



CRISIS AS AN OPPORTUNITY!



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It may be trite to say it, but an economic crisis is something no one wants to experience. However, as we have seen in recent months, such an economic crisis can be triggered even by a virus, may come very unexpectedly and at anytime. And when there is a crisis, we have to deal with it the best way we can.

CEASING THE OPPORTUNITY

An economic crisis usually entails several asset classes losing value compared to pre-crisis levels. It can include businesses, investment portfolios and properties at the same time. As transferring assets into a trust or foundation structure often triggers certain taxes on the value of those assets, a relatively low valuation may present an ideal opportunity to transfer assets into a trust or foundation for succession planning purposes.

The tax (which can for example be by way of gift tax or inheritance tax) on such a transfer depends of course on the tax residency of the person settling those assets, but often these taxes are fairly significant and a low valuation can result in a substantial cost saving.

So please look out for such a scenario and make the best of a crisis if and when it occurs. It might now be the ideal time to plan the succession

over generations of such assets with a trust or foundation structure. As many of us are in some type of partial lockdown and/or working from home, this might be an ideal time to consider a succession plan or to move additional assets into an existing structure.



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