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GARDINER FINANCE LLC

Relocation of the high net worth investor



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Introduction

Gardiner Finance provides financial services to private investors and corporations, from Geneva, worldwide center of private wealth management, in a highly confidential environment protected by the bank secrecy.

The financial crisis is not over yet with the European side of it. The investor should adopt a new behavior, move to a better diversification of asset classes and avoid risks. The removal of banking secrecy in countries like Switzerland or Luxembourg has not been implemented because no international law can oblige these jurisdictions to follow up. The authorities transmit information, on request, for new customers from January 2010 in Luxembourg, for specific requests, but the situation is frozen in Switzerland. The low correlated funds to equity markets provide a solid basis for financial assets and insurance against future bearish times. We use dedicated funds under Luxembourg law for wealth management, from €250,000 of assets.

From €5 million of assets, a physical move in Switzerland, we can consider the lump sum tax scheme. Our service is to find the place of residence; looking for a property; delivering the residence permits; negotiating the lump sum taxation rate and managing the wealth management with a banking introduction in a private bank of Geneva or Luxembourg according to the client wishes. An alternative is to relocate to Mauritius with the use of a tax treaty, for citizens from France, Belgium, Luxembourg, Italy, Germany, UK and Sweden for Europe. The tax rate is 15% on financial income less 80% tax credit and the nominal rate is 3%. Mauritius move could be used with the IRS scheme, purchasing a real estate villa part of an IRS program. Tax rate will be of 15% over the funds repatriated to Mauritius, less a discount of 80% under the tax treaty.

The post-financial crisis should encourage investors to adopt a new way of investing and to consider exposure to the tax of income from assets, including through the outsourcing of financial assets or physical move when necessary.

The financial crisis

The financial markets crisis has destabilized global stock markets and economies in August 2008, in the heart of a storm which began a year before without attracting too much attention. Two major financial crises have preceded that of 2007 - 2009: the "Russian debt crisis", from the first end of June to late August 1998, with a drawdown of 13.23% and the second with the "Tech bubble crisis", from the end of March 2000 September 2002, with a decrease of 46.92% (MCI Index World Index in USD). According to this index, the mortgage crisis in the U.S., from late August 2007 to end June 2009, has resulted in a drawdown of 34.21%.

Stocks markets were again on the rise since March 2009, to start again in Europe. This crisis has changed custom and habits and developed fears for the investors, and starts again with the European crisis. The financial crisis is fueling the economic crisis and vice versa, because a lower tax rates increased government deficits, which in turn threatens the stability of financial markets. The near-bankruptcy of Dubai Emirates and the huge public deficit of Greece are an example of the new threats related to the markets. The main lesson of the crisis lies in the weakness of traditional safe havens such as gold, which have declined in parallel with declining stocks, but to a lesser extent. Existing models and theories about investment methods have not resisted not only to dropping benchmarks, but to a very high volatility.

This crisis should prompt a radical change in attitudes and behavior in the building of wealth portfolio and to their management. Speculation and risk taking should be reduced by increasing the diversification of asset classes, using funds not correlated to traditional markets, enjoying reasonable but long term bullish yields, including during periods of crisis. This basic security will be a stable foundation that can be supplemented by funds in stocks for performance, the later with permanent supervision on a daily basis. To benefit from the returns of a balanced portfolio and secure with safety stops when turning down, the investor will use the legal and tax optimization to minimize the effects of taxation on income of savings, as the rates will increase in relation with the public deficits of the industrial countries.

Tax optimization by relocation in Switzerland

An option for investors with wealth of at least €5 million of assets: relocate to another country in a friendly jurisdiction over a tax plan. Switzerland is one of the options available: the center of Europe, bordering France but also Germany and Italy, with several national languages: French, German and Italian. It is equipped with modern infrastructures in communications and telecommunications; home of many banks that practice private wealth management, is not an EU member but have signed bilateral agreements and is part of the Schengen area.

This presentation would be nothing without the tax package in Switzerland, which is a tax on the annual expenditure of future residents, instead of income taxation, based on the rent or the equivalent of rent for a landlord as well as: luxury car; boat or private plane and horses.

The tax package is negotiable with the local authorities of the place of residence. We provide full service, turnkey solution for investors looking to relocate for tax reasons, in collaboration with a Swiss law firm:

- Search of residence according to the wishes of the investor: city, countryside, lakeside or mountain resort.
- Search the property, apartment, house, villa or property
- Negotiation of tax package (Lump sum)
- Family permit of residence
- Banking introduction
- Defining the profile of asset management
- Composition of wealth portfolio managed in Geneva in a private bank
- Financial planning

The Swiss lump sum taxation is restrictive: the applicant should not have taken a Swiss residency during the last 10 years; he cannot work, either in Switzerland or abroad and cannot maintain a residency in the country of origin.

Individuals who apply for the lump sum taxation are considered as Swiss residents. For this reason, they may also apply for tax treaty relief on their foreign-source income.

