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NAVIGATOR

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Editorial comment



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Head of Group Technical Services

Welcome to the Spring 2026 edition of NAVIGATOR.

The pace of change facing advisers continues to accelerate. Client mobility is increasing, private and complex assets are becoming mainstream, and regulatory scrutiny is intensifying. In this environment, planning in silos is no longer fit for purpose.

This edition's **Technical Spotlight** focuses on why life insurance sits at the centre of holistic wealth planning. Brendan Harper opens the section by examining why fragmented planning so often breaks down when wealth structures cross borders, and why advisers are increasingly turning to integrated, portable solutions. The country articles and **Case Study Insights** that follow show how this plays out in practice.

That theme is reinforced in our **Country Focus** piece by Benjamin Fiorino, which explores the France-Monaco corridor and demonstrates why residency-led planning is rarely sufficient on its own. Instead, advisers must reconcile tax, civil law and family dynamics within a coherent structure that continues to work over time.

In **Navigator Voices**, I speak with Stephen Atkinson, who reflects on how supervisory expectations are evolving as private market assets and more sophisticated strategies move into the mainstream. His message is reinforced by Brendan Harper's article on **why insurer credit ratings matter more than ever for securities-backed lending**, set against recent correspondence from the Luxembourg financial regulator (CSSF). Together, these developments underline the growing importance of insurer capability in an increasingly scrutinised environment.

Across this edition, one message is clear. Advisers who adopt holistic, well-governed structures will be best placed to deliver resilient outcomes, and to identify new planning opportunities for their clients.

As always, our team is here to support you in delivering the best possible outcomes for your clients.

Thank you for reading.

Aidan Golden
Head of Group Technical Services

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Regulation, Tax and Compliance



Brendan Harper
Head of Asia and HNW
Technical Services

Why Insurer Credit Ratings Matter More Than Ever for Securities-Backed Lending

Recent correspondence from the Luxembourg financial regulator, the Commission de Surveillance du Secteur Financier (CSSF), has brought renewed attention to how banks should treat securities-backed loans secured by life insurance policies for regulatory capital purposes.

Securities-Backed Loans and Pledged Life Insurance Policies

Securities-backed lending continues to play an important role in private banking, allowing clients to raise liquidity while maintaining long-term investment or planning structures. In Luxembourg, this commonly involves a life insurance policy being pledged or assigned to a bank as security for the loan.

Under the EU Capital Requirements Regulation (CRR), banks must calculate a risk-weighted exposure amount (RWA) for such lending. This determines how much regulatory capital a bank must hold and directly influences lending appetite, pricing and overall loan economics.

Recent engagement from the CSSF has focused on how these rules should be applied where life insurance policies are used as collateral.

The CSSF's Position: Focusing on the Insurer, Not the Assets

Although the CSSF correspondence itself has not been made public, its substance has been confirmed to market participants and advisers. The regulator has reminded certain private banks of the correct application of Article 232 CRR where a life insurance policy is pledged as collateral.

The CSSF has challenged practices where banks apply a "look-through" approach to the underlying assets held within a policy when assessing credit risk. Instead, Article 232 requires banks to substitute the credit risk of the borrower with that of the insurance undertaking issuing the policy.

In practical terms, this means the relevant risk is the credit quality of the insurer, rather than its solvency ratio or the composition of the policy's underlying investment assets.

This reflects a legal and regulatory reality. In an insurer insolvency scenario, banks do not have direct rights over the insurer's assets. The regulatory focus therefore rests on the insurer's financial strength and creditworthiness as counterparty

The Growing Role of Independent Credit Ratings

A key consequence of this approach is the increasing importance of independent insurer credit ratings.

Under the CRR framework:

- Insurers with stronger external credit ratings attract lower risk weights
- Lower risk weights reduce the capital a bank must hold against the loan
- This can support more favourable lending terms for clients, including pricing and margins

Why Insurer Credit Ratings Matter More Than Ever for Securities-Backed Lending

By contrast, insurers without an independent credit rating may fall into higher risk-weight categories. This can result in higher capital charges and less competitive loan conditions.

From a regulatory perspective, the CSSF's clarification reinforces that credit ratings are not simply a marketing credential. They are a relevant input into how banks assess, structure and price securities-backed lending.

Implications For Advisers and Clients

For advisers working with high-net-worth or internationally mobile clients, this development is a reminder that structuring decisions can have downstream banking consequences.

Where life insurance is intended to support securities-backed lending:

- The insurer's credit profile may influence a bank's willingness to lend and the terms offered
- Banks are likely to apply greater scrutiny to regulatory capital treatment, particularly in light of supervisory engagement
- Clients may benefit from understanding how insurer selection affects not only succession and asset protection planning, but also access to liquidity

This is not a change in the law, but a clarification of supervisory expectations. Over time, it may encourage greater consistency in how private banks operating in Luxembourg approach securities-backed lending.

A Broader Regulatory Message

The CSSF's intervention also reflects a wider regulatory trend towards more consistent application of EU prudential rules and reduced scope for bespoke interpretation.

For advisers, banks and insurers alike, it underlines the importance of monitoring regulatory developments at the intersection of lending, insurance and cross-border planning.

Key Takeaways for Advisers

- The CSSF has clarified how banks should apply CRR rules to securities-backed loans secured by pledged life insurance policies.
- Regulatory capital treatment is based on the credit rating of the insurer, not the policy's underlying assets or the insurer's solvency ratio.
- Insurers with strong independent credit ratings may support more favourable securities-backed lending terms.
- This can influence loan pricing, margins and overall capital efficiency for banks.
- Adviser structuring choices may therefore have direct liquidity and financing implications for clients.
- The clarification reinforces the importance of understanding regulatory detail where insurance and lending intersect.



Simon Martin
Head of UK Technical
Services

UK: Mandatory Registration of Tax Advisers With HMRC

From 18 May 2026, tax advisers who are paid to interact with HM Revenue and Customs (HMRC) on behalf of clients will be required to register with HMRC and meet minimum professional standards.

HMRC has indicated that the new register will strengthen its ability to monitor adviser behaviour and exclude those who fail to meet required standards, forming part of a wider effort to raise standards in the tax advice market.

Who Is Considered a Tax Adviser?

The definition of a tax adviser is intentionally broad. It covers:

Any person or organisation who, in the course of a business, assists other persons with their tax affairs.

For these purposes, assisting a person with their tax affairs includes any of the following activities:

1. Advising another person in relation to tax
2. Acting, or purporting to act, as an agent on behalf of another person in relation to tax
3. Providing assistance with any document that is likely to be relied upon by HMRC to determine another person's tax position

A person may still fall within the definition of a tax adviser even if:

- They are appointed indirectly at the request of someone other than the client, or
- They carry out activities in addition to assisting clients with their tax affairs

The registration requirement also applies to firms and individuals based overseas where they interact with HMRC.

Requirement To Register and Consequences of Non-Compliance

A person or organisation meeting the definition of a tax adviser must not interact with HMRC unless registered.

The registration obligation applies to the legal entity that interacts with HMRC. Individual employees will not need to register separately, although firms must provide details of relevant individuals as part of the process. Registration will take place through an online system, which is currently under development.

For these purposes, interacting with HMRC includes:

- Contact by telephone or email
- Sending messages via HMRC websites or portals
- Filing returns, claims, notices or other documents, electronically or otherwise
- Any other form of communication with HMRC

Tax advisers who do not hold an Agent Services Account (ASA) will generally be required to register from 18 May 2026, although deadlines may vary depending on the nature of the activity. At the time of writing, the deadline for overseas tax advisers has not yet been confirmed.

Failure to register may result in a compliance notice being issued. Continued interaction with HMRC after a compliance notice has been served can lead to financial penalties, which may apply to the firm and/or the individual.

Exceptions To the Registration Requirement

Certain activities and individuals are exempt from the registration requirement. These include, but are not limited to:

- Providing tax advice services free of charge, such as through a charity
- Individuals who interact with HMRC solely in the course of business carried out by their employer
- Individuals who provide payroll or accounting software and fall within the definition only for that reason
- Interactions with HMRC in relation to customs duties, excise duties or import VAT
- VAT representatives and certain group undertakings
- Interaction with HMRC in connection with an appeal before a court or tribunal relating to an HMRC decision

Standards Advisers Must Meet

Although the draft Finance Bill legislation does not require advisers to be members of a professional body, registration is conditional on meeting defined standards.

