




SUCCESSION PLANNING

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THREE PLANNING UNITS:

// // What will be inherited?

// // How will it be shared?

// // What taxes will arise?



WHAT: THE TREATMENT OF MARITAL PROPERTY

The treatment of marital property can be chosen and set out in a marriage contract at any stage of the marriage.

In the absence of the marriage contract, the regime may change when there is a long-term residence in a country and/or acquisition, loss of citizenship. Property acquired during different periods of residence in different countries may be treated differently.

The default property regime for spouses (without a marriage contract) in Luxembourg is community of acquired property, while in Russia it is joint ownership. The two regimes have much in common, but there are also differences, in particular in the parameters of the scope of property, the concepts of "own endeavours" and "personal property", and the parameters of the management of marital assets.

For mobile wealthy couples with assets in different countries, it is important to enshrine the property regime through a marriage contract.

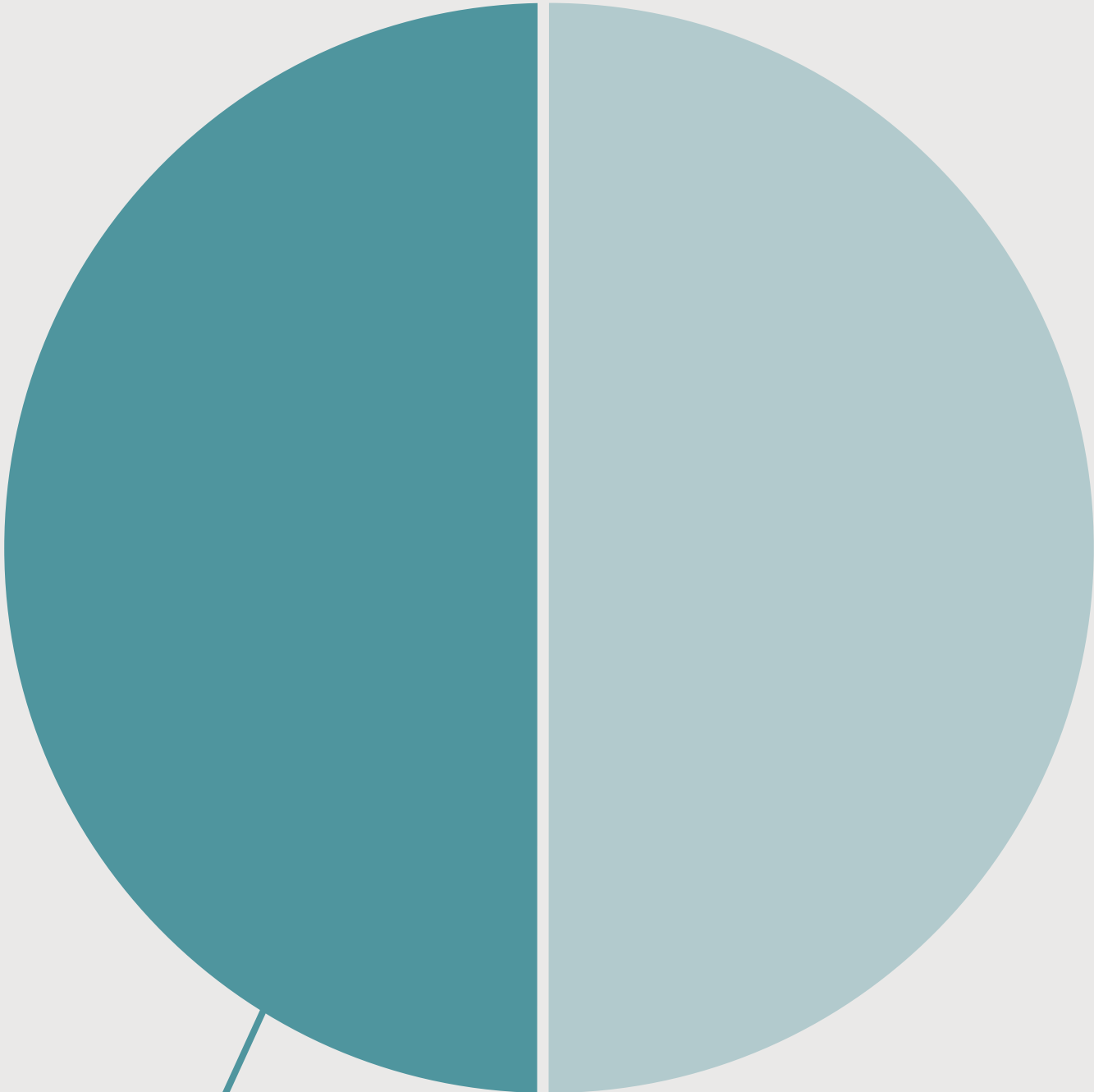


WHAT: COMMUNITY OF PROPERTY IN LUXEMBOURG

(deceased)



(spouse)



50% of the property
considered as the
inheritance mass



HOW: LUXEMBOURG INHERITANCE LAW

Luxembourg inheritance law is by default applicable to Luxembourg residents.