Tax optimization by relocation in Mauritius

1 - The Mauritius tax treaties

The alternative to relocation in Switzerland for the investor with at least €5 million of wealth is in Mauritius. A tax treaty is in force with the following countries: Belgium, France, Germany, Italy, Luxembourg, Sweden and United Kingdom to name a few.

The investor benefits of a tax treaty with Mauritius. To be effective, the investor has to form a resident company in Mauritius, of the GBL 1 type, provided with two Mauritian directors like lawyers or chartered accountants. The investor will open a local bank account through which the income from financial assets will transit to be submitted to taxation in Mauritius.

After a period of 6 months of residence, the tax treaty applies and the investor relocated, which will maintain a residence and income in France, will report its financial revenues. These will be charged locally at 15% but will be automatically subject to a tax credit of 80% of Mauritius. Finally, the actual tax will be 3%. A Tax Certificate will be issued by the Mauritian tax authorities to be produced during the tax return in France, to avoid double taxation.

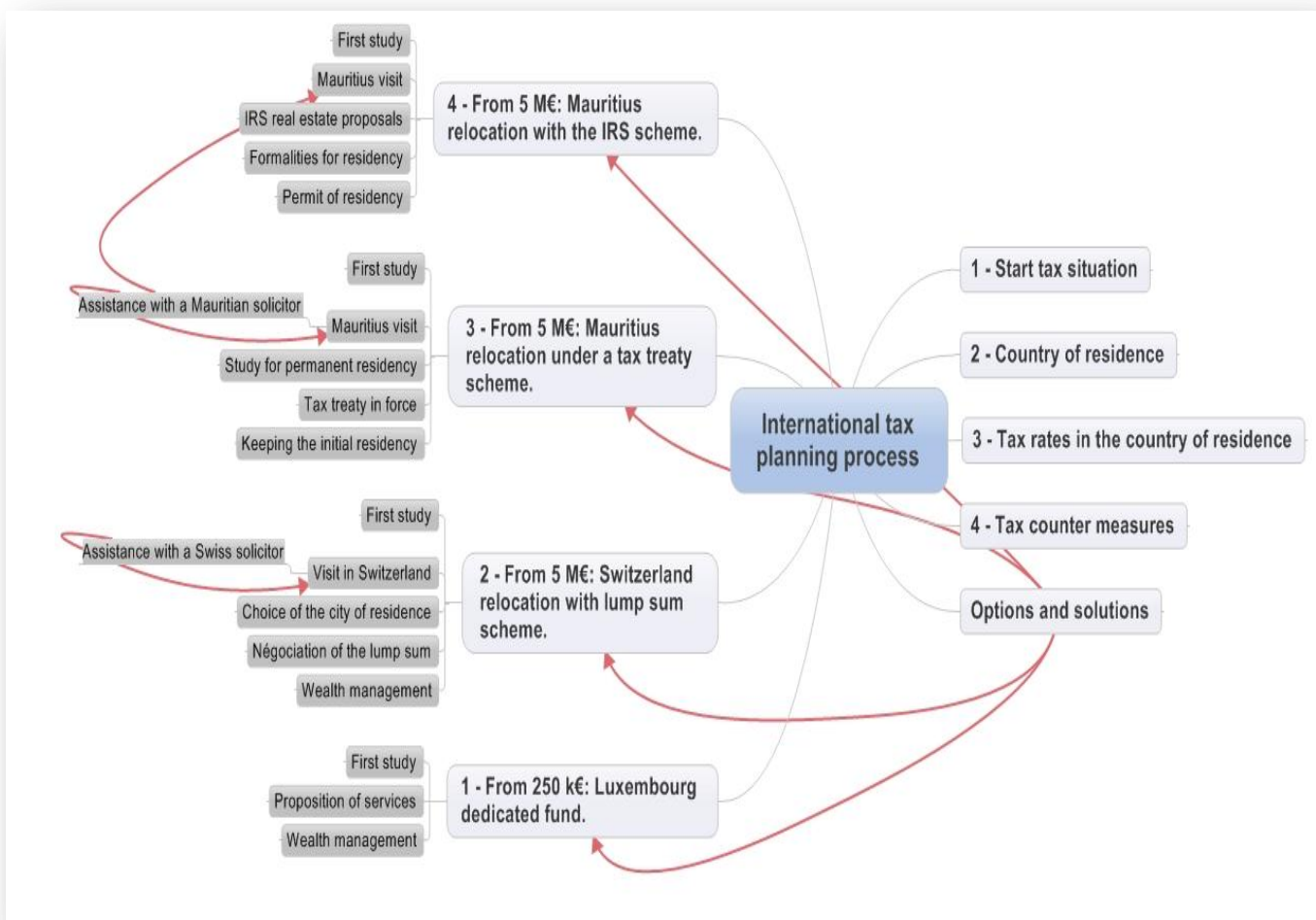
If the investor receives income in that financial origin in France, he will pay the tax according to his statement, but this tax will be deducted on documents, the 3% paid to Mauritius. It will hold its heritage assets in private bank in Geneva and Luxembourg, under the structure Mauritius GBL 1.