These include confirmation that the adviser:

- Has no outstanding tax returns or amounts due
- Is not subject to an HMRC decision refusing to deal with them
- Is not subject to sanctions under tax anti-avoidance measures
- Is not disqualified from acting as a director in the UK or overseas
- Is not insolvent
- Has no unspent convictions for fraud or tax-related offences

In addition, advisers must:

- Be registered for anti-money laundering (AML) supervision, and
- Ensure that both the adviser and each senior manager meet HMRC's published standards for dealings with HMRC

What Advisers Should Do Now

Advisers should consider whether their activities involve interaction with HMRC that will trigger the new registration requirement. Early review is advisable, particularly where services are provided across borders or through complex structures.

Failure to register, or to meet the required standards, may result in financial penalties and restrictions on future dealings with HMRC.

Further guidance is available from professional bodies, including the **Association of Tax Technicians (ATT)** and the **Chartered Institute of Taxation (CIOT)**.

The current draft legislation can be accessed [here](#):

Key Takeaways for Advisers

- **Assess whether your activities fall within scope.** Advisers who are paid to interact with HMRC on behalf of clients should review whether their services meet the broad statutory definition of a tax adviser.
- **Confirm registration requirements early.** From 18 May 2026, unregistered advisers must not interact with HMRC, and registration applies at the level of the legal entity rather than individual employees.
- **Review cross-border arrangements.** Overseas-based advisers interacting with HMRC are subject to the same requirements, and deadlines may differ depending on activity.
- **Check internal governance and standards.** Advisers should ensure there are no outstanding tax liabilities, sanctions or disqualifications that could prevent registration.
- **Plan for operational change.** Firms should prepare for the new online registration system, identify relevant individuals, and monitor further HMRC guidance on practical implementation.

Technical Spotlight

Life Insurance at the Centre of Holistic Wealth Planning

This quarter's Technical Spotlight explores why life insurance sits at the centre of holistic wealth planning, using insights from France, Portugal, Sweden, Asia and the UK to show how a single, adaptable structure can bring coherence to complex cross-border plans.



Brendan Harper
Head of Asia and HNW
Technical Services

Why Fragmented Planning Fails, and Why Life Insurance Matters in Holistic Planning

Modern wealth planning for high-net-worth families is characterised by growing complexity. Clients often hold diverse asset types, lead cross-border lives and face evolving tax, regulatory and succession challenges over time. Against this backdrop, structures designed in isolation or with a single jurisdiction in mind frequently fail to deliver sustainable outcomes.

Life insurance increasingly sits at the centre of a holistic wealth planning strategy, acting as a unifying framework capable of addressing multiple planning needs through a single, adaptable structure. The supporting articles in this edition, drawn from several of Utmost's core markets illustrate how this principle applies in practice across differing jurisdictions and client circumstances.

Across markets where Utmost is active, common planning needs continue to emerge. These include:

- Liquidity and family protection
- Global mobility and portability
- Seamless wealth transfer
- Tax planning and simplified tax compliance
- Adaptation to changing personal or regulatory circumstances

Few planning structures can address all these needs in a coordinated and efficient way. More commonly, they are tackled separately, resulting in fragmented planning and, often, unintended consequences.

Below I consider how such fragmentation can arise, and why an insurance-based wealth solution can often provide a more effective solution.

Liquidity and Family Protection

Liquidity is frequently sourced through borrowing against existing assets. However, loan-to-value ratios may be constrained where assets are held directly, particularly where portfolios include illiquid or complex investments. By contrast, restructuring assets into an insurance-based solution can facilitate higher levels of borrowing, as lenders are able to rely on the insurer's credit rating when assessing capital requirements.

Why Fragmented Planning Fails, and Why Life Insurance Matters in Holistic Planning

Family protection is often addressed separately through so-called high-net-worth insurance solutions, such as universal life or indexed universal life policies. These typically accept only cash premiums or very liquid assets and involve transferring capital to the insurer, resulting in a loss of investor control. From an asset manager's perspective, this can also lead to a reduction in assets under management.

A variable universal life policy offers a more integrated approach. Existing investment mandates can often be retained, investment returns can be used to fund life cover, and private assets may also be incorporated. This allows protection to be embedded within the wider wealth strategy, preserving adviser and asset manager relationships while maintaining flexibility to adjust cover as client priorities change.

Global Mobility and Portability

Planning structures are often designed with a client's current jurisdiction in mind. Increasing international mobility means that purely local solutions can unravel when cross-border elements arise. This can result in exposure to anti-avoidance regimes, conflicts of law or additional tax and reporting obligations.

Life insurance, by its nature, operates across jurisdictions. This universality means family members who relocate are more likely to retain their interests in the structure without triggering adverse tax or legal consequences. It provides a level of continuity that many domestic structures struggle to achieve.

Seamless Wealth Transfer

Life insurance facilitates wealth transfer through contractual beneficiary nomination mechanisms. In many jurisdictions, these are recognised in law and may create a separate estate for succession purposes. This allows wealth to pass efficiently and without delay, often avoiding probate and reducing the need for complex succession structures that require clients to relinquish day-to-day control.

Additional benefits can include creditor protection, mitigation of forced heirship rules and, in certain circumstances, reduced inheritance tax exposure.

Tax Planning and Simplified Tax Compliance

The transfer of assets into complex trust or corporate structures does not always produce favourable tax outcomes, particularly where high-tax jurisdictions are involved. On the contrary, such structures may attract targeted anti-avoidance provisions and impose significant compliance burdens.

Life insurance typically operates within its own tax regime, allowing for tax-deferred growth and, in many cases, favourable tax treatment on surrender or death. This can deliver a more predictable and administratively efficient outcome for internationally mobile families.

Adapting to Changing Circumstances

Insurance policies can often be adapted by amending policy terms to reflect changes in residency, family circumstances or tax law. This level of flexibility is rarely available within irrevocable trusts or rigid corporate structures, which may be difficult or impossible to restructure once established.

Case Study Insights

Read the Case Study **How Planning in Isolation Can Quickly Unravel** - a high-net-worth individual wants succession certainty in Dubai while retaining control, but his structure begins to unravel when he later relocates to Portugal and his tax position changes, highlighting the need for an integrated, portable framework

Visit the **Case Study Insights** section below, or [click here](#).

Key Takeaways for Advisers

- **Take a holistic starting point**, considering asset types, control, succession, taxation and cross-border implications together rather than in silos.
- **Avoid planning in isolation or with a single jurisdiction in mind.** Local solutions can create complexity and inefficiency elsewhere as client circumstances evolve.
- **Position insurance-based wealth solutions as a central framework**, using them to coordinate multiple planning objectives within a coherent, long-term strategy.



Nicolas Morhun
Senior Wealth Planner,
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Alexandra Habermann
Wealth Planner - France

France: Using Life Insurance to Create Order in French Succession Planning

In France, wealth planning is often approached through a combination of tax optimisation, civil law structuring and investment management. When these elements are addressed separately, however, the result can be fragmented planning that exposes families to rigidity, inefficiency and unintended consequences over time.

Within this context, the life insurance contract has evolved into a central planning framework capable of addressing several core planning needs through a single, coherent structure. While the tax advantages of French life insurance are well understood, its civil law characteristics and financial flexibility are equally important in explaining its enduring success as a holistic wealth planning tool.

Tax Considerations Within a Holistic Planning Framework

Life insurance offers several well-established tax advantages. When used as part of a broader planning strategy, these benefits can contribute not only to income tax efficiency but also to the management of wider tax exposure.

Tax Treatment During the Lifetime of the Contract

During its lifetime, a life insurance contract offers several favourable tax features, including:

- **Tax deferral:** Investment gains are not subject to income tax unless a withdrawal is made, allowing wealth to accumulate without annual income tax leakage.
- **Tax smoothing:** Withdrawals are treated as comprising both capital and gains, so only the gain element withdrawn is taxable.
- **Management of high-income taxation:** Through the methodology used to determine taxable income, life insurance can assist in managing exposure to the Contribution Différentielle sur les Hauts Revenus (DLHI), which applies where taxable income exceeds €250,000 for a single person or €500,000 for a couple.
- **Reduced social contribution rates:** Life insurance continues to benefit from a reduced CSG rate of 9.2%, compared with 10.6% for certain direct financial investments.

While these advantages are significant, their effectiveness is maximised when aligned with succession planning and asset protection objectives. Designing tax solutions in isolation can lead to structures that are difficult to adapt or inefficient when wider planning considerations are taken into account.

