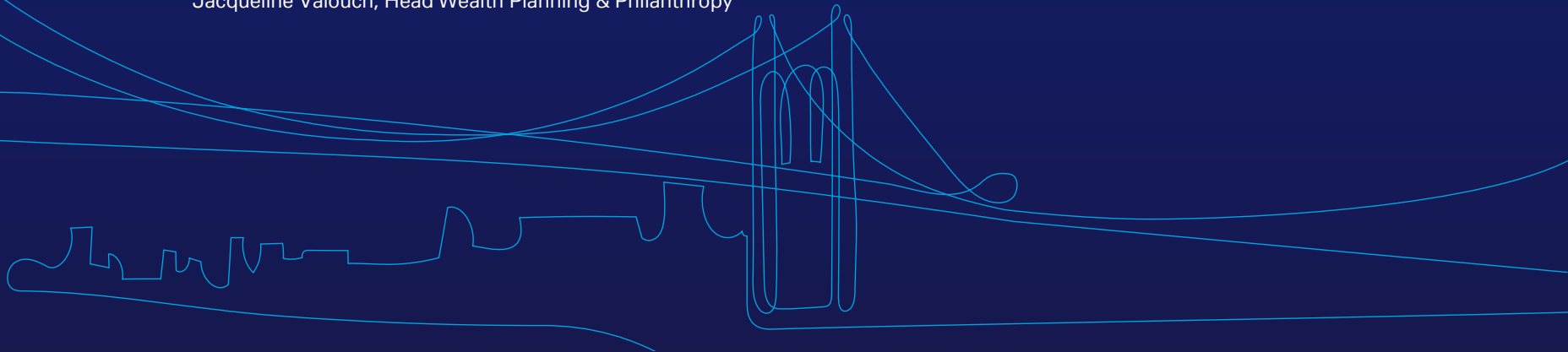




NextGen Summer Seminar – Wealth and Succession Planning

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Wake up quiz

What is Wealth Planning and why is it something useful for families to consider?

What is Wealth Planning?



It is the art of structuring and planning for one's wealth while often continuing to creating it, preserving it, and transferring it tax efficiently to the next generations helping to maximize the accumulation, preservation and protection of one's wealth

As such Wealth Planning covers different areas of ones planning needs offering a holistic, consultative and highly-personalized approach to one's wealth planning needs

Wealth Planning covers:

Estate Planning	Tax Planning	Life Insurance	Philanthropy	Wealth Education
<p>The process of planning during one's lifetime the distribution and management of one's estate after the person's death.</p> <ul style="list-style-type: none">• Standard planning documents• Intergenerational wealth transfer strategies• Pre and post-liquidity event planning	<p>The planning and arranging of one's affairs and assets in order to minimize tax liabilities</p> <ul style="list-style-type: none">• Tax planning, including estate tax planning• Employee stock option strategies• Executive compensation	<p>The planning to efficiently manage risk, both for income replacement and estate planning purposes</p> <ul style="list-style-type: none">• Policy review• Term and survivorship insurance• Irrevocable life insurance trusts	<p>Planning to ensure tax-efficiency in an effort to create a flexible charitable legacy for both current and future generations</p> <ul style="list-style-type: none">• Family legacy, Mission & Philanthropic statements• Charitable remainder & lead trusts, private foundations• Donor advised funds	<p>Strategies and solutions to guide families through multi-generational financial and philosophical decisions</p> <ul style="list-style-type: none">• Family governance and financial education• Coaching and mentoring• exclusive programs (e.g. Next Gen program)

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The process of planning during one's lifetime the distribution and management of one's estate after the person's death. Estate planning takes into account your financial plan and wealth philosophy

Estate Planning covers:			
Estate Plan Reviews	Intergenerational Wealth Transfer Strategies	Analysis and Modeling	Trust & Fiduciary Planning
<p>Review of existing estate planning documents to ensure they are relevant and up-to-date, all in the context of one's current financial situation and legal considerations</p> <p>A comprehensive review also includes the proper titling of assets, a critical component of a well-organized and effective estate plan</p>	<p>Identification and recommendation of the appropriate strategies and planning vehicles for your wealth transfer needs, from simple gifting to advanced planning strategies</p> <p>Among others in the following areas: Foreign Grantor and non Grantor Trusts, Unit Trusts, Star and Purpose Trusts, Private Trust Companies, Grantor Retained Annuity Trusts, Intentionally Defective Grantor Trusts, Qualified Personal Residence Trusts, Family Limited Partnerships /LLC's, and Dynasty Trusts</p>	<p>Analytic modeling are usually utilized to evaluate the economics and potential tax implications of recommended estate planning strategies</p> <p>Modeling often illustrate, explains and compares the impact of various estate planning strategies</p>	<p>Establishment of trust and other entities as part of one or more planning solutions professionally managed and administered by fiduciary providers as part of one's estate planning solution.</p>

