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Will they rest in peace: Navigating the complex world of estate tax treaties

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Navigating the complex world of estate tax treaties



Tanja Schienke-Ohletz

Flick Gocke
Schaumburg

GERMANY

tanja.schienke@fgs.de



Clare Archer



UK

clare.archer@penningtonslaw.com



Bijal Ajinkya



INDIA

bijal.ajinkya@khaitanco.com



Nicola Saccardo

Charles
Russell
Speechlys

ITALY

Nicola.Saccardo@crsblaw.com



Eric Dorsch



USA

edorsch@kozlaw.com



Emilie Van Goidsenhoven

Tiberghien.

BELGIUM

Emilie.vangoidsenhoven@tiberghien.com



Germany



Tanja Schienke-Ohletz
Flick Gocke Schaumburg



Overview of Double Tax Treaties with Germany for estate and gift taxes



Country	Taxes covered	Application
Denmark	Inheritance and gift tax	1 January 1997
France	Inheritance and gift tax	3 April 2009
Greece	Inheritance tax for movable assets	1 January 1953
Sweden	Inheritance and gift tax (no inheritance tax in Sweden applicable)	1 January 1995
Switzerland	Inheritance tax	28 September 1980
USA	Inheritance and gift tax	1 January 1979/15 December 2000

General provisions of the German treaties with USA, Switzerland and France



	USA	Switzerland	France
Personal scope of application	Residence of the deceased person/donor in one or both states	Residence of the deceased person in one of the states	Residence of the deceased person/ donor in one or both states
General principle	Both states have the taxation right, but a tax credit has to be granted, usually no exemption.	Tax exemption is granted by Switzerland; tax credit by Germany, except that the deceased person is Swiss citizen.	Both states have the taxation right, but a tax credit has to be granted.
Real estate	Both states have the taxation right, the residence state has to grant a tax credit.	Real estate in Germany is tax exempt in Switzerland, real estate in Switzerland is subject to a tax credit, except the deceased person was Swiss citizen.	Both states have the taxation right, the residence state has to grant a tax credit.
Business assets	Both states have the taxation right, the residence state has to grant a tax credit.	Business Assets in Germany are tax exempt in Switzerland; business assets in Switzerland are subject to a tax credit, except the deceased person was Swiss citizen.	Both states have the taxation right, the residence state has to grant a tax credit.

General provisions of the German treaties with USA, Switzerland and France



	USA	Switzerland	France
Real estate companies	no, except that real estate belongs to a business	no, except that real estate belongs to a business	<ul style="list-style-type: none"> • company holds more than 50 % real estate <u>or</u> • decedent/donor holds more than 50 % (respectively with related persons) of the company that holds real estate
Shares in a corporation	Only resident state has the taxation right, but tax credit if heir/donee is resident in the other state	<ul style="list-style-type: none"> • state of the residence of the deceased person • Germany has <u>also</u> the taxation right if beneficiary lives in Germany 	Only resident state has the taxation, but tax credit if heir/donee is resident in the other state
Other movable assets	Only resident state has the taxation, but tax credit if heir/donee is resident in the other state		Special provision: Works of art, household, jewellery shall be taxed by the situs state if the assets should remain there.

Particular aspects of the German/Swiss double tax treaty



- In order to prevent German citizens or German residents from moving to Switzerland due to tax reasons there are some provisions in the double tax treaty between Germany and Switzerland which allow continued taxation in favour of Germany when moving to Switzerland. These are:
 - Remaining **German taxation** right for deceased person resident in Switzerland in case that the deceased person also had a residence in Germany for at least five years.
 - **Consequence:** Germany has the right to tax the estate without consideration of the double tax treaty. If Switzerland also taxes, there would be a tax credit (but the higher German tax level prevails).
 - Remaining **German taxation** in case that the deceased person disposed of a residence in Germany at least five years in the last ten years before death
 - **Consequence:** Double tax treaty applicable six years after having moved to Switzerland, before Germany has a taxation right without consideration of the double tax treaty, tax credit.
 - Remaining **German taxation** in case that the heir is resident in Germany (**exception:** deceased person **and** heir **both** are Swiss citizens)
 - **Consequence:** Germany has the right to tax the estate without consideration of the double tax treaty. If Switzerland also taxes, there would be a tax credit (but the higher German tax level prevails).

