court of Appeal says yes. It is now indisputably the law of Ontario that a testator who is the sole owner of a private company can dispose of the company's assets by will.

This should be carefully considered by all estate-planning lawyers who have traditionally advised clients that they may only dispose of the testator's shares, and not the corporation's assets, by will. In our experience, business owners commonly co-mingle assets in private companies and desire to gift them as their own in their wills.

In *Trezzi vs Trezzi*, the deceased was sole owner of Trezzi Construction, which held real property and equipment, investment real property, and personal-use property. By his will, the deceased directed the



real property and equipment to be gifted to his son, and the remaining assets to be divided among his wife and all three of his children.

On an application brought for direction, Justice Wilton-Siegel concluded that the deceased intended to gift the corporate assets by winding

up the corporation and that the executors therefore had the authority to effect the wind-up and the gifts.

On appeal, the surviving wife and the two daughters argued that the hearing judge erred in applying an intention analysis, that the rule against gifting what one does not own, and the principle of separate corporate personhood required that the gifts fail. The Court of Appeal favoured the hearing judge's analysis.

Although testators who solely own private companies have broad discretion in disposing of corporately owned assets, planners should still approach such intentions with great care. Often winding up a corporation and distributing its assets may result in significant income tax liability, a higher risk of interpretation issues, and abatement.

The application of this decision to future cases will require careful consideration of conditions, such as the existence and extent of corporate debts, security interests, shareholder agreements, and the existence of minor shareholders.

GGI member firm
Pallett Valo LLP
 Law Firm Services
 Mississauga (ON), Canada
 T: +1 905 273 33 22
 W: pallettvalo.com
Craig Ross
 E: cross@pallettvalo.com



Craig Ross

Pallett Valo LLP is one of Ontario's Top 10 Regional Law Firms. The firm practices in the areas of business law, commercial litigation, commercial real estate, construction, insolvency and corporate restructuring, employment and labour, and wills, estates, and trusts.

Craig Ross heads the Will, Estates, and Trusts Group and is a Member of the Estate Litigation and Family Business

Law Group. He represents business owners, professionals, high-net-worth individuals, mixed families, families with children with disabilities, and individuals and families dealing with discord.



This Pandemic Can Cause Drastic and Unexpected Changes, Are You Prepared?

By Prof Sergio Guerrero Rosas

These are strange times we are living in. All around the globe, everything in life has changed, from daily routines, job structure, even home life; that is why preparation and readiness to undertake drastic change in our lives should be top priorities for everyone. In this uncertain time, a renewed focus should ensure that preparation includes having an up-to-date estate plan.

There is no certainty of what the future will bring, but with the highest numbers per capita being in the North America zone, the smart thing to do is be prepared in case the worst is to come. Having a power of attorney for health care in place and up to date is important and we encourage our clients to do so; there is nothing wrong in getting all the help you can get and, if the worst case happens, you will need to.

Uncertainty in COVID-19 times may also bring great opportunities with it, so it is good to keep our eyes open for opportunities that suit our plans and act in time to make this change smoothly. Some people may think that changes right now might not be such a great idea with how volatile financial markets are, but we believe that changes into a more conservative model of things is the way to go. One of the many opportunities to do so is to use these low interest rates and consider this an opportune time to transfer financial assets to your intended beneficiaries. Distribution of your assets is not a bad idea when trying to lessen a blow; this strategy could be an option because the interest rate charged passes to junior family members or trusts for their benefit, transfer-tax free, and so, when these assets rebound from this depreciation, they won't be on your taxable estate but in your beneficiaries benefit. At least, in Mexico's tax law, it is obligatory to pay tax whenever there is an increment of equity in any type of property or rights.

All these changes may be new to your close family so it is best to share this news with them and let them know what is that you are trying to accomplish with these changes in your estate plan and how the changes affect you, your family, and other beneficiaries. Such goals could include your desire to leave a charitable legacy or your hope that your children will have a safety net in times of need.

GGI member firm

Guerrero y Santana, S.C.

Advisory, Auditing & Accounting,
Corporate Finance, Law Firm Services, Tax
Tijuana, Baja California, Mexico

T: +52 333 120 05 38

W: guerrerosantana.com.mx

Prof Sergio Guerrero Rosas

E: sguerrero@guerrerosantana.com.mx

Guerrero y Santana S.C. provides its clients with a wide range of tax, legal, and consulting services. The firm has been helping clients – from individuals and small local businesses to major corporations and multinationals – to achieve their smallest aims and grandest ambitions. They are committed to providing specialised, personalised services to all those seeking reliable and up-to-date tax, legal, and business support.

Prof Sergio Guerrero Rosas,
Managing Director at Guerrero

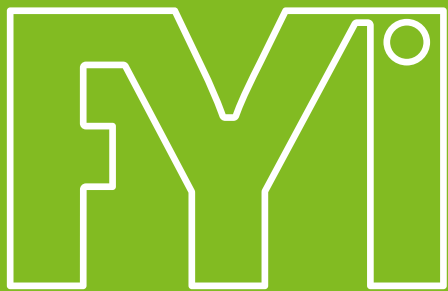


**Prof Sergio
Guerrero Rosas**

y Santana, has over 25 years' experience advising companies from SMEs to multinationals, as well as individuals, on tax and estate planning. He is also Global Vice Chairperson of the Trust & Estate Planning Practice Group and Latin American Regional Chairperson of the GGI International Taxation Practice Group (ITPG).



**GUERRERO
SANTANA**
TAX, AUDIT & CONSULTING



Trust & Estate Planning NEWS

Contacts

GGI | Geneva Group International AG
Schaffhauserstrasse 550
8052 Zurich, Switzerland
T: +41 44 256 18 18
E: info@ggi.com
W: ggi.com
W: ggiforum.com

Let us know what you think about FYI – Trust & Estate Planning News, we welcome your feedback. If you wish to be removed from the mailing list, please email info@ggi.com

Responsible Editor in charge
of Trust & Estate Planning Contents:
Prof Stefano Loconte
Global Chairperson of the GGI
Trust & Estate Planning Practice Group
E: stefano.loconte@studioloconte.it

GGI member firm
Loconte & Partners,
Studio legale e tributario
Corso della Carboneria 15
70123 Bari
Italy
E: +39 080 572 2880
W: loconteandpartners.it