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The planning and arranging of one's affairs and assets in order to minimize tax liabilities in compliance with applicable laws and reporting requirements

Tax Planning covers:			
Domestic Tax planning	International Tax Planning	Cross boarder / tax residency planning	Trust & Fiduciary Planning
Planning for the proper and compliant optimization of local taxes applicable to an individual in his/her country of residency	Planning for the proper and compliant optimization of foreign taxes applicable to an individual and his/her assets when outside of his/her country of residency (i.e. US sitused assets subject to US estate tax to Non US residents)	Pre immigration tax planning (i.e. foreign client moving to UK or to the US) Tax residency planning (i.e. choice of jurisdictions/countries where to effectively move one's personal or business residency)	Establishment of trust and other entities as part of one or more planning solutions professionally managed and administered by fiduciary providers as part of one's tax planning solution.

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Who is subject to US taxes?

- 1 Income Tax Residents:** who is considered an income tax resident (substantial presence test, US citizens etc.)
- 2 US Domiciliaries:** who is considered a US domiciliary (and therefore subject to transfer taxes in the US)



Please refer also to the
“US Tax Considerations for non-resident
individuals Brochure”

A 10-page piece providing an overview
of US taxes and points to consider for
investors who are not US residents.



US Situs Assets are subject to US estate tax*

- 1 Real Estate:** All real estate property located in the U.S. (i.e. condos, land, commercial real estate etc.) Note: Please be careful about cash received as gift to purchase real estate (see example)
- 2 U.S. Equities:** Shares of stock in U.S. companies (publicly traded or privately held, including shares in a U.S. registered investment fund (“RIC”) and mutual funds), regardless of the location of the share certificates, (i.e. no matter if the portfolio of assets with US stock is held in the US or in Europe or elsewhere).
- 3 Non Bank Deposits Cash accounts with U.S. brokerage firms:** because they are not considered bank deposits.
- 4 Tangible Personal Property:** Art**, jewelry, gold coins, cash in a safe deposit box, furniture, cars, collectibles in general, and any other tangible property located in the U.S.

* (even if owned by foreign individuals - US Non Resident Aliens)

** (Art on exhibition or on loan may be exempt from the estate tax if certain conditions/requirements are met)



Non US Situs Assets are subject to US estate tax*

- 1 Real Estate:** All Real Estate property located outside the U.S. (i.e. condos, land, commercial real estate etc.)
- 2 Non US Stock:** Stock in foreign corporations (publicly traded or privately held), regardless of the location of the share certificates (i.e. also if the stock is held in a portfolio located in the US).
- 3 US Exempt Obligations:** Certain debt obligations (i.e. bonds of U.S. companies, U.S. government, and U.S. government agencies) which are exempted.
- 4 Bank Accounts:** Cash on deposit with a U.S. bank or insurance company (not with a brokerage firm).
- 5 Tangible Personal Property:** All tangible personal property located outside the U.S.
- 6 Insurance Proceeds:** Amounts receivable as life insurance death pay out.

*(even if owned by foreign individuals - US Non Resident Aliens)

** (Art on exhibition or on loan may be exempt from the estate tax if certain conditions/requirements are met)

Case/Example: Existing client Son (Next Gen Seminar alumnus) DB NY office



Client Situation and Needs:

- Existing UHNW client Relationship
- Father is a Non Resident Alien (NRA) and son is a US resident (with Visa and applying for green card)
- Clients looking to gift \$3,500,000 in cash to son for imminent purchase of real estate
- Client son, next gen alumno, calls DB NY based RM to discuss about gifting and reporting liabilities
- Potential \$1,400,000 gift tax liability outlined by DB wealth planning team to client son
- External counsel engaged
- Client without existing trust planning structure, looking for proper planning for US beneficiaries
- Solution found!

Why Create a Trust?



- Tax planning – compliant income and estate tax planning
- Control of how to distribute and benefit from assets (inter vivos or testamentary)
- Compliant confidentiality
- Probate planning (What is Probate? ...)
- Estate planning

What is a Trust?