UK



Clare Archer
Pennington Manches Cooper



The 'old' estate tax treaties – reference to Great Britain



- The UK's treaties with India (1956), France (1963) and Italy (1968) are part of the 'old' estate tax treaties enacted during the era of Estate Duty.
- The treaties refer to estate duty imposed in *Great Britain*, rather than in the UK.
- They differentiate between assets within or outside Great Britain (not within or outside the UK), and in certain circumstances the application of these treaties depends on whether property passes under the law of any part of Great Britain (not any part of the UK).
- Great Britain excluded Northern Ireland.

The 'old estate tax treaties – transfers on death



- The 'old' treaties are incorporated into the inheritance tax regime by section 158(6) Inheritance Tax Act 1984. This refers to the charge to IHT that occurs by virtue of section 4 IHTA 1984. Section 4 applies, on an individual's death, to all property to which he is beneficially entitled, or is deemed to be beneficially entitled under the IHT legislation. This broadly only includes transfers of value that occur on death.
- Note that a failed PET gives rise to an IHT charge death but that charge is imposed by s 3A IHTA 1984. The 'old' treaties therefore offer no protection from tax charges on failed PETs.

The 'old' estate tax treaties – situs of assets



- For an asset to be exempt from IHT under the old treaties, the asset must be situated outside Great Britain.
- Each contracting state applies their own local law rules to determine the situs of an asset. This means that English common law rules apply to determine whether the asset in question is non-UK situated in determining whether the UK has taxing rights or not under the treaty. On the other hand, the foreign state in determining whether it has taxing rights will apply its local law.
- In the event of a mismatch between the English common law rules and foreign local law rules (e.g if assets are regarded as UK situated under English common law, but French situated under local French rules), the treaties contain contractual situs rules.
- The rules contractual situs rules only apply where:
 - the deceased was domiciled at the date of his death in one of the contracting states; and
 - the asset in question would, but for relief under the treaty, be subject to duty in both contracting states, or would be so subject but for a specific exemption in the law of one of the contracting states.
- India has abolished estate duties. So, with the UK/India treaty there is no scope for the contractual situs rules to apply, and one only needs to consider English common law rules of situs.
- The contractual situs rules are still relevant for the France and Italy treaties. Consider the rules carefully as they can depart significantly from English law rules, particularly in the UK/France Treaty. For example, certain debts are treated as situated where the deceased was domiciled - not where the debtor resides or, in the case of specialties, where the deed is located.

Other issues applicable to all estate tax treaties - “Schedule A1 property”



- The UK introduced rules with effect from 6 April 2017 which brought within the scope of UK IHT certain assets that derive their value from UK residential property. Most notably this includes shares in non-UK companies that hold UK residential property, and loans made to individuals and trustees to acquire UK residential property. These rules are contained in Schedule A1 IHTA 1984.
- Schedule A1 also seeks to limit the relevance of IHT treaties, by imposing a treaty override.
 - (1) Nothing in any double taxation relief arrangements made with the government of a territory outside the United Kingdom is to be read as preventing a person from being liable for any amount of inheritance tax by virtue of paragraph 1 or 5 in relation to any chargeable transfer if under the law of that territory -
 - (a) no tax of a character similar to inheritance tax is charged on that chargeable transfer, or
 - (b) a tax of a character similar to inheritance tax is charged in relation to that chargeable transfer at an effective rate of 0% (otherwise than by virtue of a relief or exemption).

HMRC give the following examples:

- M, an Indian domiciliary, owns the shares in a non-UK company which owns a UK residential property. Such shares are Sch A1 property. On M's death, there is, in principle, relief from IHT under the treaty between the UK and India. However, as there is no tax on M's death in India, para 7(1) overrides the treaty and there is an IHT charge on the shares
- N, a domiciliary of part of the US, owns the shares in a non-UK company which owns a UK residential property. Again, such shares are Sch A1 property. On N's death, there is, in principle, relief from IHT under the treaty between the UK and the US. If the value of N's estate falls below the US estate tax threshold, so that there is no tax on N's death in the US, para 7(1) overrides the treaty and there is an IHT charge on the shares. However, if the value of N's estate is sufficient to result in an estate tax charge, or the value of the estate is such that there would be an estate tax charge were it not for a specific relief from US tax, there is relief from the IHT.

