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investments

Planning for a global estate

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The global citizen living in the global village



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Succession planning in the global village



Succession planning in the global village



- Right to levy estate duty/death duties/inheritance tax
- In SA – ordinarily resident
- Section 2 of the Estate Duty Act:
 - “Levy of estate duty: (1) There shall be charged, levied and collected in respect of the estate of every person who dies on or after the first day of April 1955, a duty to be known as an estate duty.”

Succession planning in the global village



- Right to levy IHT in UK
- Domiciled in the UK
 - Permanent home in UK
 - Even if not resident in the UK
 - Domicile of choice
 - Deemed domicile



Double taxation



Double taxation



- Multiple jurisdictions claiming the right to tax
- What is the solution?
 - Double estate duty agreements
 - International conventions
 - Worst case, the authorities of the respective jurisdictions have to make the call



Double taxation




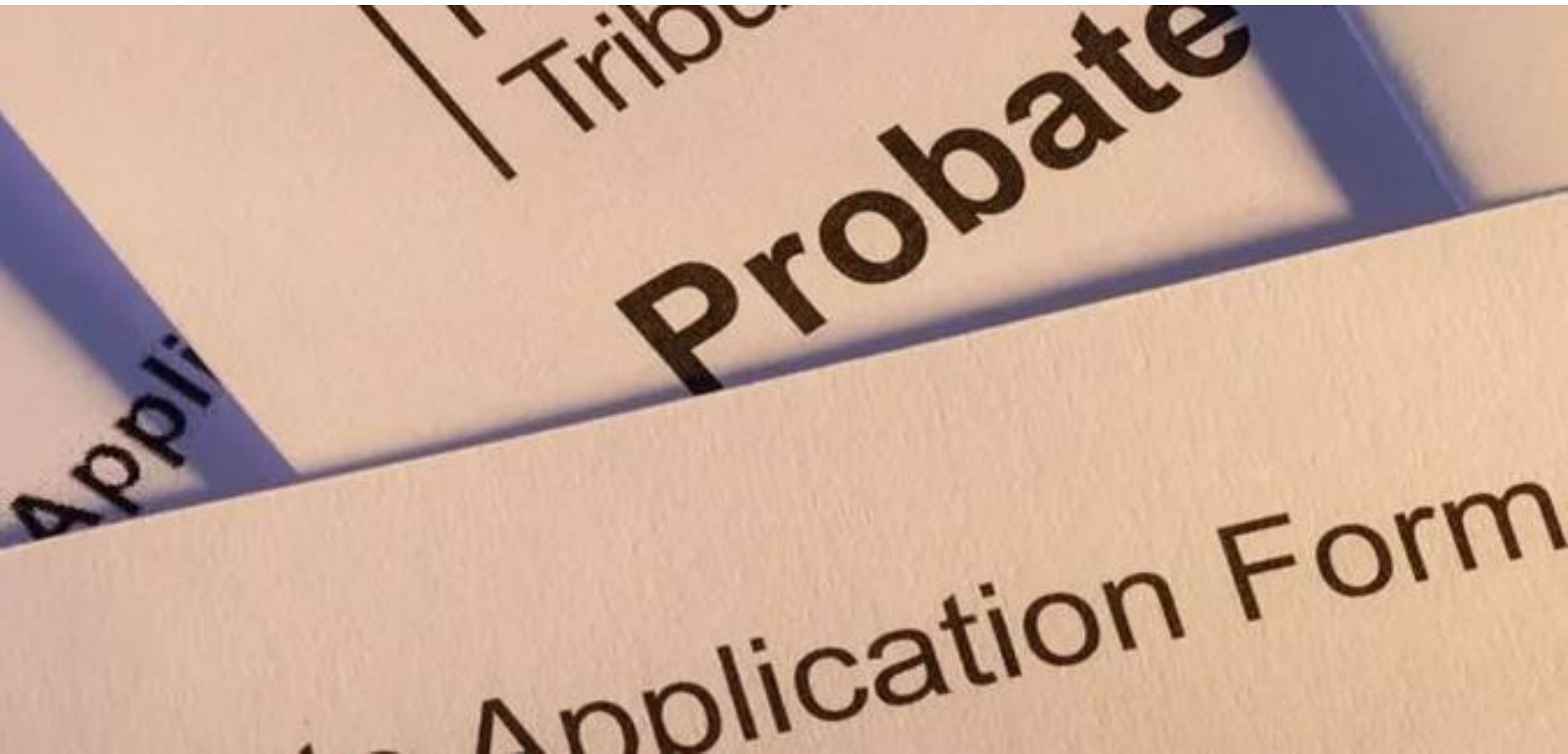
Example of international agreement:

“OECD, recommendation of the Council concerning the Avoidance of Double Taxation with respect to taxes on estates and inheritances and on gifts, OECD/LEGAL/0195.”

