

Anthony & Cie gave me an umbrella... which reduced my tax!

Roger
LONDON

Limiting wealth tax, receiving income with a tax reduction, reducing taxation on capital gains, benefiting from significant reductions in inheritance tax... all this is possible with the appropriate, legal usage of a life insurance policy. This structure is governed by French law by a specific code: the insurance code.

As wealth managers, we can independently propose the structures which are the best adapted to our clients' needs.

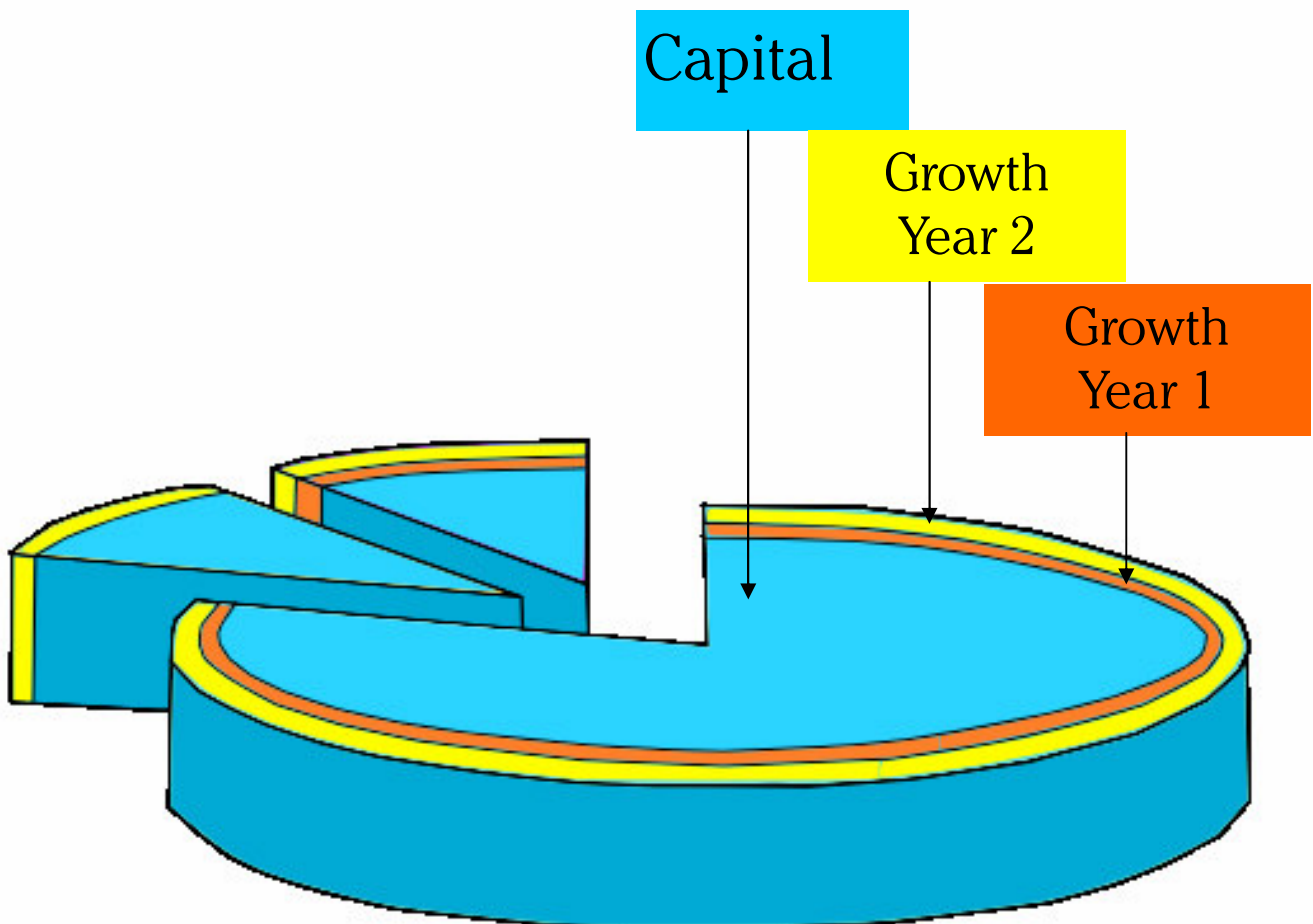
Anthony & Cie offers a complete tailor-made service: helping you select the right product, assessing your personal needs, and helping you find, if necessary, financing for any future projects.

Anthony&Cie
Financial Planning

[Help you select your French approved policy..](#)

Insurance policy - Illustration

In France an insurance policy withdrawals are split between capital and interest. Each year the residual capital is reduced by the withdrawals and the untaxed interest in the policy grows. Tax is only applied to the interest part of the withdrawal and not the capital. There are two methods of taxation. A fixed withholding tax may be deducted by the fiscal representative of the insurance company or the interest can have an election to be integrated into ones income tax declaration as income. Each client should be reviewed on a case by case basis. The chart below illustrates how a policy works.