Italy



Charles Russell
Nicola Saccardo



Italian treaties in force



Country	Taxes covered	Conclusion date
USA	Inheritance tax	30/03/1955
Sweden	Inheritance tax	20/12/1956
Greece	Inheritance tax	13/02/1964
UK	Inheritance tax	15/02/1966
Denmark	Inheritance tax	10/03/1966
Israel	Inheritance tax	22/04/1968
France	Inheritance and gift tax	20/12/1990

Definition of situs in the Italian treaties with USA, UK and France (v. Italian domestic law)



Type of asset	Domestic law	USA-Italy treaty	UK-Italy treaty	France-Italy treaty
Shares in companies	Residence of company	Place of incorporation/organization of company	Place of incorporation of company	Residence of company (exception for companies holding mainly French real estate)
Private bonds	Residence of issuer	Place of incorporation/organization of issuer	Place of incorporation of issuer	Residence of issuer
Public bonds	Issuing State	Issuing State	Place of inscription or registration (if not inscribed and not registered, actual situs)	Issuing State

Definition of situs in the Italian treaties with USA, UK and France (v. Italian domestic law)



Type of asset	Domestic law	USA-Italy treaty	UK-Italy treaty	France-Italy treaty
Credits	Residence of debtor or situs of security	Residence of debtor; for companies place of incorporation/organization	Residence of debtor	Residence of debtor or situs of security
Bank accounts	Residence of bank	Place of incorporation/organization of bank	Branch of the bank	Residence of bank
Ships and aircraft	Registration	Registration	Registration	State of residence of deceased or donor
Patents and trademarks	Registration	Registration or use	Registration	State of residence of deceased or donor
Copyrights	Registration	Place where rights are exercisable	Place where rights are exercisable	State of residence of deceased or donor

Peculiar aspects of the Italian treaties



- Notion of “domiciled” in a Contracting State not linked to tax liability
- E.g. Art. IV Israel-Italy treaty: ““domicile” means the place where the business and interests of the deceased are mainly located” – Israel abolished inheritance tax
- E.g. Art. 8(4) of the Greece-Italy treaty: “If the deceased was not domiciled in either of the Contracting States, he will be considered to have been domiciled in the State of which he was a national” – Greek national resident outside Greece and Italy
- Tie-breaker
- Missing (USA; old US treaties format)
- Need of agreement between Tax Authorities (treaties with Israel, Greece and Sweden)
- Protocol to the treaty with France: “Notwithstanding the provisions of Article 4, paragraph 2, an individual who, at the time of his death, was a national of a State without being a national of the other State and who, in accordance with paragraph 1, would have been considered domiciled in both States, shall be considered domiciled only in the State of which he is a national if he had the clear intention to maintain his domicile in that State and had been domiciled in the other State for less than five years during the seven-year period preceding the time of his death”
- Nationality discrimination
- E.g. Art. 1 of the Greece-Italy treaty: the treaty applies to “taxes levied on the succession of Italian and Greek nationals” (same provision in treaties with Denmark and Sweden)

India



Khaitan & Co
Bijal Ajinkya



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Erstwhile Estate Duty Law in India

Concepts and exemptions

Estate Duty in India



- There is no estate duty or inheritance tax in India.
- The erstwhile Estate Duty Act, 1953 (“**ED Act, 1953**”) borrowed largely from the English Finance Act of 1854 and was **repealed** in 1985 due to:
 - Astronomical administrative costs vis-à-vis the revenue collected and increase in litigation because of appeals made by Controller of Estate Duty
 - Low reporting of wealth
 - Already existing wealth tax payable during the lifetime of the individual
 - Failure to curb unequal distribution of wealth

Important Concepts under ED Act, 1953



Application	Movable property governed by domicile and immovable property governed by <i>situs</i> ; E.g. Onshore property is covered but offshore movable assets only if domicile was India
Estate	Property passing on death - any interest in property + power to dispose); not only an absolute title or ownership <u>Includes:</u> Goodwill, interest in firm, house property, money payable under insurance policy, joint ownership, company shares, life interest in property.
Estate Duty	Property shall be aggregated as a single estate as duty was levied on the principal value. Progressive rates applied (10-85%)
Valuation	<ul style="list-style-type: none">▪ Market value at the time of demise▪ Accounts for depreciation <i>due to death</i>▪ Share in HUF – deemed value of portion accruing on partition <i>Final determination lay in the hands of ED Valuer & Controller</i>
Look-back periods	<ul style="list-style-type: none">▪ Property transferred 2 years prior to death▪ Transfers made to a controlled company 3 years prior to death▪ Charitable bequests 6 months prior to death
HUFs	Property in which deceased had an uncrystallized share also deemed to pass on his death

Exemptions under ED Act, 1953



- **Nil rate band:** INR 1,50,000 in case of property; INR 5000 in case of shares / debentures
- Immovable property situated outside India
- Movable property situated outside India (unless deceased was domiciled in India at the time of his death)
- Certain **agricultural land** subject to state rules
- One **residential property** (up to INR 1,00,000)
- Books, drawings, **paintings** and other heirlooms
- Certain **gifts made for charitable purposes** (up to INR 2,500)
- Reduced rates due to *quick succession*



Estate Duty Treaties

Legislation, implementation

Implementation under ED Act, 1953



Section 30, ED Act 1953

Agreement for avoidance or relief of double taxation with respect to estate duty.

