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NAVIGATOR

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Editorial comment

Aidan Golden
Head of Group Technical Services

Welcome to the Summer 2025 edition of NAVIGATOR.

This quarter, our **Technical Spotlight** focuses on a theme that continues to gain traction among HNW and UHNW investors: **alternative assets and private markets.** As interest in private markets grows, so too does the need for robust structuring and operational support. To explore this further, I sat down with **Domenico Iacono**, Head of Group Complex Assets and Investment Data, to discuss how clients and advisers are responding to this shift – and the practical challenges that come with it.

We also feature expert insights on how **insurance-based solutions can support the integration of private market investments into long-term wealth strategies.** Peter Tung outlines how insurance solutions can be tailored to meet the needs of wealthy families in Asia, while Brendan Harper explores how our multi-support framework enables flexible access to private markets through a single, scalable structure.

In **Regulation, Tax and Compliance**, we cover major developments across Europe and Asia — including **France's Supreme Court ruling on beneficiary nominations, Thailand's new tax on overseas income, Spain's proposed 100% transfer tax, and Belgium's upcoming capital gains tax.** Each article outlines the implications for advisers and clients, and how insurance-based planning can help navigate the changes.

Our **Country Focus** section offers practical guidance on estate planning in **Spain and France**, with a spotlight on the importance of beneficiary nominations and the legal clarity surrounding unit-linked life insurance.

Finally, our **Case Study Insights** feature shows how tailored structuring helped a British national simplify a complex cross-border investment when relocating to Spain.

We hope you enjoy this edition and welcome your feedback.

Aidan Golden
Head of Group Technical Services

Key articles in this issue

Alix Devalmont
Senior Wealth Planner – France

France's Supreme Court Reverses Stance on Beneficiary Nomination Changes

A recent ruling by the French Supreme Court has shifted the legal landscape regarding changes to beneficiary nominations in life insurance policies.

On 3 April 2025, the Court re-established a more liberal approach, stating that only the policyholder's clear and unequivocal intention is required for a valid modification – removing the previously established requirement to notify the insurer.

Legal Shift in Beneficiary Nomination Requirements

Under Article L.132-8 of the French Insurance Code, a policyholder may amend a beneficiary clause – if not previously accepted – via a contract rider, formalities under Article 1690 of the Civil Code, or a testamentary disposition. While the law is clear, the Supreme Court has ruled several times on the conditions of validity.

Earlier decisions (Cass. Civ. 1ère 6 May 1997 and Cass. Civ. 2ème 13 September 2007) allowed unilateral amendments without formal requirements, provided the policyholder's intention was certain and unequivocal. Notification to the insurer was mentioned but not deemed essential.

However, subsequent rulings (Cass. Civ. 2ème 13 June 2019 and 10 March 2022) introduced a stricter interpretation, requiring notification to the insurer before death as a condition of validity.

The latest decision (Cass. Civ. 2ème 3 April 2025) reverses this stance. The Court ruled that the policyholder's <u>certain and unequivocal</u> intention alone determines validity, even if the insurer was unaware of the change before paying the death benefit.

Implications For Insurers and Policyholders

This ruling introduces two key challenges:

- **Judicial assessment of intent:** Courts of Appeal must determine whether the policyholder's intention was genuinely certain and unequivocal.
- **Insurer liability:** If a change is revealed post-payment, insurers must demonstrate good faith to avoid liability. Under Article L.132-25, payment made in good faith discharges the insurer, but liability may arise if the original beneficiary cannot reimburse the rightful recipient.

Increased Uncertainty and the Adviser's Role

This decision creates uncertainty for both insurers and policyholders. Insurers may face claims from newly identified beneficiaries after benefits have been paid. Policyholders may question whether unnotified changes will be honoured

Advisers play a critical role in guiding clients. To safeguard the policyholder's intentions, it is essential to notify the insurer of any changes to the beneficiary clause.

Key Actions for Advisers

- **Review all existing policies:** Ensure beneficiary nominations are up to date and reflect the client’s current intentions.
- **Document the rationale:** Clearly record the reasoning behind each nomination to support future interpretation of intent.
- **Encourage insurer notification:** While no longer legally required, notifying the insurer remains best practice to reduce disputes and delays.
- **Educate clients on risks:** Help clients understand the potential consequences of informal or undocumented changes.
- **Stay alert to legal developments:** This ruling may influence future cases—ongoing awareness is essential.

Peter Tung
Tax and Legal Counsel – Asia

Thailand’s Overseas Income Tax Shift: The Role of Insurance-Based Solutions

Thailand has introduced sweeping changes to the taxation of overseas income. From 1 January 2024, all overseas income remitted into Thailand by tax residents is now taxable – regardless of when it was earned. However, a proposed exemption for 2025 offers a unique opportunity.

Why This Matters Now

In response to global tax transparency efforts, Thailand has overhauled its rules on remitting overseas income. The once-common strategy of deferring remittances to avoid tax is no longer effective as of 2024. However, a proposed exemption for 2025 presents a time-limited planning opportunity. In this context, ILPs offer a powerful alternative for protecting, growing, and transferring wealth in a tax-compliant manner.

Key Changes and Planning Implications

1. 2024: Overseas Income Now Taxable on Remittance

From 1 January 2024, all overseas income remitted into Thailand by a Thai tax resident is subject to personal income tax, regardless of when the income was earned.

