



Market: Switzerland

GLOBAL PRIVATE WEALTH – LIFE INSURANCE SOLUTIONS

Our internationally recognised solution for integrated wealth planning combines life insurance with a wide range of investment opportunities. We provide country-specific expertise, and ensure asset and investor protection with supervision by the Liechtenstein insurance regulator. Our tailor-made solutions allow high flexibility in terms of investment options, estate and succession planning, and asset management.

Most common situations covered

- Cross-border succession planning for Swiss individuals
- Asset protection for local business owners
- Beneficial planning tool for Swiss expats returning to Switzerland

Clients' needs



Succession Planning



Asset Protection



Investment Flexibility



Asset Management



Compliance & Recognition



Cross-border & Mobility

Life insurance benefits compared to traditional investment portfolio

	Life insurance	Investment portfolio
Succession Planning	<ul style="list-style-type: none"> · One or several legal entities and/or natural person(s) can be nominated as beneficiaries, and changed by the policyholder at any time, in case of death. · The insurance benefits do not form part of the deceased's estate. 	<p>When the account holder dies, the legal heirs must wait for the estate executor while they:</p> <ul style="list-style-type: none"> · collect the worldwide assets · delay acting during the probation period · complete the inheritance declaration. <p>Only then will the bank release the assets.</p>
Asset Protection	<ul style="list-style-type: none"> · The underlying assets in a life insurance contract are not part of the policyholder's estate (property of insurance company). · The policyholder's creditors cannot execute these assets. · Life insurance is not subject to any action or seizure. 	<ul style="list-style-type: none"> · The bank account is part of the account holder's estate, and can be subject to execution by creditors.
Reporting	<ul style="list-style-type: none"> · Simplified reporting obligation. Only the policy is to be reported. 	<ul style="list-style-type: none"> · Income to be reported every year in the annual income tax return, clearly indicating dividends and interest.
Taxation	<ul style="list-style-type: none"> · Tax-privileged insurance (Pillar 3b). · Minimum duration of 10 years up to the age of 60 (start before the age of 66). · The Federation does not charge any wealth tax during the policy term. Cantonal wealth tax is charged on the policy's taxable value. · In the event of death, inheritance tax may be due depending on the canton. · No withholding tax on interest income. · 2.50% legal stamp duty on the one-off deposit. 	<ul style="list-style-type: none"> · Income generated by investments and accrued on the bank account to be taxed every year at the rate of 35%. The tax is refunded if the assets, and the revenue they produce, are declared in the tax return.

Insurance conditions

- Policy term is decided by the individual, however, the minimum term is 10 years up to the age of 60
- Adverse tax consequences if the surrender occurs before ten years and the policyholder's sixtieth birthday
- Special investments, such as private equity and other unquoted investments, are subject to approval
- Part or full redemption possible any time after the first year

Illustrative case studies

Swiss business owner

A Swiss national owns a successful and expanding local business. He wants to secure his family and business in case of his death.

Needs

- Immediate and smooth transfer of assets to his family when he dies
- Simplified reporting obligations
- Asset protection for his expanding business
- Efficient tax treatment of the income deriving from managing his portfolio of financial assets

Solution

- **Estate Planning.** Freedom to select beneficiaries wherever they are domiciled. Efficient and fast asset transfer to heirs. No probate period, collection of worldwide assets, or inheritance declaration.
- **Simplified Reporting Obligations.** Only policy value included in tax return. One policy for all portfolios.
- **Taxation.** Tax-privileged life insurance as per the legal regime governing Pillar 3b in Switzerland.
- **Multiple Custodians.** The contract can have multiple custodian banks managing the assets, and assets are consolidated in the insurance statement.
- **Asset Protection.** Financial protection for the survivors through a guaranteed lump-sum death benefit over the full term of the insurance.

Succession planning for Swiss resident

A Swiss resident with a large investment portfolio comprising various securities is planning his succession.

Needs

- A simplified way to manage the portfolio
- Effective succession planning
- Protection of savings from risks ordinarily connected to business activities
- Simplified reporting obligations and increased financial privacy

Solution

- **Estate Planning.** Freedom to select beneficiaries wherever they are domiciled. Efficient and fast asset transfer to heirs. No probate period, collection of worldwide assets, or inheritance declaration.
- **Simplified Reporting Obligations.** Only policy value included in tax return. One policy for all portfolios.
- **Multiple Custodians.** The contract can have multiple custodian banks managing the assets, and assets are consolidated in the insurance statement.
- **Investment Flexibility.** For example, the client has a free choice of investment strategy, and of the underlying investment instruments (except Swiss Life restrictions).

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