Personal Tax Planning

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TESTAMENTARY PLANNING TO AVOID DOUBLE TAXATION

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Planning for the transfer of assets on the death of a shareholder often requires the estate planner to consider strategies to avoid the potential for double taxation. This concern usually arises in the context of corporate-held capital assets, but some of the decisions to be made are also applicable when assisting shareholders of private companies in designing a shareholders' agreement dealing with the death of a shareholder and the use of life insurance. The purpose of this article is to review the traps and opportunities to be considered by advisers when planning to eliminate double taxation arising on the death of a shareholder.

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