The Central Government may enter into an agreement with the Government of any reciprocating country for the avoidance or relief of double taxation with respect to estate duty leviable under this Act and under the corresponding law in force in the reciprocating country and may, by notification in the Official Gazette, make such provision as may be necessary for implementing the agreement.

Explanation.—The expression “reciprocating country” for the purposes of this Act means any country which the Central Government may, by notification in the Official Gazette, declare to be a reciprocating country.





Other Issues

Possible reintroduction of ED

Reintroduction of Estate Duty Law?



- As of February 2024, India has the **fifth highest number of UHNIs** – after only US, China, Germany and Canada. As of April 2023, India was ranked **third in billionaire** population globally, behind only US and China.
- Since a large amount of wealth is concentrated in the top 1% of the population in India, there is a growing concern about the increasing economic disparity in the country. Hence, market sentiment is inclined toward introducing estate duty in the near future.
- Intense speculation of reintroduction of estate duty (**ED**) fueled in recent years by:
 - Removal of wealth tax: possible indications of a single tax on wealth
 - Setting up of a task force for re-drafting of the income tax legislation
 - Economic Survey of India (OECD) 2017 hinting at benefits of ED
 - Steps taken by government for mandatory reporting of assets situated outside India
 - Increased cross-reporting by countries under CRS/FATCA
 - Unofficial report released by IRS in April 2020 recommended imposition of inheritance tax
- **Possibility of estate duty being reintroduced is high and hence any planning should bear this in mind.**



Focus on the USA



Particular aspects in the German/US double tax treaty



- **If a US citizen moves to Germany, he is not taxed by Germany within ten years except**
 - the US citizen (deceased person/donor) transfers German situs assets or
 - the heir/donee is resident in Germany (or less than ten years as US citizen).
 - Not entirely clear whether this also applies to the heir/donee (e. g. a US citizen moves to Germany and becomes heir/receives a gift, according to a decision of the German Finance Courts this does not apply).
 - No application in case of dual citizenship!
- **Trust structures** for liquid assets do not have to be amended within the first ten years in Germany.
- After the ten years transfer of assets to a trust by a German resident triggers gift tax in Germany in the least favorable tax bracket III (30 %/50 %).
- **Spouse exemption:** the life time exemption of 13.61 million USD also applies between German spouses with US assets in case of death (until 2025).
- Tax exemption for transfer to **charitable organizations:**
 - Requirement: „*similar organization*“
 - Problem: differences between US and German charity law
- If a heir/donee of a US deceased person/donor is resident in Germany, it has also a taxation right for all assets!



The US/UK Estate Tax Treaty – part of the ‘new’ estate tax treaties



- The general rule is that exclusive taxing rights are granted to the country of domicile.
- A US citizen will be US domiciled for the purposes of the Treaty . For UK purposes, an individual is UK domiciled if he is domiciled in the UK under the common law, or if he is deemed UK domiciled.
- Tie-breaker rules apply where the individual is domiciled in both contracting states.
- Exceptions to the general rule are included for i) real estate and business property; and ii) dual US/UK nationals.
 - primary taxing rights to the country in which the real estate or business property is situated in.
 - In the case of dual US/UK citizens, the Treaty maintains the right of both countries to tax their nationals. So, in the case of a US domiciled individual who is also a UK national, notwithstanding the general rule under Article 5 that in such a case the US as the country of domicile would have exclusive taxing rights under the Treaty, the UK can also tax UK assets which are not covered by Article 6 and 7 (that is, assets which are not real estate or business property), for example, a UK bank account (in sterling) or UK stock portfolio. In such a case, the US would have primary taxing rights (as the country of domicile) over those assets, and the UK would have secondary rights.
 - Credit relief is provided where both states have taxing rights.