Tax Treatment on Death

The tax treatment of capital paid to beneficiaries depends on the policyholder's age when premiums were paid and on the timing of those payments.

- **Premiums paid before age 70:** Each beneficiary benefits from a tax-free allowance of €152,500. The next €700,000 is taxed at 20%, with any excess taxed at 31.25%. By contrast, inheritance tax on assets transferred outside a life policy can reach 45% in direct line and 60% between non-related parties.
- **Premiums paid after age 70:** Inheritance tax applies only to the premiums paid, not to the investment gains, which can significantly reduce the taxable base.

Used appropriately, life insurance therefore enables optimisation not only of tax rates but also of taxable values.

Civil Law Benefits and Asset Protection

Although tax considerations often drive the initial use of life insurance in France, its civil law features play a central role in supporting holistic planning outcomes.

Protection From Seizure

A life insurance contract is, by nature, protected from seizure by the policyholder's creditors, provided the structure is implemented proactively and not in anticipation of financial difficulty. This protection is subject to limited exceptions, including:

- Clearly exaggerated premiums (Article L132-16 of the French Insurance Code)
- Claims by the French tax authorities in specific circumstances
- Criminal investigations

When used correctly, this feature contributes to the robustness of the planning structure.

Freedom of Beneficiary Designation

Life insurance offers significant flexibility in drafting and amending beneficiary clauses throughout the lifetime of the contract. This allows policyholders to adapt their succession planning over time without the cost or rigidity often associated with alternative structures.

Importantly, the value of the policy is transferred outside the deceased's estate and is not subject to forced heirship rules. This enables a degree of freedom of disposal that is difficult to achieve using traditional estate planning tools alone.

Financial Flexibility and Long-Term Adaptability

Beyond tax and civil law considerations, financial flexibility is a key factor in the enduring relevance of life insurance as a planning tool. Luxembourg and Irish insurers offer a wide range of investment options, including discretionary and advisory mandates.

During the lifetime of the contract, investment strategies can be adjusted, supplemented or replaced without triggering a taxable event, provided investments remain within the insurer's acceptance policy. This allows the structure to evolve alongside the policyholder's circumstances, objectives and level of investment sophistication.

Structuring For Holistic Planning in France

French life insurance remains a core pillar of holistic wealth planning, not only for its tax advantages, but for its ability to integrate tax, civil law and financial objectives within a single, adaptable structure.

To ensure solutions are aligned with client objectives and the French legal and regulatory framework, advisers should engage with their Utmost sales representative for further guidance and support when structuring life insurance arrangements.

Key Takeaways for Advisers

- **Use life insurance as a structuring framework.** In France, life insurance delivers value not solely through tax advantages, but by integrating tax planning, civil law considerations and investment objectives within a single solution.
- **Avoid fragmented planning approaches.** Addressing tax, succession and investment decisions separately can create rigidity, inefficiency and unintended consequences over time.
- **Position life insurance to support long-term outcomes,** using it to facilitate succession planning, asset protection and adaptability as client circumstances evolve.
- **Take a joined-up, lifetime view of structuring decisions,** assessing how tax, civil law and investment strategies interact over the duration of the arrangement.



Mafalda Moura Cesário
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Portugal: Bringing Succession and Tax into One Structure

Portugal has long attracted internationally mobile individuals, entrepreneurs and retirees seeking a stable environment in which to live, invest and plan for the future. As client profiles have become more international and asset bases more diverse, the need for cohesive, forward-looking wealth planning has increased significantly.

In this context, unit-linked life insurance policies have evolved into a valuable holistic planning framework. They can bring together investment, protection and estate planning objectives within a single structure. This is particularly relevant in Portugal's post-NHR environment, where planning decisions increasingly need to account for long-term flexibility, cross-border considerations and regulatory change.

A Flexible Investment and Protection Solution

Unit-linked life insurance policies combine two core elements of wealth planning: investment and protection. Unlike traditional insurance contracts offering fixed or predefined returns, unit-linked policies are linked to underlying investments, allowing policy values to rise or fall in line with asset performance.

This hybrid structure enables advisers to address multiple objectives within a single policy, including:

- investment diversification
- long-term capital growth
- estate and succession planning

By addressing these objectives together rather than in isolation, unit-linked policies can help reduce the fragmentation that often arises when portfolios are spread across multiple, disconnected structures.

Tax Efficiency Within a Long-Term Planning Framework

One reason unit-linked policies continue to play an important role in Portugal is their tax efficiency when used as part of a long-term strategy.

Investment gains generated within the policy are not taxed until surrender. This allows policyholders to benefit from tax deferral and encourages a more disciplined investment approach. Portugal also rewards long-term holding periods. Depending on the duration of the policy and the structure of premium payments, the effective tax rate on the income element of a surrender can reduce significantly after eight years to 11.2%.

Illustrative example:

If a client realises €100,000 of taxable income on a surrender after eight years of holding the policy, tax at 11.2% would be €11,200. At the standard 28% rate, the tax would be €28,000. The long-term holding therefore results in a tax saving of €16,800 on the gain element alone.

For individuals focused on long-term wealth accumulation rather than short-term market movements, this feature provides both tax efficiency and behavioural discipline.

A Strategic Tool in the Post-NHR Era

Portugal's wealth planning landscape has shifted following the replacement of the original Non-Habitual Resident (NHR) regime with the more targeted NHR 2.0 framework.

While NHR 2.0 remains attractive, its narrower scope requires internationally mobile individuals to adopt more structured and forward-looking planning solutions. In this environment, unit-linked life insurance policies can provide a practical way to organise investment assets within a single framework that remains adaptable as tax and regulatory conditions evolve.

Under NHR 2.0, qualifying individuals may benefit from favourable treatment on specific categories of foreign-source income, subject to the detailed conditions of the regime. Where a unit-linked policy is issued by a non-Portuguese insurer, qualifying policyholders may also benefit from tax-exempt surrenders, aligning long-term tax efficiency with portability.

By contrast, income sourced from jurisdictions included on Portugal's blacklisted jurisdictions can be subject to an aggravated tax rate of 35%, rather than the standard 28% applicable to certain categories of capital income. These so-called blacklisted jurisdictions include, for example, the Cayman Islands, British Virgin Islands and Panama, among others.

For advisers, this distinction is critical. Where client portfolios include exposure to assets or structures linked to blacklisted jurisdictions, insurance-based structuring can play an important role in managing both tax exposure and compliance complexity within the post-NHR framework.

Using a unit-linked policy as an umbrella therefore remains a valuable structuring approach, particularly for internationally mobile clients navigating a more targeted and technically demanding regime.

Estate Planning and Cross-Border Wealth Transfer

Beyond investment considerations, unit-linked life insurance plays a central role in succession planning for families resident in, or connected to, Portugal.

Death benefits are typically paid directly to designated beneficiaries rather than passing through the deceased's estate. This can simplify inheritance planning, improve liquidity on death and reduce administrative complexity, particularly for internationally mobile families with assets and heirs in multiple jurisdictions.

Crucially, life insurance can also support **post-mortem control**. Death benefit settlement can be structured to allow for **deferred or controlled distribution**, rather than a single lump-sum payment. This enables advisers to align the timing and manner of payment with family governance objectives, beneficiary maturity and cross-border considerations.

For families with younger beneficiaries, blended family dynamics or significant international exposure, this ability to manage **how and when** wealth is transferred can be as important as who ultimately receives it. In this way, life insurance allows succession planning to be integrated into the broader wealth structure, rather than treated as a one-off event.

Flexibility In a Changing World

A core principle of holistic wealth planning is adaptability. Personal circumstances, family structures, tax rules and investment objectives inevitably evolve over time.

Unit-linked policies offer a high degree of flexibility. Policyholders can adjust investment allocations, switch funds and update beneficiary designations as circumstances change. Provided investments remain within the insurer's acceptance policy, these adjustments can usually be made without triggering a taxable event.

This ability to evolve over time distinguishes life insurance from more rigid planning structures, which may be difficult or costly to amend once established.

The Role of Life Insurance in Holistic Wealth Planning

As wealth planning becomes more interconnected, demand for integrated, long-term solutions continues to grow. In Portugal's evolving tax and regulatory landscape, unit-linked life insurance policies provide a practical way to align investment growth, tax efficiency, succession planning and flexibility within a single framework.

