



GENEVA GROUP INTERNATIONAL

# CURRENT TAX ISSUES FACED BY FAMILIES WITH CROSS BORDER ESTATES

TRUST AND ESTATE PLANNING PRACTICE GROUP

GGI WORLD CONFERENCE

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BANGKOK, THAILAND

A presentation by

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## ***Two Topics***

- “ Taxation of trusts
- “ International estate planning



## *Trusts*

UK resident trusts versus non-UK resident trusts

Just one test for UK income tax and UK CGT. A trust is UK resident if either:

“ All trustees are UK resident

or

“ At least one trustee is UK resident and the settlor was domiciled or resident in the UK at the time he/she made the settlement

Trap – emigration charge

## ***Non-UK Trusts***

UK resident settlor interested

Non-UK income – remittance basis for non-domiciled persons

Capital gains position

April 2017 changes

Freezer trusts

UK residential property

No tax if settlor interested – otherwise taxable on distributions



## ***Income Tax and Capital Gains Tax for Non-UK Trusts***

Liability to tax on gains and foreign income

Liability to tax on UK income

Rent and trading income – taxable

Other UK income taxable only if trust has UK beneficiaries

Protection using a non-UK company owned by the trust

## ***Inheritance Tax for Non-UK Trusts***

Domicile of settlor

10 yearly charges

Protect against IHT by using foreign holding company

From April 2017 no longer works for UK residential property

De-enveloping and ATED charge

Deemed domicile



## ***Estates***

How does the estate devolve?

What are the tax implications?



## *Wills*

Recognised or not?

Wills in different countries

Intestacy and deed of variation





## ***EU Succession Regulations***

New regulations – death after 17 August 2015

Denmark, Ireland and UK opted out

Default position – “habitually resident”

Choose ‘law of nationality’

“Manifestly more closely connected with another country”

“Manifestly incompatible with public policy of that country”



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***THANK YOU!***

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