Implication: Clients can no longer rely on delayed remittance to avoid tax. Legacy overseas funds must be reviewed for potential exposure.

2. 2025–2026: Proposed Tax Exemption Window for New Income

A draft regulation proposes that overseas income earned in 2025 and remitted during 2025 or 2026 will be exempt from personal income tax. While not yet enacted, this presents a valuable planning window.

Implication: Clients should consider aligning income realisation and remittance with this window. ILPs can help manage these flows in a compliant, tax-efficient manner.

3. Increased Scrutiny of Cross-Border Transfers

Traditional cross-border planning tools – such as gifts, shareholder loans or distributions from overseas companies – are now under greater scrutiny. Poor documentation may result in these inflows being reclassified as taxable income.

Implication: Work closely with tax counsel to ensure proper classification and documentation. ILPs may reduce complexity and mitigate tax risks.

4. Strategic Use of ILPs

ILPs offer powerful tools for wealth accumulation, tax deferral, and succession planning:

- **Death Benefits:** Tax-exempt for beneficiaries under Thai law, enabling efficient and private wealth transfer.
- **Periodic Payments:** For example, scheduled withdrawals, annuities, are generally treated as tax-exempt "income from insurance" under Thai tax practice.
- **Partial Withdrawals (capital Component):** Withdrawals up to the amount of premiums paid are typically non-taxable.
- **Succession Planning and Structural Efficiency:** ILPs offer probate avoidance, flexible access to overseas assets, and tax deferral on investment growth.

Repositioning overseas assets into ILPs can support tax-deferred growth, tax-exempt income, and create a compliant structure for cross-border succession and liquidity planning.

Thailand's revised tax treatment of overseas income requires a strategic and proactive response. While deferral-based tactics have ended, the 2025 window offers a valuable opportunity. ILPs offer clients a powerful and compliant means of managing wealth in a changing landscape.

As global transparency increases, compliant, tax-smart structures like ILPs are no longer optional – they're essential tools in every wealth manager's toolkit.

Key Takeaways for Advisers

- **Reassess 2024 remittance strategies:** Overseas income remitted in 2024 is now taxable – review client plans accordingly.
- **Leverage the 2025 exemption window:** Consider aligning income realisation and remittance with the proposed tax-free period.
- **Use ILPs for tax efficiency:** Investment-linked insurance policies can support tax deferral, exempt income, and compliant wealth planning.
- **Review cross-border structures:** Gifts, loans, and distributions face greater scrutiny—ensure proper documentation and classification.
- **Collaborate with experts:** Work with Utmost and Thai tax advisers to ensure compliance and proper structuring.

References

Thailand Revenue Department Official Notices (2023–2025 proposals)

Thai Revenue Code, Section 41 & 42(13)

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Ester Carbonell van Reck
Senior Wealth Planner

Spain's Proposed 100% Transfer Tax Could Reshape Foreign Property Investment

On 22 May 2025, the Spanish Government submitted a Bill to Congress proposing a 100% state transfer tax on certain real estate acquisitions by non-EU residents. Aimed at curbing speculative investment and promoting affordable housing, the measure has sparked legal and political debate. If enacted, it could significantly affect foreign investors and Spain's real estate market.

Background: Spain's Housing Market Under Pressure

In recent months, the housing market has become a focal point in Spain's political and fiscal agenda – both regionally and nationally. Skyrocketing purchase and rental costs have prompted calls for reform, with the Government committed to increasing the availability of affordable housing for Spanish residents and limiting speculative practices.

Several tax measures have already been introduced, while others – such as the proposed 100% transfer tax – remain under parliamentary review.

What Is the Proposed New Tax?

- The draft legislation introduces a state tax on real estate acquisitions by non-EU individuals or legal entities. It excludes the Basque Country and Navarre and applies only to second-hand properties not subject to VAT.
- The taxable base is the property's reference value, as defined in the Cadastral regulations. If the declared purchase price or agreed consideration is higher, that value will apply.
- In practice, this means that a non-EU resident purchasing a second-hand property valued at €1 million could face a €1 million transfer tax, in addition to notary and registration costs in Spain.
- Regional transfer tax (Impuesto sobre Transmisiones Patrimoniales, or ITP) already applies to second-hand properties. Rates range from 6% to 13%, depending on the Spanish Autonomous Region (e.g. up to 6% in Madrid, 11% in Cataluña, 13% in the Balearics). Any ITP already paid by the taxpayer regionally would be deducted from the new state tax.
- New builds are excluded, as they are subject to VAT at 10%.

The Bill also proposes:

- Increasing VAT on holiday rental income from 10% to 21%.
- Reducing tax benefits for Spanish Real Estate Investment Trusts (REITs), such as SOCIMIs.
- Introducing tax incentives for renting properties at affordable prices.

Will The Bill Be Approved?

The Bill is still in its early stages. It has been submitted to Congress but has not yet been accepted for discussion. If accepted, a special commission will be appointed, and political parties will have the opportunity to propose amendments. The process is expected to take time, particularly given the Government's fragile position following a major corruption scandal.

If Congress approves the Bill, it will move to the Senate. Given the Senate's conservative majority, rejection is possible. In that case, the proposal would return to Congress for a final decision.