Rather than functioning solely as an investment or tax tool, life insurance is increasingly positioned as a cornerstone of holistic wealth planning for Portuguese residents and internationally mobile individuals alike.

Key Takeaways for Advisers

- Use life insurance to manage post-NHR uncertainty by bringing tax, succession and mobility considerations into a single, adaptable structure.
- Position life insurance as the planning anchor, allowing investment strategy, beneficiary design and post-mortem outcomes to be aligned over time without triggering taxable events.
- Incorporate post-mortem control into succession planning, using life insurance to manage how and when wealth is distributed, particularly for younger beneficiaries, blended families or cross-border situations.
- Frame consolidation as risk management, reducing fragmentation while supporting more robust and predictable outcomes for internationally mobile clients.



Roberth Josefsson
Senior Wealth Planner - Sweden

Sweden: Why Pre-Planning Makes the Difference

Swedes are a highly mobile population, moving abroad and returning to Sweden more frequently than many of their Nordic neighbours. While international mobility offers lifestyle and professional opportunities, it also introduces complexity across banking, investments, taxation and succession planning.

In this context, insurance-based solutions increasingly serve as a central planning framework, allowing advisers to manage cross-border investment, tax and succession considerations within a single, coherent structure. When planning is approached in a fragmented way, clients may be exposed to unintended tax consequences, compliance failures and unnecessary complexity.

Cross-Border Mobility: Why Pre-Planning Is Essential

Many Swedish residents already hold domestic life insurance policies or investment savings accounts (ISK accounts), which benefit from Sweden's preferential yield tax regime. A common misconception is that these vehicles retain their tax and regulatory characteristics when clients relocate abroad. In practice, this is rarely the case.

The criteria for qualifying as a life insurance policy vary significantly between jurisdictions. A Swedish ISK account, for example, is typically treated as an ordinary bank account in other countries. This can result in exposure to local capital income and gains tax while continuing to attract Swedish yield tax, creating a risk of effective double taxation.

To support a successful relocation, planning should therefore take place before the move occurs. Swedish rules allow for the full surrender of a life insurance policy or withdrawal from an ISK account without Swedish taxation, creating an opportunity to restructure wealth in advance. Attempting to adapt an existing contract after relocation is often either not possible or sub-optimal.

Life Insurance as a Central Planning Solution

Although Sweden does not levy inheritance or gift tax, clients relocating abroad are likely to encounter such taxes in their new jurisdiction. Establishing a compliant life insurance policy tailored to local requirements can therefore provide a robust succession planning solution, often with significant tax advantages.

Delivering this successfully requires an insurer with cross-border capability, experience across multiple jurisdictions and the ability to structure compliant solutions internationally. In this way, life insurance can act as an umbrella structure, aligning investment management, tax efficiency and succession planning within a single framework.

Practical Example: Relocating From Sweden to Spain

Consider a Swedish family relocating to Spain. They hold a domestic Swedish life insurance policy and an ISK account. Spanish legislation imposes specific requirements on life insurance contracts that Swedish policies typically do not meet. At the same time, the ISK account would be treated as an ordinary bank account, exposing the family to both Swedish and Spanish taxation.

By surrendering the Swedish arrangements before departure, without triggering Swedish tax, and establishing a locally compliant Spanish life insurance policy after relocation, the family may exit Sweden and enter Spain without immediate taxation. The Spanish policy can then help manage exposure to Spanish capital income tax, wealth tax and inheritance and gift tax, while also supporting structured succession planning.

Returning To Sweden: Continuing The Planning Journey

International mobility does not end with relocation. Many Swedes later return home. Sweden's abolition of net wealth, inheritance and gift taxes, combined with the option to apply yield tax rather than standard capital income tax, has enhanced the attractiveness of life insurance as an asset-holding structure.

Existing life insurance policies can often be brought back to Sweden without triggering taxation, provided they meet Swedish requirements, including a minimum uncapped life cover of 1%. Sweden also recognises beneficiary designations, reinforcing the role of life insurance as an effective succession planning tool on return.

Here again, pre-planning is essential to ensure the policy qualifies under Swedish rules before re-establishing residency.

The Role of Life Insurance in Holistic Cross-Border Planning

For Swedish clients who move abroad and later return, an insurance-based wealth solution can provide continuity across jurisdictions. By anchoring planning within a flexible, internationally recognised structure, advisers can reduce fragmentation, manage tax exposure and support long-term succession objectives despite changing residency and regulatory environments.

Key Takeaways for Advisers

- **Plan before mobility occurs.** Restructuring assets into a compliant life insurance policy before relocation can avoid double taxation and unnecessary complexity.
- **Use life insurance as a cross-border anchor.** A life insurance policy can provide continuity across jurisdictions, aligning investment, tax and succession objectives within one structure.
- **Ensure compliance in both directions.** Whether clients are leaving or returning to Sweden, confirming that policies meet local qualification rules is essential for preserving tax efficiency.



Peter Tung
Tax and Legal Counsel - Asia

Asia: Why Asian Families Need a Central Anchor for Complex Wealth

Asia's private wealth continues to expand at an unprecedented pace. Driven by China, India and South-East Asia, total private wealth in the region is projected to reach USD 99 trillion by 2029 (BCG). At the same time, Asia is entering its largest intergenerational wealth transfer to date, with trillions expected to pass from founders to heirs, many of whom are internationally mobile and connected to multiple jurisdictions.

Despite this scale, succession and long-term planning remain underdeveloped in parts of the region. In China, for example, estate planning is still culturally unfamiliar. A Tsinghua University study of 67 listed-company founders who died between 2003 and 2024 found that only 9% left a will. High-profile inheritance disputes continue to highlight the risks that arise when wealth accumulates faster than it is structured.

Against this backdrop, life insurance is increasingly used as a central planning framework, allowing families to bring together liquidity management, succession planning and cross-border compliance within a single, coherent structure.

Key Triggers for Revisiting Wealth Structures

Across Asia, advisers are seeing a consistent set of factors prompting families to reassess existing arrangements:

- **Tax transparency:** Expanding Common Reporting Standard (CRS) enforcement and economic substance requirements are driving reviews of overseas holding structures and reporting obligations.
- **Succession pressure:** Intergenerational wealth transfers, estimated to exceed USD 2 trillion between 2025 and 2035, are exposing gaps in liquidity and estate preparedness.
- **Mobility:** Families frequently relocate between jurisdictions such as Hong Kong, Singapore, mainland China and international hubs, increasing the need for portable structures.
- **Regulatory change:** Scrutiny of offshore trusts and holding structures is intensifying, particularly where listed and private assets are involved.
- **Asset complexity:** Operating businesses, private equity interests and real estate portfolios held across jurisdictions amplify governance and liquidity risk.

When these pressures are addressed individually rather than through an integrated framework, wealth planning often becomes fragmented.

When Planning Becomes Fragmented

In practice, advisers across Asia frequently encounter structures that have developed incrementally over time. These may combine family offices, operating companies and offshore trusts without meaningful integration.

The consequences can include:

- Inconsistent tax treatment or double reporting
- Governance failures where founders lose capacity
- Liquidity shortfalls at succession
- Increased inheritance disputes
- Administrative inefficiency and loss of confidentiality

In China, the consequences of fragmented succession planning are becoming increasingly visible. *The Economist* has observed that a new hereditary elite is emerging, even though formal estate planning remains relatively uncommon. Inheritance-related court judgments have risen sharply in recent years, driven by complex family structures and the absence of valid wills.

These developments reflect a broader regional dynamic. As wealth becomes more concentrated and asset structures more complex, fragmented arrangements struggle to deliver predictability, liquidity and continuity across generations. This reinforces the need for planning frameworks that provide clarity, governance and an orderly transfer of wealth over the long term.

Life Insurance as the Central Planning Anchor

Life insurance offers a balanced and defensible response to these challenges by providing a single structure capable of supporting multiple planning objectives.

Key features include:

- **Consolidation:** Integration of diverse assets within one policy framework, reducing reliance on disconnected structures.
- **Continuity and liquidity:** Immediate liquidity on death to support inheritances, equalise estates or protect business succession.
- **Beneficiary nomination:** Clear designation of heirs, bypassing probate and reducing the scope for dispute.
- **Flexibility:** Continued effectiveness across jurisdictions despite changes in residency or regulation.
- **Regulatory defensibility:** Established tax, disclosure and succession treatment in many markets.

While trusts and corporate entities continue to play an important role in governance and control, life insurance increasingly operates as the central anchor, with other structures used to complement rather than replace it.

