



# Advanced Financial Solutions

A secure island in a tax hungry world

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January 2017

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Addendum  
to

## **Structuring in Puerto Rico—the best of “the new Switzerland” Expanded Worldwide Planning (EWP)**

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Top international tax planners have been quick to realize the implications of our last white paper, “Structuring in Puerto Rico—the best of “the new Switzerland.” Indeed, one advisor coined the phrase “Expanded Worldwide Planning” to describe the new paradigm. We have espoused this phrase as the title of our short Addendum to our white paper and will be clarifying some of these new possibilities for your planning toolkit. With EWP, the trust or entity can be domiciled anywhere the client wishes it to be and so can the assets be located anywhere in the world. Over the last few years, many of the international families we serve have been described as Global Citizens. In parallel to that, EWP can be viewed as Global Planning.

If one accepts the tenets outlined in, “Structuring in Puerto Rico—the best of the new Switzerland,” that is backed up with a very positively worded legal opinion letter by a major international law firm, it becomes obvious that the Puerto Rican Private Placement Life Insurance policy functions merely as a second trust to secure the advantages of Puerto Rico’s jurisdictional position. These advantages have been strengthened by the recent elections in the US, as well as the voices that have been raised about legal and data breach issues inherent in CRS.<sup>1</sup>

Ironically, under the umbrella of an EWP structure, planning possibilities are expanded rather than diminished as a result of FATCA and CRS. EWP allows for a tax compliant system that still respects basic rights of privacy. It assuages the quite significant objections many major law firms and international planners rightfully raise against certain aspects of the CRS.<sup>2</sup> They are not seeking to hide client assets from tax authorities but do intend to protect their clients’ privacy, which EWP allows them to do.

With the massive amounts of data being exchanged under CRS about to commence, the risk is high for the right of attorney client privilege to be pierced by groups of journalists working in consort in the name of tax transparency.<sup>3</sup> This has already become apparent in past experiences such as the Panama Papers. It will take years for all the implications of CRS to be worked out, if indeed it lasts that long.

Why not embrace a structure that bypasses the confusion and discord that will ensue in this process? Advanced Financial Solutions seeks to secure its clients in a tax-advantaged and privacy-advantaged environment. We are not looking to hide client assets and work only with those who have undergone a most thorough KYC and AML process. We invite you to explore EWP with us, and welcome your questions and inquiries.

## **Endnotes**

1. "Common Reporting Standard & EU Beneficial Ownership Registers, Inadequate protection of privacy and data protection, Summary of Presentation to Art. 29 Working Party," Brussels, 8 Sept 2016 by Filippo Nosedà, Withers LLP, London

2. Andrew Knight and Anthony Markham, "Is there room for privacy planning in a tax-transparent world?" International Investment, 23 November 2016 <http://www.internationalinvestment.net/opinion/room-privacy-planning-tax-transparent-world-maitland/>

3. Caroline Garnham, "HNWIs, FATCA & CRS: Is Privacy Dead?" Private Client Hub," 22 July 2016, <http://theprivateclienthub.com/fatca-crs-privacy-dead/>

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