Political consensus appears unlikely in the short term, especially following recent corruption scandals affecting the Socialist Government.

Legal And Constitutional Challenges

The proposed tax is likely to face legal scrutiny, particularly under European Union law. It may breach Article 63 of the Treaty on the Functioning of the European Union (TFEU), which prohibits restrictions on the free movement of capital between EU Member States and third countries.

Relevant precedents include:

- **2014:** The Court of Justice of the EU ruled against Spain for the discriminatory treatment of non-residents regarding to Inheritance and Gift tax. Spain amended the law in 2015 for EU residents and was further compelled to apply equal treatment to non-EU residents (i.e. third countries) after a 2018 Supreme Court ruling.
- **Wealth Tax:** Revisions allowed non-EU residents to benefit from regional allowances.
- **2022:** The newly approved Solidarity Tax initially excluded non-residents from the €700,000 exemption. This was later corrected retroactively.
- **Ongoing:** Several Spanish lawyers and non-resident taxpayers have already submitted claims to the European Commission denouncing that the current taxation of Spanish rental income for non-EU/EEA residents is also discriminatory.

Given this context, a 100% transfer tax targeting only non-EU residents is vulnerable to annulment or modification. It may be deemed confiscatory or unconstitutional under Spanish law.

Notably, legal professionals who previously challenged Spain's Form 720 penalty regime are preparing to contest this proposal at the European level if it progresses.

Potential Impact on Foreign Investors

If enacted, the tax could deter HNWIs from countries such as the USA, UK, UAE, Switzerland, Norway, and Latin America. Many investors purchase Spanish property as part of pre-immigration planning before relocating permanently and becoming Spanish residents. The proposed tax could disrupt their timings and plans.

Spain Remains an Attractive Destination

Despite the uncertainty, Spain continues to offer strong appeal for globally mobile wealthy families.

With appropriate legal and tax advice, pre-immigration planning, and tailored insurance-based wealth solutions, Spain remains a top-tier destination for HNWIs. It offers a high quality of life, favourable climate, strong education and healthcare systems, and a supportive business environment.

While the proposed 100% transfer tax is still under parliamentary review, it has already raised concerns among legal experts, investors and EU institutions. If enacted, it could reshape the landscape for non-EU investors in Spanish real estate. However, legal and political hurdles may delay or dilute its implementation.

Key Takeaways for Advisers

- **Understand the scope:** The proposed tax targets second-hand property purchases by non-EU residents; new builds are excluded.
- **Note additional tax changes:** VAT on holiday rental income may rise from 10% to 21%.
- **Expect legal challenges:** The measure may breach EU law and Spain's constitution, making annulment or modification likely.
- **Monitor legislative progress:** The Bill is in early stages and may face delays, amendments, or rejection.
- **Support clients with planning:** Spain remains attractive for HNWIs with proper pre-immigration planning and structuring.

Nicolaas Vancrombrugge
Senior Wealth Planner - Belgium and Luxembourg

Belgium Introduces Capital Gains Tax on Financial Assets

The Belgian government has agreed to introduce a new capital gains tax (CGT) on financial assets held by Belgian residents. The tax will take effect from 1 January 2026 and will apply to a broad range of financial products, including unit-linked life insurance contracts.

Overview of the New Capital Gains Tax

Belgium has long stood out as one of the few countries without a general capital gains tax on financial assets. This will change from 1 January 2026, following the government's recent agreement on a new CGT regime.

This article outlines the key features of the proposed tax based on early commentary and a preliminary draft law. We also provide initial insights into its impact on unit-linked life insurance contracts.

Important: As the final draft law is not yet published, some details may change. We will update this article once the final version is available.

Scope of the New Tax

At present, we believe the following key points are especially relevant for financial intermediaries advising Belgian clients and working with insurance-based solutions:

- **CGT will apply to all financial products**, as defined by the law, including listed and unlisted equities, bonds, derivatives, investment funds, ETFs, cryptocurrencies, gold, and insurance-based investment contracts such as Branch 21 and Branch 23.
- **The tax will be triggered upon the realisation of gains**, typically at the point of sale. A flat rate of 10% will apply, with an annual exemption of €10,000 per investor. **Unused exemptions can accumulate** by €1,000 per year, up to a maximum **of €15,000 over five years.**
- **CGT will only apply to disposals for valuable consideration.** Transfers due to death, gifts, or marital contributions will be exempt.
- **Gains realised before 31 December 2025** will not be subject to the new tax.
- **Losses can only offset gains within the same tax year.** Investors cannot carry losses forward to the next tax year.
- **Branch 21 (fixed return) and Branch 23 (unit-linked) insurance policies** will fall within the CGT scope, but only on withdrawals or surrenders. The following points are relevant:
  - **The 2% insurance premium tax at inception will remain.** The law may allow this tax to offset CGT, but the mechanism is not yet defined.
  - **No CGT will apply to beneficiaries** receiving policy proceeds due to the death of the life assured or through a gift of policy rights.
- **An exit tax will apply** if a Belgian resident relocates and realises gains within two years of departure. Non-residents must report such gains, with stricter rules for moves to non-EU countries.
- **Existing capital gains taxes will remain in place.** This may lead to double taxation in some cases. For example, the **30% Reynders tax** on fixed-interest investment funds and the **33% tax** on speculative transactions will still apply.
- **The new CGT will apply only to individuals.** Belgian companies already subject to corporate tax are excluded. However, legal entities not under the corporate regime, such as foundations and non-profits, will be subject to the new tax.
- **A reduced, progressive CGT rate will apply** to gains on shares in private companies where the investor holds **at least a 20% stake.**

Implementation Timeline and Practical Considerations

The draft law will soon be submitted to the Council of Ministers. It will then be reviewed by the Conseil d'État/Raad van State (Council of State), which has 30 days to issue its opinion.