The Role of Life Insurance in Asia's Evolving Wealth Landscape

Asia's rapid wealth accumulation is colliding with a succession planning gap, characterised by limited use of wills, rising disputes and significant liquidity risk at generational transition. At the same time, regulatory scrutiny and cross-border mobility are increasing complexity.

In this environment, life insurance provides a portable, compliant and enduring framework that brings liquidity, governance and intergenerational continuity to the centre of holistic wealth planning.

Case Study Insights

Read the Case Study **Private Succession and Asset Integration Through Insurance-Based Solutions** - a successful Chinese business founder with significant IPO wealth wants to protect business continuity for his successor while creating fair outcomes for a second child overseas, all while reducing fragmentation across banks and structures.

Visit the **Case Study Insights** section below, or [click here](#).

Key Takeaways for Advisers

- **Design structures for mobility and longevity.** Life insurance can help maintain continuity as clients move across jurisdictions and generations.
- **Use life insurance to reduce fragmentation.** Anchoring planning within a single framework can simplify compliance and succession outcomes.
- **Position insurance as a framework, not a product.** Life insurance works most effectively when used as the central coordinating structure, supported by trusts or corporate entities where appropriate.



Lana Jarvis
Senior Wealth Planner - UK

UK: Why Holistic Planning Matters for UK Clients

For UK-based and internationally mobile ultra-high-net-worth clients, planning is rarely static. It is typically triggered by change: a liquidity event, a relocation, succession planning or a shift in family dynamics. These moments expose a common underlying issue. Structures built incrementally can lack coherence when viewed as a whole.

Over time, clients often accumulate multiple solutions for different objectives. They may hold trusts, corporate entities, directly held assets and portfolios managed across multiple providers and jurisdictions. Each component may have been sensible in isolation. The challenge is that, collectively, these arrangements can create fragmentation, blind spots and friction at the precise moments when planning is tested.

When Planning Is Tested, Fragmentation Becomes Visible

The issues tend to surface in three situations: succession, mobility and liquidity. This is not necessarily a failure of advice. It is often a consequence of solving problems sequentially, without a single framework that ties the plan together.

1. Governance and decision-making risk

Different structures come with different decision-makers: trustees, directors, investment managers, family members and professional advisers. Where roles and responsibilities are not clearly aligned, decision-making slows. This can create inconsistency, delay and, in some cases, conflict. It also increases operational risk at the point a family needs fast, coordinated action.

2. Duplication, cost and lack of visibility

Clients frequently hold overlapping exposures across multiple vehicles. That reduces transparency and can make it difficult to answer basic questions quickly: What is owned, where is it held, who controls it and how is it accessed? Duplication can also increase cost, particularly where multiple structures require separate administration, reporting and governance.

3. UK tax outcomes are sensitive to residence and structure

UK planning does not operate in isolation. UK tax outcomes can be highly sensitive to residence and to the way assets are held. Where structures involve multiple jurisdictions, changes in residence (for the client or other relevant parties) can materially alter how arrangements are taxed or reported. A structure that works for a UK resident may become inefficient or problematic following relocation, particularly where control, attribution or reporting rules change.

4. Liquidity is often underestimated

Liquidity risk is consistently under-planned. In many cases, UK inheritance tax represents a cash liability that arises at death, while underlying assets may be illiquid or tied up across multiple vehicles. The result is a mismatch between the liability and accessible funds. Even where liquidity exists, delays in administration can be material. The distribution of a UK estate can remain heavily dependent on probate, and cross-border estates can add further complexity and delay.

Why An Insurance-Based Solution Can Act as a Planning Anchor

Used appropriately, a life insurance policy can sit at the centre of a wider plan and address several structural weaknesses created by fragmented arrangements.

Consolidation under a single legal framework

A life insurance policy allows assets to be held centrally under one legal framework. This provides a clear point of coordination across a client's wealth, rather than relying on multiple disconnected vehicles. Consolidation can improve visibility and reduce duplication, while still allowing the underlying investment strategy to be implemented within defined parameters.

Portability for internationally mobile families

Internationally mobile families often need structures that do not require repeated re-papering as residence changes. A life insurance policy can be designed to accommodate changes in residence without requiring a fundamental reorganisation of underlying assets each time a client moves. This can be a meaningful advantage where families have members in multiple jurisdictions, or where a move is likely over the planning horizon.

A more predictable route to accessing value

A life insurance policy can provide a mechanism through which value may be accessed in a controlled and more predictable way during life and on death. For UK resident clients, taxation is generally triggered by specific events (such as withdrawals, surrender or death), rather than annually on underlying portfolio movements. In addition, the structure can support smoother succession execution by aligning beneficiary planning and liquidity planning within the same framework.

Complementary Tools Still Matter

None of this removes the need for complementary structures. Trusts, companies and directly held assets remain relevant depending on the client's objectives, asset types and the need for governance or control. An insurance-based solution can help bring these objectives together within a coherent framework, reducing reliance on disconnected arrangements.

It is also important to recognise the increasing focus on confidentiality. Wills may become public on probate, and the value and distribution of assets can become visible. In this context, structures that support discretion, clearly defined roles and orderly wealth transfer can be particularly valuable for ultra-high-net-worth families.

Bringing It Together

For UK clients, fragmented planning creates predictable pressure points: **governance friction, uneven tax outcomes and liquidity shortfalls at the wrong time.** An insurance-based wealth solution can act as the central anchor, bringing greater coherence, portability and control to complex wealth structures, while complementary tools continue to play their role.

Key Takeaways for Advisers

- **Start with structure, not product.** Identify fragmentation risks early and map how the full plan operates across jurisdictions and decision-makers.
- **Plan for UK tax realities.** UK outcomes can be highly sensitive to residence and the way assets are held, and inheritance tax may create a cash requirement at death.
- **Prioritise coherence and liquidity.** Ensure clients can access value when it is needed, and that the plan remains workable if circumstances change.

NAVIGATOR VOICES



Aidan Golden
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Private Markets Are Now Mainstream. Oversight Must Be Too.

As private market assets move from the margins into the core of high-net-worth portfolios, the structures used to hold them and the governance that supports those structures are coming under increasing scrutiny.

In this interview, Aidan Golden talks to Stephen Atkinson, Global Head of Sales and Marketing at Utmost, about how the expectations of regulatory authorities are evolving, what this means for advisers and trustees, and why good outcomes increasingly depend on how assets are administered, valued and funded over time, not just on what is being invested in.

AG: Private markets are now widely seen as a core allocation for HNW investors. What has changed, and why are regulatory authorities paying closer attention?

SA: Private markets have grown up. Ten or fifteen years ago, they were largely the preserve of institutions and a small number of sophisticated family offices. Today, they are a central part of portfolio construction for many high-net-worth and ultra-high-net-worth investors.

From a regulatory perspective, that shift matters. As private assets move from the periphery into the mainstream, the focus broadens from individual investment decisions to the structures and systems supporting those investments. Regulatory authorities are asking whether long-term promises to policyholders are being supported by appropriate governance, valuation discipline and liquidity management.

This is not about discouraging investment in private markets. It is about recognising that these assets behave very differently from listed securities and ensuring the infrastructure holding them is genuinely fit for purpose.

AG: When regulators talk about risk in this context, what risks are they really concerned about?

SA: It is rarely about the investment idea itself. More often, the focus is on how assets are held, governed and managed over time.

Regulators are increasingly concerned with valuation discipline, liquidity management and counterparty strength. Private assets are not priced daily and do not offer predictable exit routes. As a result, the risk sits less in short-term market movements and more in how those assets are administered within a structure.

We are also seeing regulators push back on informal or overly bespoke interpretations of risk. Recent regulatory clarification in other areas of the insurance market reinforces a consistent message. When insurance structures are involved, the focus is firmly on the legal and economic reality of the structure and on the insurer standing behind it, rather than on looking through to underlying assets or assumptions.

That same mindset is now being applied more broadly as private assets become mainstream within wealth structures. Governance, operational capability and financial strength matter just as much as asset selection if long-term outcomes are to be protected.

AG: Liquidity is often misunderstood with private assets. Where do advisers most commonly misjudge it?

SA: The most common mistake is assuming that a product's liquidity features are the same as the liquidity of the underlying assets.

Some structures appear to offer smoother access or periodic liquidity, but the assets beneath them remain fundamentally illiquid. That mismatch can create pressure if investor behaviour changes or market conditions deteriorate.