A trust is a relationship between the Settlor(s), the Trustee(s), and the Beneficiary(ies) .

A trust is established when an individual (or entity) initially owning assets, contributes those assets (either as a completed gift or not) into a trust whereby one party (the Trustee) holds the property for the benefit of another party (the trust's beneficiaries).

By doing so the legal ownership of the assets is transferred from the initial owner to the Trustees, therefore separating the property legal ownership from its equitable and beneficial ownership.

The trustee receives legal title of the assets but has then to administer and act for the best interest of the beneficiaries.

In order for a Trust to exist there need to be three essential elements in place:

The Trustee

The Trust assets (Trust fund)

The Beneficiaries

A Trust is usually seen as a will substitute and can be established either inter –vivos or as a testamentary trust.

Who are the Main Parties within the Trust relationship?



Grantor, Settlor or Creator

This is the person whose wishes and directions are reflected in the trust document. The Settlor/Grantor is the individual (or entity) that initially owns the assets that are going to be contributed into the Trust.

Trustee

The person or entity acting as fiduciary who is charged with the administration of the trust and with the duty to follow the directions, wishes and/or instructions included in the trust document (The trust deed). When a Trustee accepts this responsibility, the Trustee is legally liable and duty bound to properly administer the trust and execute those directions/instructions as well as applicable law.

Current Beneficiary

A person or entity entitled to receive income, principal or both from trust assets as specified in the trust deed.

Future Beneficiary/Remainder Beneficiary

A person or entity entitled to receive income, principal or both from trust assets at some point in the future as specified in the trust deed.

What documents are used to establish a Trust?



The Trust Deed or A Will

The Letter of Wishes

Protector and Investment Advisor (individual
or committee) Appointment

Deed of Gift, Deed of Contribution etc.

When can a Trust be created?



Inter vivos (during your lifetime)

— or —

Upon your death/Testamentary (under the terms of your will)



Trust assets are characterized as either principal or income. Beneficiaries are provided certain rights to the income (dividends, interest, rents and royalties), principal or both as spelled out in the trust deed/ document.

Trusts assets can be:

- Accounts and portfolio investments
- Real estate (commercial or residential)
- Private companies
- Art
- IP
- Aircrafts, Boats etc.
- Jewelry
- ...Any valuable collectible an individual has...
- ...Much more

Duties of a Trustee



- Collect and manage the assets
- Provide for the current beneficiaries
- Provide for the remaindermen
- Consider tax consequences of all actions
- Consider needs of the beneficiaries
- Maintain accurate records
- File all trust income tax returns
- Account to beneficiaries periodically, and upon request

Wealth Planning is always evolving as society is...



When speaking about trust planning nowadays we need to consider also:

- Hibernation
- Fertility treatments
- Genders changes
- Weddings v. civil unions or equivalents
- Crypto currencies
- Cyber-planning
- And much, much more...

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Francesca Boschini

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Francesca Boschini is Director - Head of International Wealth Planning & Head of Insurance Solutions for the Americas at Deutsche Bank Wealth Management. Ms. Boschini is based in New York and is in charge of Deutsche Bank Wealth Management Americas cross-border and international wealth planning practice and of its insurance planning solutions platform. When working directly with clients Ms. Boschini provides technical assistance on wealth planning and insurance planning matters to U.S. and international families. She works to develop and execute solutions for the complex global wealth preservation, estate and insurance planning needs of high-net-worth and ultra-high-net-worth clients.

Ms. Boschini has over 25 years of experience in the wealth planning field. Prior to joining the firm, she worked at RBC Wealth Management for 18 years, as head of its U.S. & International Wealth Planning team and served as a Director on the RBC Delaware Trust Company Board of Directors.

Ms. Boschini earned her civil law degree and was awarded the academic degree of Doctor of Jurisprudence (J.D.) from the University of Bologna School of Law in 1997. She earned her Master of Laws degree (LL.M.) in 2002, specializing in tax and estate planning, from the University of Miami School of Law. She was an honors recipient of the 2000 Garcia-Amador Scholarship and also received the Certification in International Tax from the same university. She has earned the “Trust and Estate Practitioner” designation (TEP) from the Society of Trust and Estate Practitioners. TEPs are internationally recognized as experts in their field, with proven qualifications and experience.