Following this review, the draft will be introduced in Parliament. Although minor amendments may occur, approval is expected given the government's majority.

Parliament is likely to approve the law by October or November 2025, enabling it to take effect from 1 January 2026.

From 2026, Belgian financial institutions will be required to withhold CGT on gains, with an opt-out mechanism available to investors. This change will place a significant administrative burden on banks and insurers, and timely implementation may prove challenging.

For financial assets held abroad, Belgian residents must declare capital gains in their tax returns. They must also request the €10,000 exemption in their tax declaration, even for assets held with Belgian financial institutions.

The new regime is expected to significantly complicate the already complex tax declaration process for Belgian residents from the 2026 tax year onward.

Why this Matters for Your Clients

The new CGT regime may enhance the appeal of unit-linked life insurance contracts for Belgian residents. As CGT applies only on withdrawal or surrender, these contracts offer tax deferral benefits.

They may allow gains to offset losses over time, depending on future clarifications and simplify administration.

Advisers with Belgian-resident clients should review clients' investment structures now to ensure readiness for the new tax regime.

Key Takeaways for Advisers

- **Act now:** Review clients' investment structures ahead of the 1 January 2026 CGT introduction.
- **Leverage insurance solutions:** Branch 21 and 23 contracts may offer tax deferral benefits under the new regime.
- **Prepare for reporting:** Clients with foreign assets will face more complex tax declarations.
- **Stay informed:** The law is still in draft form – details may change.

Technical Spotlight

Alternative Assets and Private Markets

Peter Tung
Tax and Legal Counsel – Asia

Bespoke Integration of Alternative Investments in Asia

High-net-worth (HNW) families in Asia are increasingly turning to private equity (PE) and alternative investments to enhance returns and diversify portfolios. When structured within insurance-based wealth solutions like an Investment-Linked Insurance Policy (ILP) – the product commonly used in Asia that combines investment and protection elements – these assets can support long-term wealth preservation and succession planning.

Meeting The Growing Demand in Asia

- **HNW investors are expanding beyond traditional asset classes to include PE, venture capital, hedge funds and more.**
- **ILPs offer a tax-efficient, long-term framework for holding diverse assets.**
- **Utmost's open-architecture design allows for bespoke allocations aligned with individual client goals.**

Utmost's Bespoke Asset Acceptance Framework

Utmost evaluates alternative assets such as PE within the context of a client's overall policy portfolio. Each proposal undergoes a rigorous, holistic review focused on diversification and risk-return enhancement. Key considerations include:

- **Portfolio Context:** Alternative assets are assessed based on their role within the broader portfolio.
- **Robust Due Diligence:** Comprehensive review includes:
  - » **Structure and Underlying Holdings** – Full transparency into the asset's structure and its underlying holdings.
  - » **Manager Credentials** – Track record and management expertise.
  - » **Liquidity Profile** – Clarity around redemption terms, lock-up periods, and exit timelines.
  - » **Valuation Methodology** – Independent, verifiable, and conducted on a regular basis.
  - » **Comprehensive Documentation** – Detailed review of prospectuses, factsheets, and offering documents.

Regulated Crypto Assets: A Limited Role

Only regulated instruments, such as ETFs, may be considered – and only for diversification. These are never core holdings and require full client risk acknowledgment.

Growing Adviser Interest in AMCs

Advisers are increasingly exploring Actively Managed Certificates (AMCs). Utmost can consider these, subject to the same due diligence standards, including transparency on any underlying non-bankable assets.

Transparency and Reporting

Ongoing, clear reporting on asset performance and valuation is essential for all accepted investments.

The HNW Client–Adviser–Insurer Partnership

Successful integration of alternatives into insurance solutions depends on a strong three-way collaboration:

1. **Client Risk Declaration:** Clients must formally acknowledge the risks of each proposed alternative investment.
2. **Adviser Insight:** Advisers provide critical perspective on how the asset supports the client's broader financial and succession goals.
3. **Utmost's Expert Guidance:** We set clear feasibility parameters early in the process, ensuring all parties understand the acceptance criteria.

Why Use Alternatives in an Insurance Solution for Succession?

Incorporating alternatives into insurance-based solutions, such as an ILP, can offer:

- **Tax Efficiency:** Potential for tax deferral or exemption on investment returns.
- **Consolidation and Control:** Centralised management of diverse holdings within a single arrangement, across generations.
- **Estate Planning Certainty:** Streamlined wealth transfer that can potentially bypass probate.
- **Long-Term Alignment:** Well-suited to the extended time horizons typical of private market investments.

Partnering with Utmost – Specialists in Complex Wealth Solutions

Utmost specialises in bespoke insurance-based wealth solutions for Asia's HNW families, offering:

- **Open Architecture** – Flexibility to integrate sophisticated alternative assets.
- **Custom Asset Assessment** – Willingness to evaluate alternatives like PE on a case-by-case basis.
- **Technical Expertise** – Deep understanding of how to incorporate complex investments into insurance solutions.
- **Alignment with Client Goals** – Focused on long-term wealth preservation and seamless succession planning.

