

Educational Opposition. PPLI Enhanced Value

Every man is a hero or  
oracle to someone. And  
that person has enhanced  
value.

Johnny Hunt

by Michael Malloy @ michaelmalloy.solutions

**Educational Opposition**

## PPLI Enhanced Value

*Private Placement Life Insurance (PPLI)* greatly enhances the value of the assets of *wealthy international families*. This is accomplished through the six elements of *Expanded Worldwide Planning (EWP)* which we will present you.

First, let us explore enhanced value. One way to understand something is through understanding what is the opposite of a concept. So what is the opposite of what we call, **PPLI Enhanced Value**? A candidate might be a fraudulent financial scheme. One has come to light this week in a *New York Times* article, *Where In The World Is Denmark's \$2 Billion?* by Paul Caron.

From the Wikipedia page, *International tax planning*, we give you the six elements of EWP. As you read them, reflect on how they all assist in creating **PPLI Enhanced Value**.

### *Privacy*

EWP gives privacy and compliance with tax laws. It also enhances protection from data breaches and strengthens family security. EWP allows for a tax compliant system that still respects the basic rights of privacy. EWP addresses the concerns of law firms and international planners about some aspects of CRS related to their clients' privacy. EWP assists with the privacy and welfare of families by protecting their financial records and keeping them in compliance with tax regulations.

### *Asset protection*

EWP protects assets with segregated account legislation by using the benefits of life insurance. This structure uses asset protection laws in the jurisdictions of residence to shield these assets from creditors' claims. A trust with its own asset protection provisions can still receive additional protection with the policy.

### *Succession planning*

EWP includes transfers of assets without forced heirship rules directly to beneficiaries using a controlled and orderly plan. This element of EWP provides a wealth holder a method to enact an estate plan according to his/her wishes without complying with forced heirship rules in the home country. This plan must be coordinated with all the aspects of a properly structured PPLI policy together with other elements of a wealth owner's financial and legal planning.

## ***Tax shield***

EWP adds tax deferral, income, estate tax benefits and dynasty tax planning opportunities. Assets held in a life insurance contract are considered tax-deferred in most jurisdictions throughout the world. Likewise, PPLI policies that are properly constructed shield the assets from all taxes. In most cases, upon the death of the insured, benefits are paid as a tax free death benefit.

## ***Compliance simplifier***

EWP adds ease of reporting to tax authorities and administration of assets, commercial substance to structures. In addition, the insurance company is considered the beneficial owner of the assets. This approach greatly simplifies reporting obligations to tax authorities because assets in the policy are held in segregated accounts and can be spread over multiple jurisdictions worldwide.

## ***Trust substitute***

EWP creates a viable structure under specific insurance regulations for civil law jurisdictions. It also creates a new role for commercial trust companies. In most civil law jurisdictions, trusts are poorly acknowledged and trust law is not well developed. As a result, companies with foreign trusts in these civil law jurisdictions, face obstacles.

Now some excerpts from Paul Caron's article describing what the Danish authorities call one of the greatest financial crimes in the country's history. Denmark was defrauded \$2 billion, which is the equivalent of a \$110 billion dollar loss in the far larger U.S. economy.

“The country had fallen victim to a dubious financial maneuver at the intersection of the tax system and capital markets, a dizzyingly complex transaction known as a “cum-ex” trade.

The trade is focused on one of the dullest, most overlooked acts in any financial system — the request for refunds on taxes withheld on dividends. Under Danish law, the government automatically collects taxes on dividends paid out by companies to their shareholders. If the shareholders live in the United States, they are eligible for a refund on some or all of those taxes.

A tiny department in SKAT (the Danish IRS), run by one man, approved thousands of applications for refunds. Most of the applications were filed by self-directed pension plans in the United States, a type of retirement account for individuals.

But experts and lawyers familiar with the scheme say those people were fronts for cum-ex trades. Deploying a kind of financial sleight of hand, the trades made it appear as if the pension plans had purchased shares of Danish companies and paid taxes on the dividends. Neither was true.

To the Danes, it was a fraud, one executed and conceived by *Sanjay Shah, a 48-year-old, London-born financier*. With an assist from employees, he found the Americans, helped facilitate the applications and ended up with much of the money.

Mr. Shah denies any wrongdoing and through a publicist says he merely took advantage of a loophole. He now lives in Dubai, where he owns a \$1.3 million yacht and a 10,000-square-foot villa with access to the beach. He has become Denmark's national villain.

“You have this guy, living off fraud, it's infuriating,” said Joachim B. Olsen, a member of the Danish Parliament and chairman of its Finance Committee. “The expectation of the Danish people is that we will go after him, no matter the cost.”

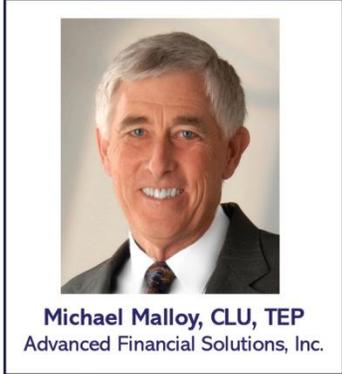
### **How is PPLI Enhanced Value the opposite of this deceitful fraud scheme?**

At the heart of PPLI structuring is a life insurance policy. A financial instrument common throughout the world, and familiar to most people. PPLI uses this common financial instrument to achieve the six elements of EWP, and this is done with full reporting and compliance throughout the world. This is achieved by respecting the laws and regulations of all jurisdictions involved in the transaction.

**PPLI Enhanced Value** achieves outstanding benefits by respecting the law and not abusing it as in the Danish fraud scheme.

Please let us know how we can give you **PPLI Enhanced Value** for your assets, and make the six elements of EWP work for you. We welcome your questions and comments. You can write you inquires at the bottom of this page or you can *[contact me directly](#)*.

by [Michael Malloy](#), CLU, TEP, @ [Advanced Financial Solutions, Inc](#)



michaelmalloy.solutions



New York  
British Virgin Islands  
California

Worldwide Toll-Free Number:  
+1 877-811-5846

Michael's Direct Dial:  
530-277-1088

Northern California Office:  
530-692-1007



blog.michaelmalloy.solutions  
michael.malloy@michaelmalloy.solutions