

## Cross-border succession planning workshop

### STEP WORKSHOP & LUNCH MEETING / ZURICH CENTRE

#### SPEAKERS

Kinga Weiss [www.walderwyss.ch](http://www.walderwyss.ch)

Natalie Peter [www.ssplaw.ch](http://www.ssplaw.ch)

Virna Vallucci [www.vslaw.ch](http://www.vslaw.ch)

#### DATE

Thursday, 3rd March 2016

#### TIME

	12.00 – 14.00 hrs.
Registration	11.45 – 12.00 hrs.
Workshop / 3 groups	12.00 – 13.00 hrs.
Lunch and Coffee	13.00 – 14.00 hrs.

#### VENUE

Hotel Glockenhof Zürich  
Sihlstrasse 31, 8022 Zürich, 044 225 91 91  
[www.glockenhof.ch](http://www.glockenhof.ch)

#### SUPPORTED BY



Yours sincerely,  
**STEP Office Zug**

Corinne Graf  
Administration/Events

#### REGISTRATION

by 1st March 2016  
to [events@step-ch-fl.com](mailto:events@step-ch-fl.com)

#### CPD

1 hour towards CPD obligation

<b>FEE</b> (incl. VAT 8 %)	CHF
Members	80.00
Non-Members	100.00
STEP Students	50.00

#### CONDITIONS

Reserved places will be charged,  
unless cancelled 24 hours before the  
event.

This is the digital way of staying informed: The STEP Information Platform: [FORUM](#)

T: +41 (0)41 727 05 27 F: +41 (0)41 727 05 21 E: [info@step-ch-fl.com](mailto:info@step-ch-fl.com) UID: CHE-114.502.372  
Verein STEP, c/o STEP Office, Neugasse 12, Postfach 616, 6301 Zug

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## STEP WORKSHOP & LUNCH MEETING / ZURICH CENTRE

Hotel Glockenhof Zürich / 3<sup>rd</sup> March 2016 / 11.45 hrs.

### SPEAKERS

**Kinga M. Weiss** is a partner and co-chair of the Private Clients team of Walder Wyss. She primarily devotes her time to domestic and foreign private clients, banks and family offices. Her areas of expertise are centered around both private clients and entrepreneurs in matters of inheritance law, including marital property law, relating to estate planning, business succession and execution of wills. Cross-border cases account for the bulk of her field of action. Besides, she also supports clients with relocation, asset structuring, trust and endowment matters and tax affairs. She regularly holds speeches and publishes articles in and outside of Switzerland.

**Natalie Peter** is the managing partner of Staiger Schwald & Partner AG in Zurich and the head of the private clients team. She has been advising private clients for over 20 years in national and international tax matters including estate tax planning, immigration to or emigration from Switzerland, tax litigation, completing tax declarations, obtaining tax rulings from tax authorities, and analysing and setting-up of tax efficient structures. She has particular extensive knowledge in all tax matters relating to the taxation of trusts and foundations as well as the setting-up of tax exempt charitable organisations. She has also gained substantive experience in administrative assistance matters.

**Virna Vallucci** is a partner of the law firm Vallucci & Schmutz AG. She graduated with a master's degree in Swiss law from the University of Zurich, a master's degree in Swiss tax law from the Swiss Institute of Taxation, and a master's degree in US tax law from the University of Florida. As a former tax inspector of the Cantonal Tax Authority of Zurich she has many years of experience with the tax assessment of domestic and multinational corporations, partnerships and self-employed entrepreneurs. She also gained broad experience in the negotiation of advance tax rulings and the resolution of disputes. Following a move to the private sector, she has advised clients in many complex tax cases and she also represents clients in tax disputes.

### Cross-border succession planning workshop / FORMAT

The participants of this lunch event will be split into three groups in order to discuss the cases outlined below. The speakers will rotate so that every group will attend three different workshops in a much smaller setting than usual. You will thus benefit from a more interactive discussion with each of the speakers.

We would like to provide you with an opportunity to obtain practical information and enjoy interesting discussions on cross-border estate planning, estate tax, pre-immigration trusts and tax rulings.