Strategic Alternatives for Legacy Planning

Private markets and alternative assets offer compelling diversification and return potential for Asia's HNW investors.

Utmost's flexible insurance-based solutions can provide a robust framework for their tax-efficient integration – provided they enhance overall portfolio quality and meet our strict due diligence criteria.

With clear client risk acknowledgment and adviser alignment, these assets can serve as powerful tools for long-term growth and legacy planning.

Key Takeaways for Advisers

- **Rising demand for alternatives:** HNW clients in Asia are increasingly allocating to private equity, venture capital, and hedge funds.
- **ILPs offer a strategic structure:** Investment-linked insurance policies provide a tax-efficient, long-term structure for holding alternative assets.
- **Utmost enables bespoke integration:** Open architecture allows tailored asset inclusion, subject to rigorous due diligence.
- **Client risk acknowledgment is essential:** Formal recognition of investment risks is required for all alternative asset proposals.
- **Adviser insight adds value:** Advisers play a key role in aligning asset selection with clients' broader wealth and succession goals.

Brendan Harper
Head of Asia and HNW
Technical Services

Insurance-Based Solutions: The "Multi-Support Bento-Box" for Private Market Investments

This year is shaping up to be a strong one for private markets, with more high-net-worth (HNW) individuals diversifying into alternative assets. This trend is driven by increasing global instability and continued stock market volatility. Amidst this challenging environment, global private markets assets under management (AUM) are proving resilient.

According to McKinsey's *Global Private Markets Report 2025*, total private markets AUM – comprising asset classes such as private equity, real estate, private debt and infrastructure – reached approximately $12.9 trillion by the end of 2024.

How Investors Typically Access Private Markets

Investors generally access private markets through a combination of:

- **Direct investments**, such as special purpose vehicles, transparent partnership structures, or unlisted securities.
- **Indirect investments**, typically via specialist or feeder funds structured for professional investors and domiciled outside the EEA.

These approaches introduce complexities not usually encountered with traditional bankable portfolios, including:

- Increased tax reporting and compliance obligations, both domestically and internationally.
- Exposure to overseas estate and transfer taxes.
- Greater complexity and cost in succession planning.

The Insurance-Based Solution

Multi-support insurance can help address these challenges. Depending on the policyholder's jurisdiction, private markets can be accessed through insurance in a tax-compliant manner that:

- Simplifies tax reporting and compliance.
- Resolves issues related to asset recognition and classification in the policyholder's country of residence.
- Consolidates assets within a structure designed to enhance tax and succession planning outcomes.

Understanding The Multi-Support Model

What Is a Multi-Support Structure?

Utmost's ability to offer "multi-support" options enhances planning flexibility. The term "multi-support", a phrase, coined in Europe, with no elegant English translation, refers to structuring an insurance policy using a combination of underlying investment models, including:

- **Self-selection:** Policyholders choose from a range of external funds, equities, bonds, and complex investments, subject to local tax and regulatory rules.
- **Advisory:** A qualified investment adviser recommends strategies aligned with the policyholder's risk appetite, with final decisions made by the policyholder.
- **Discretionary:** An authorised asset manager manages the portfolio in line with the policyholder's agreed investment strategy.

The Bento-Box Analogy

A multi-support structure can be visualised as a "bento-box", where a combination of these models is compartmentalised within a single policy. This offers several advantages for private market investors:

- Combining a traditional bankable portfolio (managed on a discretionary basis) with a self-select component for complex assets.
- Engaging multiple investment professionals, such as a traditional asset manager and a private markets specialist.
- Blending "buy and hold" strategies with active management.
- Generating liquidity, for example:
  - » Holding a liquid portfolio alongside a private equity fund to meet capital calls.
  - » Using distributions from alternative investments to fund additional life cover.
  - » Using the policy as collateral for private venture financing.
- All within a tax-compliant structure that simplifies financial and estate planning, with transparent pricing.

Jurisdictional Flexibility and Global Support

Access to private markets via insurance varies by jurisdiction. Greater flexibility is typically available to policyholders in Asia, the Middle East, and Sweden. In contrast, policyholders in the UK or other European jurisdictions may be limited to compliant fund structures or full delegation of investment management.

With a global footprint, Utmost provides the technical expertise to guide policyholders and their advisers through these jurisdictional nuances.

Consolidated Oversight and Governance

Utmost operates under a robust regulatory framework and has deep experience in administering and valuing complex assets. Our multi-support solutions provide policyholders with a consolidated dashboard of their total holdings, supporting long-term planning and governance.

Multi-support insurance policies offer a flexible and compliant framework for integrating private market investments into long-term wealth planning. By combining different investment models within a single policy, HNW clients can tailor their portfolios to meet their specific goals, manage risk, and simplify succession planning across jurisdictions.

Key Takeaways for Advisers

- **Multi-support policies** allow for a blend of self-directed, advisory, and discretionary investment models.
- These structures can accommodate **complex private market assets** while maintaining tax and regulatory compliance.
- They offer **flexibility to combine traditional and alternative investments** within a single policy.
- **Utmost Wealth Solutions can provide technical expertise** and a robust framework for evaluating and administering these solutions.
- **Advisers play a critical role** in aligning investment strategies with client goals and ensuring suitability.