Insurance-based structures, by contrast, are inherently long-term. They are designed around extended investment horizons and structured liquidity management, which aligns more closely with the reality of private market investing. That alignment can significantly reduce the risk of forced asset sales during periods of stress.

For advisers, the key is understanding not just when clients can access capital, but how that access is funded and what assumptions sit behind it.

AG: Valuation is another area attracting the attention of regulators. What should advisers and trustees be aware of?

SA: Valuation in private markets is necessarily imperfect, but that does not mean it can be casual.

Advisers and trustees should understand how valuations are produced, how often they are refreshed and how they are challenged. Are independent valuations used? How are model assumptions reviewed? How are valuation lags reflected at policy level?

Within an insurance framework, valuation discipline is reinforced by regulatory capital requirements and governance processes. That does not remove uncertainty, but it does introduce structure, consistency and accountability, which is exactly what regulators are looking for.

AG: Operational capability comes up repeatedly. What differentiates insurers that can safely hold complex assets?

SA: Experience and scale matter a great deal. Holding private assets is not just about custody. It involves managing cashflows, capital calls, distributions, valuations and reporting over many years, often across multiple jurisdictions.

Insurers that have invested in specialist teams, robust operating models and strong external partner networks are far better placed to absorb that complexity without passing unnecessary risk on to clients or trustees.

From an oversight perspective, it is no longer enough to assess an insurer's financial strength alone. What really matters is whether the insurer has the right operational depth and governance, supported by experienced investment and technical teams, to administer complex assets throughout the life of a policy.

AG: For trustees and advisers, what does "good oversight" look like in practice today?

SA: It does not mean becoming a private markets specialist. But it does mean asking better questions.

Trustees and advisers should expect clear answers on asset eligibility, valuation processes, liquidity management and governance arrangements. They should understand how capital calls are funded, how cash buffers are managed and how risks are monitored over time.

Importantly, oversight is shifting from a product-centric exercise to a system-level one. It is about understanding the ecosystem supporting the investment, not just the investment itself.

AG: Are there any red flags advisers should watch for?

SA: Over-promising on liquidity is a major one, as is a lack of transparency around valuation methodology or operational processes.

Another red flag is when complex assets are introduced without a clear explanation of how they will be administered over time. If the operational story is unclear, that is usually a warning sign.

Complex assets can sit very successfully within insurance-based structures, but only when the underlying governance and infrastructure are robust.

AG: Looking ahead, what do you expect to change over the next 12 to 18 months?

SA: I expect regulatory scrutiny to intensify rather than recede. Private markets will continue to grow, and with that growth will come higher expectations around governance, transparency and risk management.

For advisers and trustees, this raises the bar. Structure selection will increasingly become a risk management decision, not just an administrative one. Those who engage proactively with these changes, and who choose partners with proven capability in handling complex assets, will be best placed to deliver sustainable outcomes for their clients.

Private markets offer significant opportunity. The challenge is ensuring they are held in structures that genuinely support their long-term nature.

Key Takeaways for Advisers

- Private market assets are now a mainstream allocation for high-net-worth and ultra-high-net-worth clients, bringing increased regulatory scrutiny of the structures used to hold them.
- Regulatory authorities are focusing less on investment ideas and more on governance, valuation discipline, liquidity management and operational capability.
- Liquidity risk often arises where a structure's liquidity features do not reflect the underlying private assets held.
- Valuation processes matter. Advisers should understand how private assets are valued, challenged and refreshed, and how valuation lags are reflected at policy level.
- An insurer's operational depth and governance frameworks are becoming as important as financial strength when holding complex assets.
- Structure selection is increasingly a risk management decision, with long-term outcomes depending on the robustness of the ecosystem supporting private assets.

Country Focus



Benjamin Fiorino
Wealth Planner / Tax and Legal
Counsel - France and Monaco

France-Monaco Wealth Planning Corridor: Structuring Wealth for International Families

The wealth planning corridor between Monaco and France is one of the most sophisticated and dynamic cross-border environments in Europe. While Monaco is globally recognised for its attractiveness to ultra-high-net-worth individuals, its proximity to France and enduring legal and economic ties create a complex planning landscape that requires careful structuring rather than simple relocation.

The Invisible French Connection

A common misconception among Monaco residents is that relocation fully removes exposure to French legal and tax frameworks. In practice, many clients remain closely connected to France in ways that materially affect their wealth planning.

These connections often include:

- French real estate holdings
- Business or corporate interests located in France
- Family members or heirs residing in France

As a result, exposure to French inheritance tax frequently persists, particularly in relation to French situs assets. In parallel, civil law principles, such as forced heirship, may continue to influence succession outcomes depending on how the estate is structured.

For advisers, this creates a layered environment where Monaco residency coexists with ongoing French legal considerations. The objective is not to eliminate complexity, but to manage it in a structured and predictable way.

Beyond Diversification: Managing Cross-Border Frictions

Monaco-based ultra-high-net-worth families are increasingly global investors. Their portfolios often include a wide range of international assets, including US securities and holdings spread across multiple jurisdictions.

While diversification remains essential, it also introduces additional considerations:

- Exposure to foreign tax regimes, including US estate tax
- Potential conflicts between common law and civil law succession systems
- Increased coordination requirements across jurisdictions

Effective planning must therefore extend beyond asset allocation alone. It requires aligning global portfolios with European succession frameworks and anticipating tax exposure rather than reacting to it.

The Need for Portable Wealth Structures

Mobility is a defining feature of Monaco-based clients. Families frequently relocate within Europe, to jurisdictions such as France, Portugal, Italy or the UK, driven by evolving personal, professional or tax considerations.

This mobility reinforces a central planning principle: wealth structures must be portable. Domestic solutions can struggle to adapt to changes in residency and may trigger restructuring costs or unintended tax consequences. By contrast, internationally recognised insurance-based wealth solutions can provide a stable and adaptable framework, offering:

- Continuity across jurisdictions
- Regulatory recognition in multiple markets
- Flexibility to accommodate changing client circumstances

Portability is therefore becoming increasingly central to long-term wealth planning strategies.

A Structuring Opportunity for Advisers

The France-Monaco corridor should not be viewed solely through the lens of tax optimisation. It is a strategic environment in which advisers must reconcile:

- Ongoing French tax and civil law exposure
- The benefits of Monaco residency
- International investment diversification
- High levels of client mobility

Within this context, well-designed life insurance solutions can act as a unifying structuring tool. Their effectiveness, however, depends on their ability to operate seamlessly within the Monaco regulatory environment.

Both **Utmost PanEurope** and **Utmost Luxembourg**, the Irish and Luxembourg life insurance companies of the **Utmost Group**, are authorised in Monaco. Through licensed local intermediaries, they can offer bespoke insurance-based wealth solutions tailored to Monaco residents. This local regulatory positioning, combined with strong international expertise, allows advisers to access robust and compliant structures designed specifically for cross-border clients.

Such solutions are particularly well suited to:

- Consolidating international assets within a single framework
- Facilitating succession planning in a civil law context
- Enhancing long-term portability as clients relocate

Bridging Two Worlds

Monaco hosts one of the highest concentrations of ultra-high-net-worth individuals globally, while France remains Europe's largest life insurance market. Together, they create a powerful ecosystem in which demand for sophisticated cross-border solutions continues to grow.

For advisers, the challenge lies in simplifying complexity. Rather than multiplying structures, the objective is to design coherent frameworks that integrate multiple jurisdictions while remaining adaptable over time.

Case Study Insights

Read the case study, **When Monaco Residency Is Not Enough – Managing French Succession Exposure for International Families**, which illustrates how these principles can be implemented effectively in a real-world client situation..

Visit the **Case Study Insights** section below, or [click here](#).

Structuring For Long-Term Certainty

The France-Monaco wealth planning corridor highlights the limits of residency-based planning in an increasingly international environment. For many families, relocation to Monaco alters the context of their wealth, but it does not remove the influence of French tax, civil law or succession regimes.

For advisers, the focus must therefore shift from isolated planning decisions to coherent, long-term structuring. Solutions need to accommodate ongoing French exposure, global investment diversification and high levels of client mobility, while remaining robust as circumstances evolve.

In this context, insurance-based wealth solutions can provide a valuable framework. When designed and implemented correctly, they allow advisers to bridge multiple jurisdictions within a single structure, helping internationally mobile families achieve greater clarity, continuity and control over time.