Situs tax



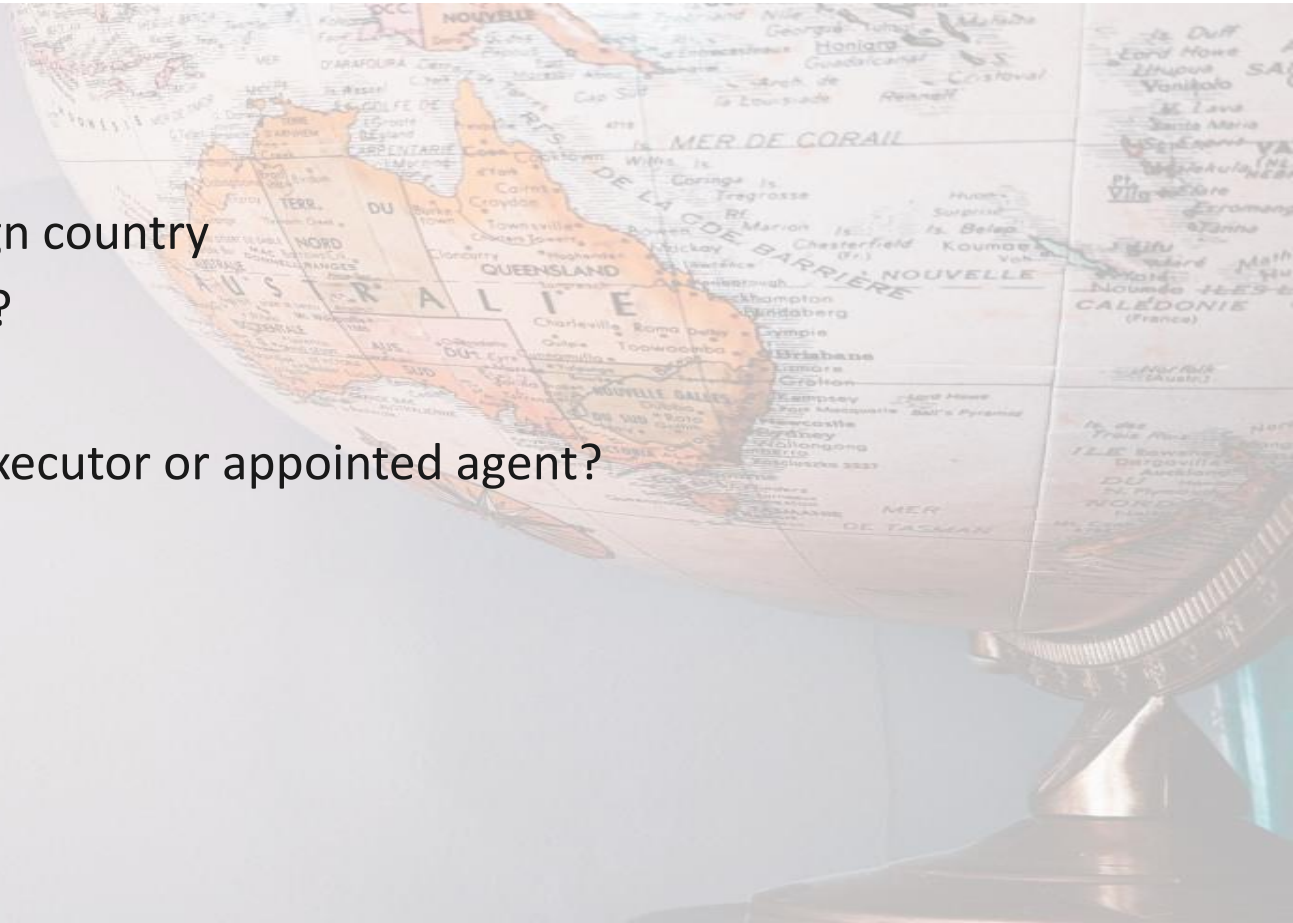
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- Foreign property, foreign shares, etc.
 - Right to tax in country where asset is situated
 - Liquidity problem for the estate
 - Delays in winding up the estate



Estate administration



- Probate process in foreign country
 - What, how and when?
- Local will or foreign will?
- Local executor, foreign executor or appointed agent?
- Costs?
- Time delay?



