



SO THE AMNESTY HAS HAPPENED
NOW WHAT?

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AGENDA

1. The bad news
2. The good news
3. Options in Brazil
4. Expatriation

FIRST THE BAD NEWS:

- Clients have paid to regularise their past tax liabilities, now they will have to pay tax on future earnings
- Cross border rules will still apply to bankers and advisors
- There are now fewer ways to mitigate taxes legally and CFC rules are on the horizon



NOW THE GOOD NEWS

- Clients and their advisors can now breathe easily
- Clients can access and use their assets as they wish
- The Government has a bigger tax base and the country will have a better sense of social justice



WHAT PLANNING CAN WE DO FOR CLIENTS?

- Trusts, Foundations and Offshore Companies
- Investment Funds
- Captive Insurance Companies
- Life Insurance
- But which one?



LIFE INSURANCE

IS THE MAIN NEED EXTRA LIQUIDITY OR PROTECTION OF CAPITAL?

- The policy must be purchased by an offshore structure, ideally one that is already in existence
- The structure that buys it must be declared and if there is a surrender value, CRS will require the insurance company to report the policy
- No tax on increase in value of the policy
- No income taxes upon death
- Death benefit may be paid to an overseas account and declared at the end of the year
- Death benefit should be paid directly to beneficiaries, not the structure that buys the policy
- Very attractive for beneficiaries in other countries, including the USA and European countries that tax inheritance



UNIVERSAL LIFE OR TERM INSURANCE

IDEAL TO MEET LIQUIDITY NEEDS

- Term cover can extend to 100 years and the cost is remarkably low
- A life insurance policy is the only contract which will deliver extra liquidity at the precise moment it is needed
- Consider need to fund tax payments, pay debts, achieve estate equalisation and funding of buy/sell agreements



PPLI

FOR THOSE CLIENTS WHO HAVE ALREADY ACCUMULATED CAPITAL

- Ideal for the client who wants to control his fortune in his lifetime, then pass it on to his family in a tax efficient way.
- Unlike a Trust, where the duty of the Trustee is to the beneficiaries, in an insurance policy the duty is to the owner so he has control
- Important to have a real extra death benefit, we recommend 20p.c. if benefits are to be paid to a Brazilian beneficiary
- The owner may not give instructions over the bank account, the assets must be professionally managed
- It is possible to hold non bankable assets in a policy but the client should get good legal advice
- Perfect for a client who has accumulated deferred gains in an overseas Trust or company
- Beneficiaries overseas can be included with no reporting requirement until death and in most countries the death benefit will be free of all tax



SHOULD I STAY OR SHOULD I GO?

- If the client or a family member is willing to relocate to another country this offers many more options
- Avoid a fictitious move
- A PPLI policy can be compliant in many European countries including Spain, Portugal and the UK, USA, Israel...
- Important to follow good tax advice in the destination country, making any declarations that are necessary
- Nearly everywhere we can arrange tax deferral, tax efficient withdrawals and tax free death benefit





THANK YOU FOR
YOUR ATTENTION.

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