Aidan Golden
Head of Group Technical Services

Domenico Iacono
Head of Group Complex Assets and Investment Data

Private Markets Are Booming – But Are Your Clients Ready?

With private equity flows surging and high-net-worth investors doubling down on alternative assets, the landscape is shifting fast. But behind the headlines lies a complex operational reality – and a level of risk – that not every investor is prepared for.

Aidan Golden sat down with Domenico Iacono, Head of Group Complex Assets and Investment Data, to unpack what's really driving HNW and UHNW demand – and how advisers can guide clients wisely through this evolving space.

Read the full interview for Domenico's insights, practical guidance, operational examples, and essential adviser-focused commentary.

Executive Summary

Private markets are gaining traction among HNW and UHNW investors.

Research trends show that allocations to private equity, private credit and infrastructure are increasing as investors seek diversification, long-term performance and perceived stability. According to MSCI, private equity delivered a 13% annualised return from 2000 to 2024, compared to 8% for public equities. While illiquid, private markets are seen by some as offering lower volatility – a key consideration in today's uncertain environment.

Generational wealth transfer is influencing investment attitudes.

With over $106 trillion expected to pass from older generations to Gen X and millennials, advisers are seeing a shift in risk appetite and openness to alternative assets. Younger investors may be more comfortable with illiquidity and innovation – but suitability must always be assessed on a case-by-case basis.

Access to exclusive opportunities is a key driver.

Private markets offer exposure to companies and strategies not available through public markets. For example, 80% of US companies with revenues over $100 million are privately owned. This exclusivity is attractive to many HNW clients seeking differentiated opportunities.

Operational complexity requires specialist support.

Private market investments involve capital calls, long lock-up periods and delayed valuations. Missing a capital call can have serious consequences. Advisers should ensure clients have the right infrastructure and partners in place to manage these demands effectively.

Insurance-based solutions can enhance structuring.

When integrated into insurance-based wealth planning, complex assets can support long-term goals such as tax efficiency, estate planning and succession. Utmost Wealth Solutions provides custody and administration services to help advisers manage these assets within compliant, scalable frameworks.

Advisers and family offices play a central role.

Many are building expertise in private markets but still face challenges managing the operational side. Utmost Wealth Solutions work with advisers to handle the administration, allowing them to focus on due diligence, asset selection and client strategy.

Knowledge gaps still exist – especially around tax.

Some advisers may underestimate the tax or regulatory implications of certain structures, such as US limited partnerships. Working with providers who offer technical and compliance support is essential to avoid unintended consequences and ensure client outcomes are protected.

Read the full interview

Country Focus

Nerea Llona
Tax and Legal Counsel – Spain and LatAm

Spain: The Importance of Including a Beneficiary Nomination in Life Insurance

For Spanish resident clients, naming a beneficiary in a life insurance policy is a simple yet vital step in effective wealth transfer.

In this article, Nerea Llona, Tax and Legal Counsel for Spain and LatAm, explains how a properly executed beneficiary nomination can help clients avoid probate, reduce delays, and ensure their wishes are respected.

Life Insurance and Succession Under Spanish Law

Under Spanish law, life insurance contracts operate outside standard succession rules. This means the life insurance policy's death benefit does not form part of the deceased's estate. Therefore, the insurer will pay it directly to the named beneficiaries without the need to go through a probate process.

Article 88 of Insurance Contract Act 50/1980, of 6 October, ("Spanish Insurance Law") establishes this. It explicitly requires insurers to pay the policy's death benefit to nominated beneficiaries as per the provisions of the insurance contract. This applies even if heirs or creditors of the policyholder make claims for it. The same article recognises the right of legitimate or forced heirs and creditors to claim reimbursement from beneficiaries for premiums paid to the detriment of their rights. However, this would be a separate process outside the life insurance policy.

Spanish Insurance Law also states that if there is no designated beneficiary at the time of the relevant life assured's death, the capital becomes part of the policyholder's estate. If the policyholder and the life assured were different people, the death benefit is paid to the policyholder. If they were the same person, it is paid to the policyholder's heirs. However, this process will require probate, delaying significantly its payment.

Key Rules for an Effective Beneficiary Nomination

How to Designate: A beneficiary designation, and any future changes, can be made in the life insurance policy itself. It can also be done in a subsequent written statement, duly notified to the insurer, or in the policyholder's will. This is a personal right of the policyholder.

Specific or Generic Nominations: Beneficiary designations can be specific or generic. No beneficiary consent is required for an effective appointment in Spain. For generic nominations (e.g., spouse, children, heirs), Article 85 of Spanish Insurance Law establishes specific interpretation rules. These must be considered when preparing a beneficiary nomination with a client.

Revocable vs. Irrevocable Nominations: Beneficiaries can be nominated on a revocable or irrevocable basis. According to Article 87 of Spanish Insurance Law, the policyholder may revoke a beneficiary designation at any time. This is unless they have expressly waived this right in writing. Additionally, this revocation must be made in the same manner as the initial nomination. However, in case of an irrevocable nomination, the policyholder will lose all economic rights over the policy. This includes the right to surrender, pledge, or assign the policy.

