



GGI TRUST&ESTATE PLANNING PRACTICE GROUP
03.06.2020

The use of Italian companies for wealth planning

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TODAY'S AGENDA

- 1. The use of Italian companies for wealth planning by Angela Cordasco and Beatrice Molteni** (*from Loconte & Partners, Bari, Italy*);
- 2. The use of US LLC's in foreign trust structures by Darlene Hart** (*from US Tax & Financial Services Group Ltd, Zurich, Switzerland*);
- 3. The forensic accounting on the origin of funds and the issues related to the compliance obligations in case of death of the settlor or of the beneficial owner of the trust by Prof Robert Anthony** (*from Anthony & Cie, Valbonne, France*).



ITALIAN COMPANIES FOR WEALTH PLANNING

- ❖ Asset protection from external risks;
- ❖ Asset management and family governance;
- ❖ Generational transfer.



ITALIAN COMPANIES FOR WEALTH PLANNING

❖ **Partnerships:**

- Simple company;
- General company;
- Limited company.

❖ **Capital corporations:**

- Joint stock company;
- Limited liability company;
- Partnership limited by shares.



ITALIAN COMPANIES FOR WEALTH PLANNING

❖ **Partnerships:**

- Flexible structure;
- Members are fully liable for company's obligations;
- Tax transparency.

❖ **Capital corporations:**

- Shareholders generally hold limited liability to the extent of their contribution;
- Subject to corporate tax.

ITALIAN COMPANIES FOR WEALTH PLANNING

❖ Simple partnership (SS – *società semplice*)

- Not a commercial entity;
- Generally used for agricultural activities, real estate activities and individual professional activities;
- There are not obligations to keep accounting records and to prepare the financial statement;
- Rules for the «shell companies» are not applicable;
- Capital gains on sale of properties are not taxed after 5 years holding period → similar to natural persons;
- Fiscally transparent.



ITALIAN COMPANIES FOR WEALTH PLANNING

- ❖ **Limited partnership (SAS – *società in accomandita semplice*)**
- Commercial entity;
- At least one of the partners has to be limited and, accordingly, hold limited liability to the extent of his contribution to the company. The other partner has to be general, owning full liability for the obligations;
- Fiscally transparent.



WEALTH PLANNING

EXEMPTION FROM INHERITANCE AND GIFT TAX

- ❖ Article 3 paragraph 4-ter of the Legislative Decree no. 346/1990 (Italian Unique Code on inheritance and gift tax).
- ❖ As long as certain conditions are met, the transfer of companies, companies participations or shares, if made in favour of the entrepreneur's spouse or his descendants...

...is fully tax exempt



WEALTH PLANNING

EXEMPTION FROM INHERITANCE AND GIFT TAX

- ❖ The individuals who receive the transfer shall continue the business (or hold and keep the control of the company) for at least 5 years from the transfer.
- ❖ Companies not resident in Italy but in an another EU member State → it is confirmed the possibility to apply the exemption also to the transfer of shares of companies with the registered office in one of the EU countries.



THANK YOU FOR YOUR ATTENTION!

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