Ms. Boschini is a frequent speaker at international trust and estate planning conferences globally, and has authored several articles published in leading professional journals. She is fluent in English, Italian and Spanish with a working knowledge of Portuguese. Ms. Boschini is an active member of the Society of Trust and Estate Practitioners (STEP), of the Institute for Family Governance (IFG) where she is an Advisory Board Member, with a focus on working with the Next Generation on Family Governance and Wealth Education, enhancing the role of women in finance and fostering the development of young female leaders.

Ms. Boschini has won numerous awards during her career. Most recently, Citywealth awards and accolades including: member of Citywealth’s Leaders List, shortlisted for the 2019 Powerwomen award for Best Female Advisors & Managers in the U.S., International Powerwomen Top 100 ranking for 2019, 2020 Powerwomen Editor’s Choice Award and New York Bronze Banking Award, Top 20 Women in Private Wealth Management 2020, Top 50 Wealth Management Advisors 2020, Top recommended NY Wealth Management Professional Advisors 2021 and Top 100 Global Wealth Management Advisors 2022. Citywealth’s Leaderslist is a peers-led-contest that invites advisors within the global wealth management industry to vote for their top advisors globally.

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Susan P. Rounds
Director,
Head U.S. Wealth Planning

Susan P. Rounds is a Director and Head of U.S. Wealth Planning for Deutsche Bank Wealth Management – Americas.

Ms. Rounds specializes in providing services and solutions to clients in the areas of tax and estate planning, business succession, risk management, philanthropy, family governance, intergenerational wealth transfer, and legacy planning. In a career spanning over 25 years, Ms. Rounds has advised ultra-high-net-worth individuals, families, and privately-held business owner clients during her tenure in Big Eight Accounting, global financial institutions, and private legal practice. Ms. Rounds was inducted into the NAEPC Estate Planning Hall of Fame® Class of '22.

As a national speaker, author, and commentator, her articles have been featured in leading publications such as *Trusts & Estates Magazine*, *The Journal of Practical Estate Planning*, and *The Journal of Private Wealth Management*. Ms. Rounds makes frequent presentations at national seminars and Estate Planning Councils across the country.

Ms. Rounds sits on the Editorial Board for Opportunity Zone Magazine and has been named as one of the Top 25 Opportunity Zone Influencers in the country for the past 5 years. Ms. Rounds previously served as a member of the board of directors for the National Association of Estate Planners and Councils, and as Editor for the *NAEPC Journal of Estate and Tax Planning*.

Ms. Rounds taught *Federal Estate and Gift Tax* at the University of Georgia School of Law, *Federal Income Tax* and *Principles of Accounting* at the University of Georgia Terry College of Business, and all sections for the National CPA Examination, including Financial Reporting; Income Tax and Regulatory Reporting; Business Law; and Audit. She also served as a faculty member for the NYU Summer Institute on Taxation.

Formal degrees and designations include a BBA in Accounting, cum laude, from UT El Paso, a Juris Doctor from the University of Georgia, and an LL.M. in Taxation from Emory University School of Law. Ms. Rounds passed the comprehensive four-part CPA exam on the first sitting and is a registered TEP (Trusts and Estates Practitioner) and earned the STEP Advanced Certificate in Cross-Border Estate Planning. Ms. Rounds is also an Accredited Estate Planner® (Distinguished).

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Jacqueline Valouch

Managing Director,
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Jacqueline Valouch is the Head of Wealth Planning and Philanthropy for Deutsche Bank Wealth Management based in New York. The group is comprised of in-house tax, trust and estate attorneys, and certified public accountants. Together, they advise clients in areas such as estate planning, tax planning, life insurance, art collections, philanthropy, and next-generation wealth education, including a focus on international and cross-border wealth planning. They also work closely on the estate and trust administration needs of wealthy families.

Ms. Valouch has over 20 years of experience in the wealth planning area. After nearly a decade in private practice, Ms. Valouch joined Fidelity Charitable where, for 15 years, she led a team of charitable planning experts, and advised individuals, families, and their advisors on how to incorporate charitable giving into their long-term planning goals.

Ms. Valouch has been featured as a subject matter expert at numerous conferences and panels on a variety of charitable planning topics. She holds a B.A. from the State University of New York at Albany and a J.D. from New York Law School, where she served as an adjunct professor of law teaching Charitable Organizations. Ms. Valouch sits on the Board of Directors for the Armory Foundation, is on the Executive Committee of WorkingNation, serves as a Leadership Advisor for Grace Farms Foundation and is also Co-Chair of the Lincoln Center Planned Giving Advisory Committee.

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