Key Benefits of Beneficiary Nominations in Spain

- **Avoids Delays and Probate:** A valid beneficiary nomination allows the insurance benefit to bypass probate entirely. This significantly reduces delays and costs. It avoids a long and burdensome process that could take up to 12 months, depending on estate complexity.
- **Efficient and Confidential Payment:** Beneficiary nominations in Spain are not subject to public registration. This means the payment of the insurance benefit is both private and efficient. This helps families manage succession discreetly, particularly during difficult times.
- **Simple to Implement:** A beneficiary can be nominated when the life insurance policy is set up, typically in the application form. It can also be done later through an ad-hoc beneficiary nomination form or via a will. However, as previously explained, it is generally easier in the life insurance policy or via a beneficiary nomination form. Unless made irrevocable, beneficiary nominations are flexible can be updated at any time during the policy's life by the policyholder.

Why This Matters for Your Clients

Including a beneficiary nomination ensures the insurance benefit transfers efficiently and according to the policyholder's wishes. It avoids excessive administrative burdens or legal uncertainty. This provides policyholders with control and peace of mind. It also gives families clarity and support during an emotionally difficult time.

Professional advisers and insurers play a key role in ensuring Spanish resident policyholders understand this important feature and act on it. Therefore, it is strongly recommended to review existing and new life insurance policies for your clients. This confirms that adequate and up-to-date beneficiary nominations are in place. If there are no existing beneficiary nominations for certain policies, or if clients wish to amend previous ones (unless the existing nomination was irrevocable), this can easily be done by completing a beneficiary nomination form provided by the insurer.

A Note for Expat Advisers

Beneficiary nominations on life insurance policies are not common in the UK since they may not be legally enforceable under English law. However, this is a simple, effective, and legally binding succession planning mechanism in civil law jurisdictions such as France and Spain. As such, expat advisers should understand its significance from a Spanish law perspective. They should recommend this practice to Spanish resident clients as it will add value to their services.

Under Spanish law, a properly executed beneficiary nomination is not just best practice. It is a key legal mechanism for effective, secure, and timely succession planning.

Encouraging clients to take this simple step can significantly reduce complexity, costs, and emotional stress for their families. It also ensures wealth is transferred privately and efficiently to the right beneficiaries.

Key Takeaways for Advisers

- **Ensure beneficiary nominations are in place:** A valid nomination allows the insurance benefit to bypass probate and be paid directly to the chosen beneficiary.
- **Avoid delays and complexity:** Without a nomination, the benefit becomes part of the estate and may be delayed by probate.
- **Understand Spanish legal requirements:** Nominations can be made or updated in the policy, by written notice to the insurer, or in a will–revocable unless expressly waived.
- **Support clients with regular reviews:** Encourage clients to review and update nominations as part of ongoing wealth planning.
- **Educate expat clients:** While not common in common law jurisdictions, beneficiary nominations are legally binding and highly effective under Spanish law.

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

France: Legal Clarity for Estate Planning with Unit-Linked Life Insurance

A recent ruling by the French *Cour de cassation* reinforces the legal autonomy of life insurance contracts in estate planning. The Court confirmed that the impact on heirs' mandatory inheritance share is not a valid reason to challenge life insurance premiums, provided they are not manifestly excessive.

This decision enhances legal certainty for clients using unit-linked life insurance to structure their legacies.

The Challenge of Forced Heirship in France

Under French civil law, descendants are entitled to a fixed portion of the estate, regardless of the deceased's wishes. Only the remaining quotité disponible may be freely allocated. These rigid rules can complicate planning for blended families, philanthropic bequests, or non-traditional heirs.

The Role of Life Insurance in Estate Planning

Life insurance – particularly unit-linked contracts – offers a civil law advantage: it exists outside the estate. Provided the premiums are not manifestly excessive, the policyholder may designate any beneficiary, thereby circumventing forced heirship constraints. The 2024 ruling strengthens this exception.

A Case in Point: *Cour de cassation*, 19 December 2024

The case concerned a woman who passed away at age 83 in 2019, leaving her daughter as sole heir. During her lifetime, she contributed €274,800 to a life insurance policy, naming *La Ligue nationale contre le cancer* as beneficiary. In 2011, she made a final payment of €130,000 – approximately 43% of her total assets (€299,441.90 at death).

The daughter contested the contract, arguing that the premium was manifestly excessive and infringed upon her inheritance rights.

The *Cour de cassation* disagreed. It held that only the policyholder's personal circumstances at the time of payment are relevant – not the impact on the heir's share.

The Court reiterated four key criteria for assessing excessiveness:

1. Age of the policyholder
2. Financial resources
3. Family circumstances
4. Usefulness of the contract at the time of payment

This judgment aligns with established jurisprudence: premiums are assessed at the time of payment – not retrospectively – and only in relation to the policyholder's situation, not the heirs' outcome.

Demonstrating the Utility of Life Insurance

To mitigate legal challenges, advisers should demonstrate the contract's utility to the policyholder, especially when premiums represent a significant portion of assets. French case law recognises the following indicators of utility:

- **Reinvestment of liquidity:** Funds from inheritance, gifts, or property sales may be reinvested into life insurance.
- **Access to capital:** The ability to make partial withdrawals supports the contract's utility.
- **Reasonable health outlook:** If the policyholder is not terminally ill, the presence of an aléa (uncertainty) is preserved.
- **Financial rationale:** Life insurance may offer superior long-term returns compared to savings accounts or term deposits and can support active asset management.