The law provides for a guaranteed share of inheritance for all children, which cannot be reduced even through a will: the guaranteed minimum (reserved) share depends on the number of children:

// **1 child - 1/2 of the inheritance**

// **2 children - 1/3 for each**

// **3 children - 1/4 for each**

// **4 and more - 3/4 of the inheritance in equal shares for each**

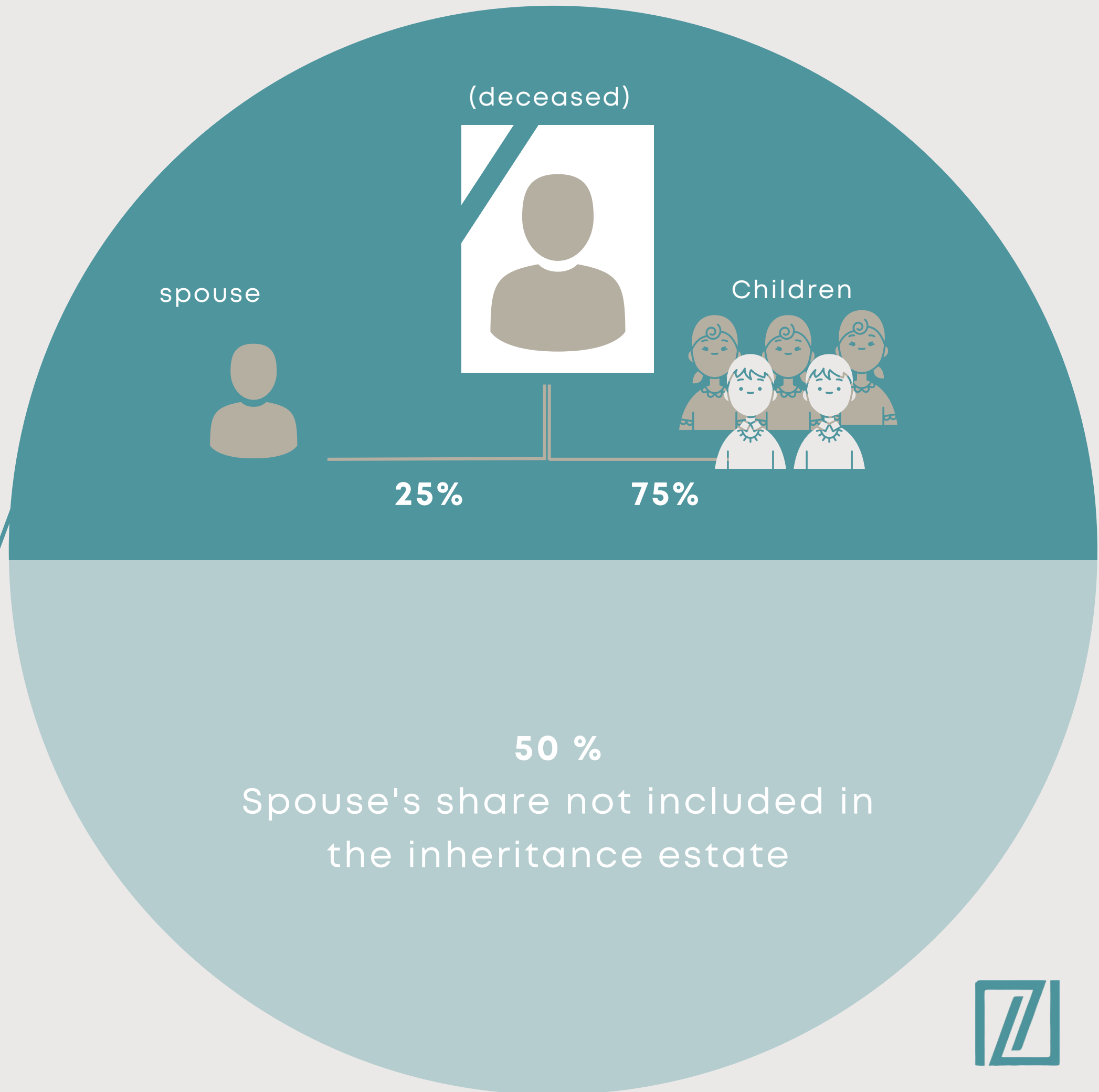
The unreserved remaining part of the inheritance can be disposed of freely through a will.



HOW: CONTINUED

In the absence of a will, the surviving spouse is entitled to an equal share with the children, and in the case of a large family with more than three children, to $\frac{1}{4}$ of the inheritance. For example, in the case of five children: 25 % goes to the surviving spouse, 75 % is divided among the five children - 15% each.

50% of the estate,
considered as the
inheritance estate



WHAT TAXES WILL ARISE

Taxes depend on the following factors:



The value of inheritance and its components



Degree of kinship of heirs



Tax residency of heirs



Special rules for immovable property