2 - The IRS program

The investor may choose to settle in Mauritius with the IRS program is like buying a property - A villa on the Indian Ocean - from €500,000 in a real-estate stamped IRS. This property acquisition is subject to a family residence permit that is valid until the property is retained. On a fiscal matter, the investor will be taxed at the nominal rate of 15% on the revenue it will repatriate bank in Mauritius. As in the previous case, for the French, because of the tax treaty, a reduction of 80% will be applied automatically. The investor must reside in Mauritius at least 183 days per year the first two years and at least 1 day per year from the third year in order to benefit from the IRS and its benefits.

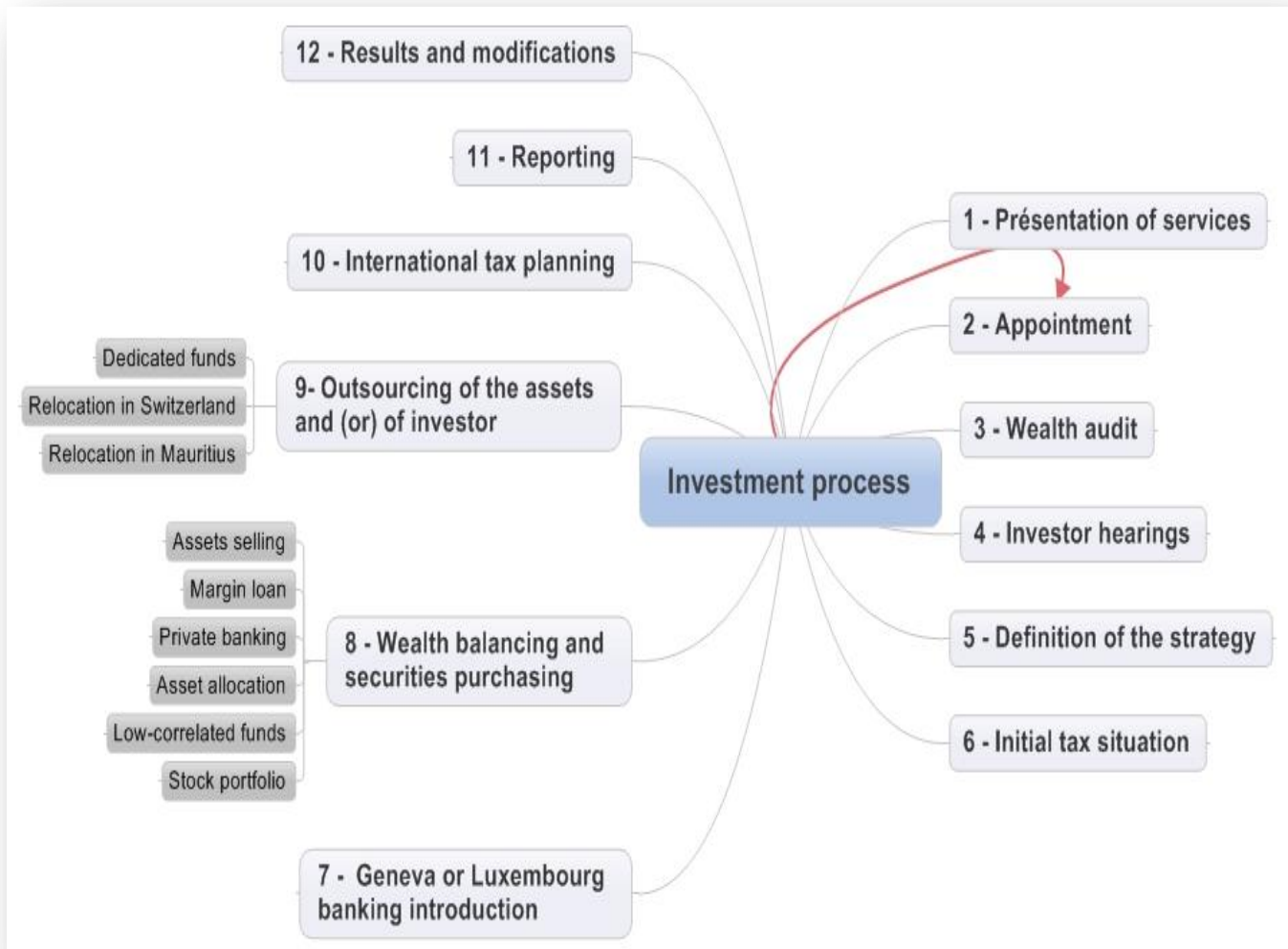
Tax planning process

International tax planning is mandatory for the wise investor. The huge public deficits and the Euro crisis will generate a higher rate of tax and the high net worth investors should be targeted by the authorities.



The investment process

Our investment process is part of a personal and confident relationship with the client. International tax planning is often part of it.



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