The US/UK Estate Tax Treaty – part of the ‘new’ estate tax treaties



- The US treaty addresses the issue of domicile mismatches where there is a transfer of value between spouses. Where a UK domiciled spouse leaves assets to a non-UK domiciled spouse, the UK domestic rules allow for a limited spouse exemption of an amount equal to the prevailing nil-rate band. This limited spouse exemption may be enlarged in the US/UK treaty. Article 8(3) provides that 50% of the value transferred from a UK domiciliary to a non-UK domiciled spouse will be exempt from IHT if the UK domiciled transferor is also a United States national and/or domiciled in the United States under its domestic law.
- Relatively generous provisions regarding trusts. Under Article 5(4), a settlement is exempt from IHT if made by a non-British national who was domiciled for the purposes of the treaty in the United States when the settlement was made (subject to carve outs for UK real estate).
- No contractual rules on situs.

Focus on the UK



The 'old' estate tax treaties domicile – India



Article 3(3)

Duty shall not be imposed in Great Britain on the death of a person who was not domiciled at the time of his death in any part of Great Britain but was domiciled in some part of India on any property situate outside Great Britain.

Provided that nothing in this paragraph shall prevent the imposition of duty in Great Britain on any property which passes under a disposition or devolution regulated by the law of some part of Great Britain.

- IHT is not charged on property situated outside Great Britain on the death of an individual who was not domiciled in some part of Great Britain under English common law rules but was domiciled in some part of India under Indian law rules.
- Therefore, an individual who is actually domiciled in some part of GB under common law rules would not be afforded relief under this provision even if they were also domiciled in India under Indian law rules.

The 'old' estate tax treaties domicile – India



- However, an individual who is deemed UK domiciled (under the 17/20 test before 6 April 2017, or the 15/20 test after 6 April 2017) could still be afforded relief because the reference in this treaty (and the other old treaties) to domicile within Great Britain only catches common law domicile.
- The important proviso to Article 3(3) is that the UK has a right to charge IHT on assets situated outside Great Britain if that *property passes under a disposition or devolution regulated by the law of some part of Great Britain*, e.g a Will. Therefore, in order for a deemed UK domiciled, but Indian domiciled individual to be protected from UK IHT, his non-GB assets must not pass under a GB Will or other GB regulated disposition.

The 'old' estate tax treaties domicile – France and Italy



UK/France - Article 5 (1) - Where a person was at the time of his death domiciled in some part of France duty shall not be imposed in Great Britain on any property which neither is situated in Great Britain, nor passes under a disposition or devolution regulated by the law of some part of Great Britain; and, in determining the amount or rate of duty payable in Great Britain, such property shall be disregarded.

UK/Italy – Article 5 (2) – Where duty is imposed in the territory of one Contracting Party on the death of a person who at the time of his death was no domiciled in any part of that territory but was domiciled in some part of the territory of the other Contracting Party, no account shall be taken, in determining the amount or rate of such duty, of property situated outside the former territory, provided that this paragraph shall not apply to duty imposed in the territory of a Contracting Party on property passing under a settlement governed by its law.

The 'old' estate tax treaties domicile – France and Italy



- The question of whether an individual was domiciled in France or Italy for the purposes of these treaties is a question of French and Italian law respectively.
- Domicile in France and Italy is essentially that of residence, rather than domicile in the English law sense.
- Tie breaker rules apply if the individual was domiciled in both countries.
- These treaties can therefore provide exemptive IHT relief on someone who is deemed UK domiciled, and, unlike the Indian treaty, actually domiciled in Great Britain under common law – provided he was resident in France/Italy and therefore domiciled there.
- The UK/France treaty has the same proviso as the Indian treaty that the UK reserves its right to charge IHT on non-GB assets if they pass under a disposition or devolution regulated by the law of some part of Great Britain.
- Note that in relation to the proviso in the UK/Italy treaty, the English version of the treaty refers to property passing under a *settlement* governed by its law. The Italian version refers to a *disposizione*, which means a disposition or arrangement. It is suggested that a court would construe 'settlement' in the Italian treaty in line with the Italian word 'disposizione', ie as a disposition or arrangement, including a will.

