

# PRE-IMMIGRATION PLANNING

## What to Know Before You Go

Today's increasingly complex world can be even more of a challenge to global families who have to contend with tax, regulatory, and investment considerations in multiple jurisdictions. Successfully navigating all of this can be daunting. But effective planning and thoughtful investment allocations can have a dramatic impact on efforts to preserve and build wealth. To see how the planning process can work, let's consider the following case, based on a real client scenario:

### CLIENT

A couple—both residents and citizens of Brazil—have decided to move to New York with \$50 million liquid net worth.

- How should they invest their liquid portfolio?
- How will their wealth goals be impacted by their move to the US?
- What steps should they take prior to becoming US taxpayers?

### PLANNING

- Our Wealth Strategies and Global Families teams illustrated the potential tax impact of the planned move on the family's wealth
- Serving as an integral part of an advisory team consisting of local counsel—along with US tax and legal counsel—we modeled the amount of money needed to support after-tax living expenses, providing a framework for pre-immigration tax planning
- After seeing models of the economic impact of several planning structures, our clients decided to fund an onshore US pre-immigration drop-off trust

### INVESTMENTS

- Prior to their move, the couple invested in a combination of AB Luxembourg-based funds
- Immediately before their move to the US, the couple's AB Financial Advisor sold their fund positions to realize a step-up in cost basis. The proceeds were then invested on the AB US investment platform
- The drop-off trust was invested for growth with an allocation to illiquid alternative investments
- The clients' spending portfolio was invested more conservatively, with sensitivity to US, state, and local taxes

### OUTCOME

With the help of our planning and modeling capabilities:

- Unfamiliar tax planning strategies were brought to life;
- Clients gained the confidence to implement recommendations; and
- Onshore and offshore platforms enabled the clients to invest with AB from the start while being advised by the same Financial Advisor throughout

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BER-1799-0323  
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