Given the technical, regulatory and cross-border considerations involved, advisers should engage with their Utmost sales representative for further discussion and guidance. This allows proposed structures to be assessed in detail and aligned with both client objectives and the regulatory environment in which they will operate.

Key Takeaways for Advisers

- Monaco residency does not eliminate ongoing exposure to French tax and civil law frameworks, particularly where French assets or heirs are involved.
- Global diversification introduces additional tax, succession and coordination challenges that require proactive, cross-border planning.
- Client mobility reinforces the need for wealth structures that are portable and capable of adapting to future changes in residency.
- Insurance-based wealth solutions can provide a stable and internationally recognised framework for managing complex, multi-jurisdictional wealth.
- Advisers operating in the France-Monaco corridor should prioritise structures that:
 - » Anticipate ongoing French exposure
 - » Integrate international assets efficiently
 - » Remain robust over time

Case Study Insights



Brendan Harper
Head of Asia and HNW Technical
Services

How Planning in Isolation Can Quickly Unravel

In his Technical Spotlight article, Brendan Harper highlights why planning undertaken in isolation can appear effective at a local level, yet fail once cross-border considerations are introduced.

In this case study Brendan brings that point into focus, showing how a succession structure that worked well in one jurisdiction began to unravel as the client's residency and tax profile changed, and why a more integrated, portable framework was ultimately required.

The Client

The client is a high-net-worth individual who has lived in Dubai for many years. Over time, he built significant wealth across Dubai real estate, bankable assets and private equity holdings.

As he approached retirement, he planned to relocate to Portugal. A key objective was to ensure that his Dubai-based assets would not fall under Sharia succession rules on death.

This marked an important trigger for structural change, shifting the planning focus from a single jurisdiction to a cross-border context.

The Solution

Step 1 - A locally effective solution in Dubai

To address succession concerns under Dubai law, the client's advisers recommended establishing a family foundation under the Dubai International Financial Centre (DIFC) framework. The structure offered certainty based on English law and allowed the client, as founder, to retain control through the foundation's charter and by-laws.

At a local level, the solution was effective. It resolved the immediate succession concern and provided governance within a familiar legal environment. The advisers also recommended transferring the client's wider wealth into the structure to consolidate assets.

Step 2 - Where fragmented planning emerged

A critical factor was not fully addressed: the client's planned relocation to Portugal.

While suitable for Dubai, the DIFC foundation has no formal recognition under Portuguese law. Once the cross-border dimension was introduced, the structure created uncertainty around tax classification and regulatory treatment.

From a Portuguese perspective, potential outcomes included classification as a controlled foreign company (CFC), triggering annual taxation of underlying income and gains at marginal rates that can reach 53%. Alternatively, the structure could be treated as a fiduciary arrangement, giving rise to outcomes that may include:

- Capital gains tax on winding up and distribution to the founder
- A standard 28% tax rate, increasing to 35% for blacklisted jurisdictions, which can include certain DIFC structures
- Stamp duty of 10% on certain cash distributions to Portuguese resident beneficiaries
- Income tax treatment for ongoing distributions, potentially including both capital and gains

This stage of the case highlights a recurring theme across cross-border planning: a solution designed in isolation can introduce new risks when mobility and regulatory interaction are not considered from the outset.

Step 3 - Introducing a holistic anchor for mobile capital

For the client’s liquid portfolio, a more integrated and portable solution would be the use of a Portuguese-compliant life insurance policy. While certain assets, such as direct real estate, may need to remain outside the policy and be planned for separately, life insurance can provide a stable framework for mobile capital.

This approach aligns with the broader planning theme explored in my article, positioning life insurance as a central framework capable of supporting investment management, tax efficiency and succession planning across jurisdictions.

The Benefits

Using a Portuguese-compliant life insurance policy for the liquid portfolio can provide:

- Alignment with Portuguese law and established market practice
- Gross roll-up, with no tax until withdrawals are made
- Taxation on gains only, with original capital treated as a return of capital
- Reduced effective tax rates for long-term holding, subject to premium structuring rules (e.g. where at least 35% of premiums due are paid in the first half of the policy term):

Number of years policy held	Tax Rate	Amount of gain subject to tax	Effective rate of tax
5 years or less	28%	100%	28%
More than 5 years, but less than 8 years	28%	80%	22.4%
More than 8 years	28%	40%	11.2%

- Beneficiary nomination, supporting efficient wealth transfer on death and potentially outside the policyholder’s estate
- The ability to defer payment of death benefits where controlled distribution is required

This case demonstrates how planning undertaken in isolation can solve a local issue but unravel when cross-border touchpoints arise. An insurance-based solution can act as a bridge across jurisdictions when tax and estate planning need to work together.

Key Takeaways for Advisers

- **Do not assess structures in isolation.** A solution that works locally may unravel when cross-border elements are introduced.
- **Use client mobility as a trigger for structural review,** rather than adapting arrangements after relocation.
- **Position life insurance as a central planning anchor** where tax, investment and succession planning must operate together across jurisdictions.
- **Segment assets pragmatically,** recognising that some assets may sit outside insurance while mobile capital benefits from a portable framework.
- **Assess recognition and classification risk early** in destination jurisdictions to avoid adverse tax outcomes..



Peter Tung
Tax and Legal Counsel - Asia

Asia: Private Succession and Asset Integration Through Insurance-Based Solutions

As outlined in his Technical Spotlight article, Peter Tung explains how fragmented planning can undermine long-term outcomes for families with complex assets and cross-border connections. He positions life insurance as a central framework for bringing structure and continuity to that complexity.

This case study demonstrates how an insurance-based solution can be applied to balance succession goals, integrate assets and support long-term planning across jurisdictions.

The Client

The client is the founder of a mainland Chinese business listed in Hong Kong through a red-chip structure. Prior to the initial public offering, he transferred a portion of his shareholding into a family trust to provide governance and continuity.

He is 52 years old and has two children with distinct profiles:

- A son, aged 25, resident in China and preparing to assume a leadership role in the business
- A daughter, aged 22, studying in Australia, financially dependent and not involved in the business

The family works with a Singapore-based family office alongside an External Asset Manager (EAM), who oversees investments held across private bank accounts in Hong Kong and Singapore.

The family's key planning challenges included:

- Achieving balanced succession between business and non-business heirs
- Increasing regulatory scrutiny of trust structures
- Fragmented asset holdings and reporting across jurisdictions
- The need for a portable, long-term framework capable of adapting over time

The Solution

To address these challenges, the family implemented an insurance-based framework designed to act as a central planning anchor, while allowing the EAM to retain investment management responsibilities.

1. Balancing succession through tailored policies

Two complementary life insurance policies were established to reflect the differing priorities of the heirs:

- **For the son (business continuity)**
A lower death-benefit policy structured for policy inheritance. This allowed continuity of ownership of assets linked to the operating business, avoiding forced liquidation on succession.
- **For the daughter (estate equalisation)**
A higher death-benefit variable universal life policy, providing independent liquidity to equalise the estate without placing pressure on the operating business.

In both cases, beneficiary nomination supported direct transfer outside probate procedures.

2. Reducing reliance on trust structures

Selected listed shares were transferred from the family trust into the insurance policies as premium funding. This diversified the overall structure away from increased reliance on settlor-led trust arrangements, while keeping assets invested within a controlled framework.

3. Consolidating fragmented private banking arrangements

Assets previously held across private bank accounts in Hong Kong and Singapore were consolidated within the insurance framework. The family office and EAM continued to manage investments within the policy structure, supporting existing strategies while simplifying administration and reporting.

4. Structuring for globally mobile heirs

The solution was designed to reflect the differing residency profiles of the heirs, including long-term portability considerations for the daughter in Australia and continuity for the future leadership transition of the son.

The Benefits

The insurance-based framework delivered several tangible outcomes:

- **Business continuity** through policy inheritance, reducing the risk of forced asset sales at succession
- **Estate equalisation** via independent liquidity for non-business heirs
- **Reduced dispute risk** through clear beneficiary nomination and structuring
- **Lower exposure to trust scrutiny** by diversifying away from single-structure reliance
- **Simplified reporting** through consolidation of cross-border assets
- **Portability**, allowing the structure to remain effective as family members move across jurisdictions

Most importantly, succession, investment management and governance objectives were brought together within a single framework rather than addressed through disconnected solutions.

For Asian families with IPO wealth, disputes frequently destroy more value than tax. By anchoring succession, liquidity and governance within one framework, life insurance helps ensure continuity and family balance are built into long-term planning, not left to chance.