Insurance policy details - Simulation (Non contractual)

Peter French

Date of subscription	6-mars-09	Lump sum subscription payment	€ 50,000,000
Type of tax regime chosen	Withholding tax option	Subscription fees	0.00%
Periodicity of payment	Monthly	Net lump sum subscribed	€ 50,000,000
		Annual re-valuation	4.00%

Year	Anniversary date	Value of the buy-back after withdrawal	Gross lump sum payment	Gross withdrawal	Total gain taxable on the withdrawal	Amount of income tax due	Amount of social contribution	Tax total	Net withdrawal
0			€ 50,000,000						
1	6-mars-10	€ 51,700,000		€ 300,000	€ 11,538	€ 4,038	€ 1,396	€ 5,435	€ 294,565
2	6-mars-11	€ 53,468,000		€ 300,000	€ 22,633	€ 7,922	€ 2,739	€ 10,660	€ 289,340
3	6-mars-12	€ 55,306,720		€ 300,000	€ 33,301	€ 11,655	€ 4,029	€ 15,685	€ 284,315
4	6-mars-13	€ 57,218,989		€ 300,000	€ 43,559	€ 6,534	€ 5,271	€ 11,804	€ 288,196
5	6-mars-14	€ 59,207,748		€ 300,000	€ 53,422	€ 8,013	€ 6,464	€ 14,477	€ 285,523
6	6-mars-15	€ 61,276,058		€ 300,000	€ 62,906	€ 9,436	€ 7,612	€ 17,047	€ 282,953
7	6-mars-16	€ 63,427,101		€ 300,000	€ 72,025	€ 10,804	€ 8,715	€ 19,519	€ 280,481
8	6-mars-17	€ 65,664,185		€ 300,000	€ 80,793	€ 5,714	€ 9,776	€ 15,490	€ 284,510
9	6-mars-18	€ 67,990,752		€ 300,000	€ 89,224	€ 6,347	€ 10,796	€ 17,143	€ 282,857
10	6-mars-19	€ 70,410,382		€ 300,000	€ 97,331	€ 6,955	€ 11,777	€ 18,732	€ 281,268
...
20	6-mars-29	€100,622,734		€ 300,000	€ 163,084	€ 11,886	€ 19,733	€ 31,619	€ 268,381
			TOTALS	€ 6,000,000	€ 1,922,902	€ 175,681	€ 232,671	€ 408,352	€ 5,591,648

These figures are for illustration purposes only.

The French tax advantages of Life Insurance

1 Taxation

Exemption on the first € 9,200 for a couple (€ 4,600 for single people), then a reduced rate of only 7.5% thereafter (+ 12.1% of social charges – CSG). The policy must remain in force for 8 years and social security contributions are applicable.

2 Inheritance Tax

Total exemption if not yet French-resident at time policy is purchased. For French residents, exemption on the first € 152,500 per policyholder and per beneficiary, then a reduced rate of only 20% thereafter. (Applies only to payments made before age 70)

A complete range of Life Insurance products

We offer four different options, which can be adjusted to your current and future objectives in order to optimize tax exposure and investments returns.

1 "Flexible Management"

You have managerial autonomy with your policy and the full amount is at your disposal. Your Anthony & Cie investment advisor will give judicious advice to help diversify your savings. You are free to switch to another policy option at any time, except for the Loyalty Bonus (Option 4) which is available only when the policy is initially taken out.

2 "Capital Gains Protection"

You can choose the investments by yourself. Every month, any capital gain will be transferred automatically and without charge to one of several "balanced" investment funds. This option protects your gains whilst keeping your capital invested.

3 "Gradual performance Boost"

The goal of this option is to spread the risk exposure of equity investments by entering the market regularly in small amounts. At the beginning, you invest in one of several "balanced" investment funds. Every month, a part of your invested capital can be transferred automatically and at no cost to more aggressive investment funds, selected by you in conjunction with our financial advisors. You decide whether the total amount of your capital will be transferred over one, two or three years.

4 "Loyalty bonus"

This option allows you to contribute to a Loyalty Bonus, whereby all the policyholders agree to put aside all or part of the gains generated weekly by each investment. You will get back the Loyalty Bonus after 8 years (or 16 if you renew the subscription) and will have three specific benefits in addition to those offered by standard life insurance policies:

- Wealth tax liability limited: The amount of the Loyalty Bonus is not included in the base for ISF wealth tax until it is distributed.
- Estate planning maintained: To offset the loss of the loyalty Bonus in the event of the policyholder's death, the policy provides very flexible additional life cover. This will allow the policyholder to decide on or modify the amounts he wants to pass on to his heirs and beneficiaries, even in difficult market conditions.
- Redemption simplified: If all investment income is channelled into the Loyalty Bonus, then partial redemptions are free of capital gains tax.

In consequences, during the first 8 years, all the withdrawals integrate only the initial capital sum invested. It means that they are free of any capital gains tax or income tax. But you can't, during the first 8 years, withdrawal more of 80% of the initial capital. The loyalty bonus is not cashable during the first 8 years.

Let's discuss together! Please contact us...

Anthony&Cie

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Insurance broker registered with Orias [www.orias.fr]

Financial guarantee and professional liability insurance [Insurance Code articles L 530-1, L 530-2].

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Activity: financial services adviser - Registration number: 2052023656VB

Financial Investment Advisor

Member of the CIP [Independent Financial Advisors] and the French CGPC Association [Certified Financial Planners]