Extant Treaty | India-UK Estate Duty Treaty, 1956



- Continues to be in force
- No Indian ED levied on UK-domiciled persons for UK-*situs* property and *vice-versa*.
- Overrules IHT deemed domiciled rules for UK, i.e. if an individual is deemed to be domiciled in the UK but is found to be domiciled in India at the time of demise, no IHT will apply on non-UK assets which pass under a non-UK Will.
 - One may be domiciled in India by retaining one's domicile of origin (i.e. father's domicile) and not acquiring another domicile either by choice or marriage.
 - On an examination of facts and circumstances in light of Indian jurisprudence and subject to the Indian social, cultural, familial and religious ties.
- Rules for determining *situs* of property:
 - Immovable property – physical location
 - Currency – place of issue
 - Bank account – location of branch
 - Debts – residence of deceased holder at time of demise
 - Shares, debentures – place of incorporation of company
- If both governments levy ED, then proportionate tax credit is available
- Provisions for information exchange are present; information not allowed to be traded with any other authority



Shah v HMRC [2023] UKFTT 539 (TC)



Late Mr Shah's heirs claimed that he retained his domicile of origin of India (due to his birth and that of father's) and never acquired UK domicile by choice.

Basic facts

- *Birth*: Karachi (pre-partition India)
- *Education*: Schooling and college in India, pharmacy course in UK
- *Marriage*: Married in India, lived in Tanzania with wife
- *Employment*: Moved to India for job for <1 year, later moved to UK in 1973 with family for employment
- *Demise*: In UK

Factors considered unfavourably by the court

- *Citizenship*: Acquired British citizenship in 1961 and never sought Indian citizenship
- *Residence*: Long period (since 1973) of near-continuous residence in UK; only made two trips to India since 1973 - purpose for travel was son's marriage and wife's post-demise ceremonies but never leisure

[contd.]



[contd.] *Shah v HMRC* [2023] UKFTT 539 (TC)



[contd.] Factors considered unfavourably by the court

- *Asset base*: Never invested in India or had any Indian bank accounts; no retained accommodation/specified place to stay in India and only an open offer to stay with uncle
- *Socio-cultural ties*:
 - No evidence of close links or attachment to family in India
 - No evidence that he consumed Indian media
 - Wills do not include request for ceremony in India or bequeath anything to an Indian person / organisation
- *Relocation*: No evidence of clear plan or definite point in time when he intended to move back to India, while in UK he moved near his son and family upon whom he was dependent for his physical care.

Decision

- Late Mr Shah had settled and intended to remain in England and Wales permanently such that he had acquired a domicile of choice in England and Wales and had not abandoned that domicile of choice before his death.
- Significantly, the court drew a distinction between maintaining ties with family (who may be in India) as opposed to ties with India.



UK-Italy treaty



- Art. II 2 (a): “For the purposes of the present Convention, the question whether a deceased person was domiciled at the time of his death in any part of the territory of one of the Contracting Parties shall be determined in accordance with the law in force in that territory” – Civil law domicile or tax residence?
- Art. III 2: “Paragraph 1 of this Article shall apply if, and only if, apart from the said Article IV: (a) duty would be imposed on the property under the law of the territory of each of the Contracting Parties; or (b) duty would be imposed on the property under the law of the territory of one of the Contracting Parties and would, but for some specific exemption, also be imposed thereon under the law of the territory of the other Contracting Party” – Different taxable events
- Art. V 2: “Where duty is imposed in the territory of one Contracting Party on the death of a person who at the time of his death was not domiciled in any part of that territory but was domiciled in some part of the territory of the other Contracting Party, no account shall be taken, in determining the amount or rate of such duty, of property situated outside the former territory, provided that this paragraph shall not apply to duty imposed in the territory of a Contracting Party on property passing under a settlement governed by its law” – Meaning of settlement governed by the law of a Contracting State?

Focus on France



Particular aspects in the German/French double tax treaty



- **Special provision for citizen of one of both states who do not have the intention to stay in the other state:**
- If a French citizen (deceased person/donor) moves to Germany and has a residence in both states, France **remains the resident state**
 - if the person has **the intention not to stay in Germany permanently** and if the person has lived less than five years in Germany during the preceding seven years before the moment of death/gift.
- Taxation of the heir/donee if they are resident in the other state (The testator lives in France and the heir in Germany).
- Payment of gift taxes is in Germany as separate taxable gift while in France it is not relevant who pays the gift tax; Consequence: no tax credit available for this gift.
- Usually there is no exemption, but only a tax credit available so that always the higher French tax level prevails.

France-Italy treaty



- French treaty covers also French gift tax
- French treaty allocates taxing rights based on the domicile of the deceased/donor and the situs of the assets – it prevents the levy of French inheritance and gift tax based on the domicile of recipient
- French assets
- Combining treaty protection from French inheritance and gift tax and the Italian lump sum tax regime