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## Workshop Kinga M. Weiss

### Topic: Estate planning for cross-border successions

#### Case study

Mr Jean Delon (65), a French citizen and resident of Gstaad, is unmarried and has no children. He owns an apartment in Paris (which was gifted to him by his parents), a house in Gstaad and bankable assets in both countries. His wish is to leave his future worldwide estate to his niece, who is living in France. He comes to you and seeks advice with regard to his estate planning. We will discuss the following issues:

- What other pieces of information do we need from Mr Delon?
- Which law is applicable on the succession of Mr Delon if he dies intestate? From a Swiss and French perspective?
- What provisions should Mr Delon provide for in his last will?
- Mr Delon wishes to combine his last will with binding instructions for his niece. What do you tell Mr Delon?
- How does the fact that Mr Delon set up a trust 20 years ago, while living in Mexico, influence your advice?
- Mr Delon wishes to freely dispose of his estate and therefore suggests moving to London for estate planning purposes. What do you tell Mr Delon?
- Does your advice change when taking into account the estate taxes of the involved countries?
- **Summary: what can be learned by this case study?**

## Workshop Natalie Peter

### Topic: Estate tax

#### Same case study as used by Kinga Weiss

We will discuss the following issues:

- What are the tax implications for Mr Delon in Switzerland?
- Is there a tax liability in France?
- What are planning possibilities?
- Mr Delon thinks about moving to the US – are there any further tax implications?

## Workshop Virna Vallucci

### Topic: Pre-immigration trusts and tax rulings

#### Case study

#### Facts:

- Andreas Müller is a beneficiary of an irrevocable discretionary trust that was set up by his father in 1991 under Jersey law.

- The trust has an underlying Jersey company to which the trust granted a loan. Thus, the trust generates income from its underlying company in the form of interest on the loan and dividend payments. The underlying company is an investment company.
- Andreas Müller's father funded the trust with cash in the amount of EUR 16 million and transferred to the trust a right to sell a property in Switzerland and to keep the sales proceeds. This selling right was booked in the financial accounts of the trust with a value of EUR 1 instead of the estimated fair market value of EUR 1 million. In 2000 the property was sold for EUR 2 million.
- The tax advisor of Andreas Müller applied for a tax ruling in 2006 before Andreas Müller became Swiss resident in 2007. The tax ruling was granted by the tax authority of the canton Graubünden. The question whether the trust's underlying Jersey company should be treated as transparent for Swiss tax purposes was not covered in the tax ruling. Moreover, the granted tax ruling contained a clause that stated that if the trust made distributions to Andreas Müller that originated from capital gains realized by the trust, Andreas Müller would not have to pay income taxes on these trust distributions. The tax authority made a general reservation to the granted tax ruling by pointing out that if the Circular letter regarding the taxation of trusts -which was issued on 22nd August 2007 - would contain other tax rules than the ones that were agreed upon, the provisions of the Circular letter would be applicable.
- In 2010 the tax advisor of Andreas Müller applied for a second tax ruling because he wanted to prove that the trust distributions made to Andreas Müller originated from capital contributed to the trust by the settlor. He intended to ensure that Andreas Müller would not have to pay income taxes on the distributions made to him by the trust. However, two years of the trust's income and the distributions to Andreas Müller were missing in the calculation.

**We will discuss the following issues:**

- What content should a pre-immigration tax ruling cover and why?
- Under what conditions will a tax authority grant a pre-immigration tax ruling?
- What conditions must the pre-immigration tax ruling meet so that the tax ruling is binding for the tax authority?
- What to do if a tax ruling is not granted, granted with a reservation, revoked by the tax authority or a change in the praxis of the tax authority may affect the tax ruling?
- What are the tax consequences in this case as the tax authority makes a reservation to the tax ruling with regard to the issuance of the Circular letter regarding the taxation of trusts?
- What are the tax consequences for Andreas Müller if the trust distributes trust income or trust capital that was brought in by the settlor and how is the trust income and the trust capital determined?
- How to proceed if the tax returns of Andreas Müller were incorrect in the past and Andreas Müller needs to file a voluntary disclosure?
- Can a tax advisor, protector or trustee be liable for ill drafted invalid tax rulings?
- **Summary: what can be learned by this case study?**

February 16

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