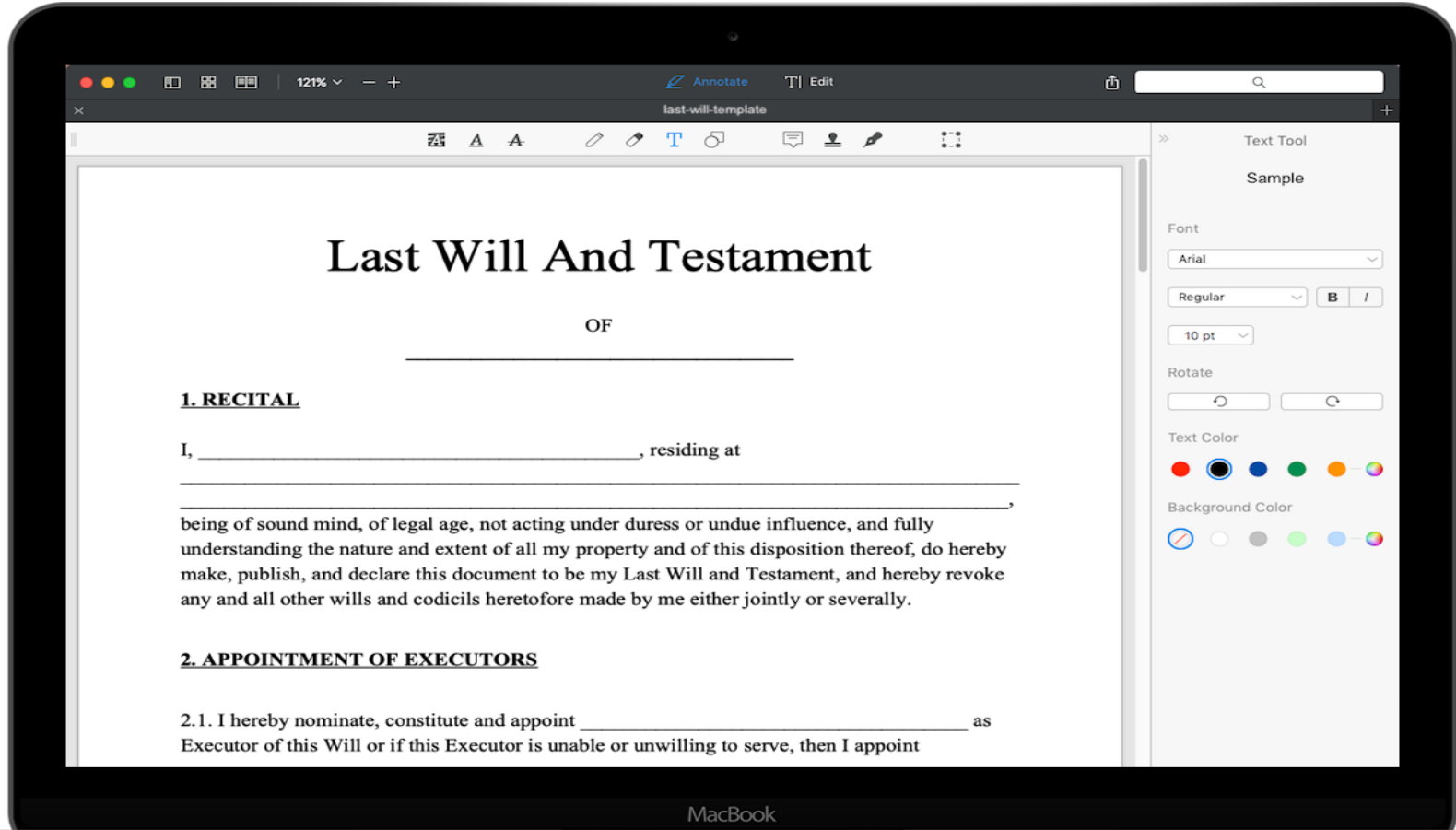
Validity of international wills



Example of international agreement:

“Hague Convention on the Conflicts of Laws Relating to the Form of Testamentary Dispositions.”

Renouncing a will





APPROVED

**GOLDEN
VISA**

PROPERTY

Forced heirship



- Dark blue: Wide testamentary freedom – no forced heirship in the strict sense
- Light blue: No forced heirship but statutory/customary recognition of close relatives' claims
- Orange: Forced heirship broadly on the civil law model

- Light orange: Post-Soviet era systems – limited forced heirship
- Green: Shari'ah law forced heirship the dominant system
- Yellow-green: Mixed systems where Shari'ah an important element

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STRATEGY
IS ABOUT CHOICES:
YOU CAN'T BE ALL THINGS
TO ALL PEOPLE



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Global Citizen masterclass

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