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Cross-Border Issues Impacting Multigenerational Global Wealth Owners

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December 1, 2015 | The Biltmore | Coral Gables, FL



State of the Industry – “It’s a Small World After All”

- Traditional private client industry demarcation between domestic and international (i.e., non-US) families
- Domestic vs. international distinction increasingly irrelevant
- What kind of family are you? How do you view your family?
 - If primarily domestic, to what extent do you confront non-US tax, residency or property law issues?
 - If primarily international, to what extent does US tax or property law shape your family’s structures for preserving and transmitting wealth?
- How do governmental and international bodies (IRS, HMRC, G20, OECD, FATF) view your family?

Big Theme: Global Wealthy in the Crosshairs

- Sensible US efforts to combat money-laundering and terrorist financing has led to intergovernmental efforts to promote transparency and cooperation in exchange of information and revenue collection
- Governments can agree on one thing: wealthy families must be identified, tagged and classified for further study and taxation
- Trend toward public disclosure of beneficial owners of trusts and companies
- Real risk of sensitive family information falling into the wrong hands
- How to comply with bank and regulatory disclosure requirements while safeguarding family information?
- What happens when you combine governmental incompetence with information sharing?

Must Know Terminology and Acronyms

- OECD (Organization for Economic Cooperation and Development)
- FATF (Financial Action Task Force)
- CIP (Customer Identification Program)
- AML (Anti-money laundering)
- FATCA (Foreign Account Tax Compliance Act)
- IGA (Intergovernmental Agreement) (Model 1 or Model 2)
- Fourth European Directive on AML
- CRS (Common Reporting and Due Diligence Standard)
- CAA (Competent Authority Agreement)
- OT (British Overseas Territories)

Common Cross-Border Scenarios for Global Families

- Trust beneficiary studying, working, living abroad
- Trust beneficiary marrying non-US citizen
- Domicile, residency and the modern multi-jurisdictional family
- The peripatetic family member with extensive non-US holdings
- The “migratory” trust
- Trustees residing abroad
- Domestic trust with non-US beneficiaries
- Foreign trust with US beneficiaries
- Expatriation



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