These factors demonstrate that the contract served the policyholder's interests – not merely those of the beneficiaries.

Legal and Strategic Takeaways for Estate Planning

This ruling consolidates a long-standing legal principle: life insurance can be used to limit forced heirship rules, provided premiums are justified at the time of payment. Moreover, case law finding premiums to be manifestly excessive remains rare.

For high-net-worth individuals residing in France, unit-linked life insurance is more than a tax-efficient solution – it is a powerful legal tool for bespoke legacy planning.

Properly structured contracts, grounded in financial logic and aligned with the policyholder's capacity, can withstand legal scrutiny – even when they challenge traditional inheritance expectations.

This decision reinforces the value of life insurance as a civil law tool for intergenerational wealth transfer, offering both flexibility and legal certainty.

Practical Guidance for Advisers

The *Cour de cassation* ruling provides a timely opportunity for advisers to support clients navigating France's complex inheritance framework. To help clients make the most of this legal clarity:

- **Use unit-linked life insurance** to help clients limit forced heirship constraints and structure bespoke legacies.
- **Document the policyholder's circumstances** at the time of each premium payment, focusing on age, financial capacity, family situation and the contract's purpose.
- **Demonstrate the contract's utility** by showing access to capital, reinvestment of liquidity and sound financial rationale.
- **Ensure contracts are well-structured** and aligned with the client's profile to withstand legal scrutiny.
- **Position life insurance as a planning tool** — highlight its role in intergenerational wealth transfer and legacy design.

By applying these principles, advisers can offer clients both flexibility and peace of mind – ensuring their intentions are respected and their wealth is transferred efficiently and securely.

Key Takeaways for Advisers

- **Life insurance remains a powerful estate planning tool** in France, offering flexibility and legal certainty.
- **The 2024 ruling reinforces the autonomy of life insurance** from forced heirship rules, provided premiums are not manifestly excessive.
- **Premiums are assessed based on the policyholder's situation at the time of payment**, not the impact on heirs.
- **Well-documented, purpose-driven contracts are key** to withstanding legal scrutiny.
- **Advisers play a critical role** in structuring, documenting, and positioning life insurance as part of bespoke legacy planning.

Case Study Insights

Nerea Llona
Tax and Legal Counsel
– Spain and LatAm

Simplifying Complex Cross-Border Investments: A British National's Move to Spain

Nerea Llona, Tax and Legal Counsel for Spain and Latin America, outlines a recent client scenario involving cross-border property investment and the evolving Spanish tax landscape.

Drawing on her expertise, Nerea explains how tailored wealth structuring and proactive planning helped the client address regulatory challenges and optimise their position under current and proposed tax rules.

The Client

John, a 55-year-old divorced British national and UK-resident HNWI, is preparing to relocate to Madrid. His wealth is held in a complex investment structure that includes private company shares and alternative assets.

To streamline and optimise this transition, he requires a solution that will comply with Spanish regulations while simplifying his investment framework while ensuring compliance with Spanish tax and legal regulations.

John's investment portfolio includes a 100% shareholding in a Maltese holding company ("Malta Holdco"). The company is managed and controlled by a professional services firm in Malta, which also acts as the appointed company director. Within Malta Holdco, there is a diversified investment portfolio comprising private equity, hedge funds and other financial assets. This portfolio is managed by a discretionary asset manager based in Switzerland.

The Solution

To support John's move to Spain, the proposed solution involves transferring 100% of his Malta Holdco shareholding into a Spanish-compliant life insurance policy as a premium in kind. This is executed via a share transfer agreement with the insurer.

Neither the policyholder nor their immediate family may, directly or indirectly, influence the management of the private company or the assets it holds.

Key features of the policy include:

- **Whole-of-life unit-linked Spanish-compliant policy**
- John is both the **policyholder** and **life assured**
- His **children** are named as beneficiaries on death
- Follows a **fixed investment strategy**, as required under Spanish tax law to ensure eligibility for tax deferral. This structure is essential for accepting private company shares within the policy. (This corresponds to the "Type A" investment option under Utmost's product framework.)
- The same **discretionary asset manager** is appointed at policy level to follow the selected strategy

- Any cash or assets distributed from Malta Holdco to the insurer are managed under the same strategy
- A **Swiss bank** acts as custodian
- **Special conditions** can be added to optimise the tax treatment of death benefit payments for Spanish-resident beneficiaries

Once the shares are transferred into the policy, Malta Holdco can be liquidated to further simplify the current structure and reduce associated costs.

The Benefits

This solution offers multiple advantages for John and his advisers:

1. **Simplifies the current investment structure**, reducing administrative complexity and cost.
2. **Ensures compliance** with Spanish tax and regulatory requirements, enabling tax deferral.
3. **Avoids potential exit tax** implications if John chooses to leave Spain in the future.
4. **Provides legal and tax certainty** regarding the treatment of his investments as a Spanish resident.
5. **Supports succession planning**, enabling a smooth and tax-efficient wealth transfer to his children in both the UK and Spain.

Note: Each case involving private company shares must be assessed individually. Requirements may vary depending on the specific circumstances.

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