Key Takeaways for Advisers

- **Use life insurance as a central planning anchor** to integrate succession planning, asset consolidation and investment management within one framework.
- **Differentiate between business and non-business heirs**, using tailored policy design to balance continuity and estate equalisation.
- **Reduce structural fragmentation**, particularly where assets and advisers are spread across multiple jurisdictions.
- **Position insurance as a framework, not a product**, allowing other planning tools, such as trusts, to complement rather than carry the entire solution.
- **Design with long-term portability in mind**, especially where heirs have different residency paths and life stages.



Benjamin Fiorino
Wealth Planner / Tax and Legal
Counsel - France and Monaco

When Monaco Residency Is Not Enough – Managing French Succession Exposure for International Families

Building on his Country Focus article examining the France–Monaco corridor, Benjamin Fiorino shares a case study to illustrate a recurring and often misunderstood issue: Monaco residency alone does not eliminate French inheritance tax exposure, particularly where heirs are resident in France.

The Client

Family structure and residence

The client is a 64-year-old UK national resident in Monaco. He has two children who have lived in France for more than 15 years and are fully French tax resident.

Asset profile

His estate comprises:

- €4 million of French real estate
- €10 million of financial assets held as portfolio investments and liquidity

Initial misconception: Monaco residency as a shield

Under Monaco law, assets located in Monaco are exempt from inheritance tax in the direct line. This often creates the assumption that Monaco residency is sufficient to eliminate French inheritance tax exposure. However, this protection does not extend automatically to cross-border situations involving French-resident heirs.

Under French domestic tax law, inheritance tax applies to worldwide assets inherited by French-resident beneficiaries where they have been resident in France for at least six of the ten years preceding death. Both children met this condition, creating significant exposure beyond the client's French real estate.

The Solution

Confirming treaty ineligibility

The first step was to assess whether the client could rely on the France–Monaco inheritance tax treaty. While the treaty can, in certain circumstances, prevent France from taxing financial assets held by a Monaco resident, its application is not based on residency alone.

In practice, treaty protection depends on nationality. Unlike some other inheritance tax treaties concluded by France, the France–UK treaty contains no non-discrimination clause based on nationality. As a result, the client, as a UK national, could not rely on the Franco–Monégasque treaty.

When Monaco Residency Is Not Enough - Managing French Succession Exposure for International Families

Impact of French domestic law

Without treaty protection, French domestic law applied in full. Given that the heirs were long-term French tax residents, Article 750 ter of the French Tax Code resulted in French inheritance tax on the client's worldwide estate.

Implementing life insurance structuring

To mitigate this exposure, the €10 million financial portfolio was restructured through qualifying life insurance contracts under Article 990 I of the French Tax Code. This allowed the financial assets to benefit from a separate inheritance tax regime with preferential allowances and rates.

French real estate remained taxable in France under standard inheritance tax rules, but the restructuring substantially reduced the portion of the estate exposed to the highest marginal tax rates.

The Benefits

Baseline outcome without structuring

Without any planning, the entire €14 million estate would have been taxable in France. After applying allowances, each child would have faced an inheritance tax liability of approximately €2.85 million. This resulted in a total tax cost of around €5.7 million and an effective tax rate of approximately 41%.

Outcome following life insurance structuring

Following the restructuring:

- Financial assets benefited from the life insurance inheritance tax regime, reducing tax to approximately €1.44 million per child
- French real estate remained taxable, generating inheritance tax of approximately €750,000 per child

Overall tax efficiency achieved

Total inheritance tax fell to approximately €4.4 million, reducing the effective tax rate to around 31%. The planning generated an estimated €1.3 million inheritance tax saving while preserving clarity, flexibility and control in the succession strategy.

Conclusion

This case demonstrates that Monaco residency, while often viewed as decisive in inheritance tax planning, offers no universal protection where succession involves French-resident heirs. Outcomes are driven less by residence or asset location, and more by nationality, treaty eligibility and the extraterritorial reach of French tax law.

For families operating along the France-Monaco corridor, early confirmation of treaty access is essential. Where protection is unavailable, proactive structuring remains critical to avoid unintended worldwide taxation and restore predictability in succession outcomes.

Key Takeaways for Advisers

- **Verify treaty access rigorously**
Residency alone is insufficient. Nationality remains a decisive factor when assessing eligibility for the France-Monaco inheritance tax treaty.
- **Assess successor residency, not just asset location**
French-resident heirs can trigger worldwide inheritance taxation, even where the deceased is resident outside France.
- **Use life insurance strategically where treaties do not apply**
In the absence of treaty protection, life insurance provides a robust, predictable and well-established framework to mitigate French inheritance tax exposure.

Given the complexity of cross-border succession planning, advisers should speak with their Utmost sales representative to obtain further advice and support in assessing appropriate solutions for their clients.



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Protecting Blended Families in France Through Beneficiary Clause Engineering

Blended families are now a defining feature of modern wealth planning in France, exposing the limits of traditional succession tools. While life insurance is often associated with tax efficiency, its true strength lies in the flexibility it offers through advanced beneficiary clause design.

In this case study, Benjamin Fiorino illustrates how structured beneficiary clause engineering can reconcile competing family interests, preserve control and deliver long-term protection for complex family situations.

The Client

The client is a French resident, married under a separation of property regime. He has one adult child from a previous relationship and three minor children with his current spouse.

His objectives reflect a common reality for high-net-worth individuals in blended family situations:

- Provide meaningful financial security for his spouse
- Ensure equitable treatment across all children
- Avoid unintended wealth transfers or future conflict
- Retain oversight over how capital is accessed and used over time

Protecting Blended Families in France Through Beneficiary Clause Engineering

A conventional beneficiary clause would not achieve this balance. A simple sequential designation, such as “spouse, failing which children”, risked either concentrating wealth too heavily with one beneficiary or creating tensions between family branches.

The Solution

Rather than treating the beneficiary clause as an administrative detail, it was used as a central structuring tool.

A bespoke beneficiary clause was engineered to reflect the client’s family dynamics, legal environment and long-term objectives. The solution incorporated several integrated features.

Simultaneous allocation across beneficiaries

Capital was allocated between the spouse and the children from the outset, rather than through a sequential hierarchy. This created immediate clarity and balance.

Usufruct and bare ownership structuring

The spouse was granted usufruct rights, allowing access to income and financial flexibility, while the children retained bare ownership of the capital. This structure aligned protection for the surviving spouse with long-term preservation for the next generation.

Built-in adaptability through conditional provisions

The clause was designed to evolve over time, incorporating provisions to address:

- Predecease scenarios
- Age-related milestones for younger beneficiaries
- Changes in family circumstances

Governance and protection mechanisms

Specific safeguards were included to:

- Control access to capital for minor or inexperienced beneficiaries
- Prevent premature or imprudent dissipation of wealth
- Encourage disciplined, long-term financial behaviour

Through this structured approach, the life insurance policy became a fully-fledged estate planning framework rather than a simple payout mechanism.

The Benefits

This beneficiary clause design delivered several tangible outcomes for the client and his family:

- Clear protection for the surviving spouse without undermining children's long-term interests
- Equitable treatment across family branches, reducing the risk of future disputes
- Ongoing governance and control over how and when capital is accessed
- A flexible structure capable of adapting as family circumstances evolve
- Succession planning that operates alongside, rather than in conflict with, French civil law

Crucially, these outcomes could be achieved without multiplying structures or relying on rigid solutions that are difficult to amend over time.

Key Takeaways for Advisers

- **Treat the beneficiary clause as a core planning tool**, not an administrative formality. It can be one of the most powerful structuring mechanisms available.
- **Use life insurance to manage competing family objectives**, particularly in blended families where fairness and protection must be carefully balanced.
- **Combine usufruct and bare ownership thoughtfully** to align short-term protection with long-term transmission.
- **Build conditional logic into beneficiary clauses** to ensure structures remain adaptable as family circumstances change.
- **Introduce governance mechanisms proactively** to protect younger or vulnerable beneficiaries and preserve wealth over time.
- **Position life insurance as a structuring framework**, working alongside other tools rather than as a standalone tax solution.

For advisers working with blended families in France, partnering with experienced structuring specialists can be critical. The wealth planning teams within **Utmost Group** support advisers in designing beneficiary clauses that align with the client's legal, tax and family environment, helping translate complexity into robust, long-term solutions.

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