

Kate Kalmykov ([00:12](#)):

Hello, everyone, and welcome to the Immigration Insights podcast brought to you by the Global Immigration and Compliance Group at Greenberg Traurig. My name is Kate Kalmykov, and I am your host. Today, I am thrilled to be joined by my partner from our Miami office, Gennette Faust, who works with a lot of our clients, high-net-worth foreign nationals, on tax structuring and tax planning.

([00:40](#)):

Thank you so much for joining us, Gennette. Can you tell us a little bit about your practice?

Gennette Faust ([00:45](#)):

Hi, Kate. Thank you for having me. I'm very excited to speak with you today. I am a tax lawyer, and I specialize in cross-border tax planning for ultra-high-net-worth individuals. Pretty much, that involves helping families when they have US tax issues and maybe also are outside of the US. In the case of immigration, we work a lot with Kate when it comes to pre-immigration planning. When we have clients who may be interested in moving to the US or spending more time in the US or investing in the US, then all sorts of US tax issues come into play. We're very excited to talk about pre-immigration planning today, and all of the interesting tax issues that come up.

Kate Kalmykov ([01:37](#)):

Wonderful. Well, thank you so much for joining us, and let's get right into it. A lot of times, I meet with clients and they're very much interested in getting a US Green Card for multiple reasons: they want to give their kids educational opportunity, there are business opportunities in the US, maybe some people just want to come here and retire and they're high-net-worth foreign nationals. Often, they come from countries where there aren't worldwide tax obligations, because the US has a very unique tax regime, and they don't fully understand until we have them speak with you about what they need to do before they get a green card to really minimize their tax exposure. Can you talk a little bit about what you need to do prior to getting a green card, and also what the implications are once you get a green card?

Gennette Faust ([02:34](#)):

Before any person who's not a US tax resident, because they have a green card or maybe because of the time that they're spending in the US, we're always going to want to evaluate their portfolio and their investment strategies to see if their assets are structured in a way that's going to be tax efficient for them once they become US people. Usually, what we find is that the structures that work well for people when they're non-US are not going to be the same structures that work well for them once they become US people.

([03:09](#)):

There are a variety of reasons for that, but frequently it can be due to the fact that certain structures that are often used by non-US people might result in high effective tax rates when they become US. Maybe instead of being eligible for certain preferred tax rates on investments where you'd be eligible for a 20% tax rate on certain types of investments, if you don't restructure your investments that you are holding while you're non-US, you might be subject to very high tax rates in the US, 37% rates plus interest and penalties that could also apply.

([03:45](#)):

We're looking with non-US folks that are interested in becoming US to do restructuring prior to their change in their tax residence because many of the recommendations that we're going to have, we can

only do that restructuring when you're non-US. If you wait to either become a US person because of the time you're spending in the US or by receiving a green card, then we're not going to be able to change your structure in a way to make it more tax efficient because those changes, in and of themselves, would actually trigger US income taxes in certain instances. There are a lot of powerful planning techniques that we have available to us for non-US people that, once a person becomes US, we're no longer going to be able to use.

[\(04:33\)](#):

I think it's important for us to be considering the rates that people are going to want to be paying. We're always looking to get you the lowest rate. We also want to be able to take advantage of foreign taxes that you might continue to have to pay. There are certain times where US people can take advantage of those foreign taxes as credits and not pay double tax, but if we don't properly structure, then that might not be the case.

[\(04:58\)](#):

A final thing that we're always looking at with non-US people that might be immigrating to the US is whether or not we can get what we call in the tax world a step-up in basis on some of your assets. Generally, I think people are surprised to find out that if you become a US person and you have assets that have appreciated significantly in value prior to becoming a US person, if you don't restructure those assets or make certain changes of those assets, all that appreciation and value that occurred prior to becoming US, if you sell those assets on day one of being a US person, the US will tax all the appreciation and value that occurred prior to becoming a US person.

[\(05:41\)](#):

There are certain planning techniques that we're always looking at trying to use for our clients to see if, from a US perspective, we can adjust the historic cost basis of those assets up to fair market value immediately prior to becoming US. In that case, if you were to sell that asset on day one of becoming a US person, the US would treat you as having a tax basis of fair market value, and you wouldn't pay US income tax on any gains in those assets. For people that have significantly appreciated assets, it's very important to take advantage of those planning techniques before you become a US person, because otherwise, they're not available to us.

[\(06:22\)](#):

It is also important to keep in mind that some of these planning techniques actually take a while to implement. It's not something where we can wait to the last minute to necessarily be able to make these changes. We like to always meet with clients well in advance of them getting a green card or moving to the US to make sure that we have time to make those changes.

Kate Kalmykov [\(06:44\)](#):

Gennette, that's very interesting that you say that because, obviously, we have clients that hold numerous assets overseas. Often, it's real estate assets. We also have a lot of business people who have stock, and their business is successful after they come to the US and really appreciates in value. It's interesting that you're pointing out that the structuring has to happen before they obtain the US residency in order to really help them in that case if they decide to sell their stocks later on.

Gennette Faust [\(07:20\)](#):

Yeah. We're always encouraging individuals that are considering immigration to the US to consider timing of their investments, consider exit strategies, and liquidity events as well, because these are

things that, if you are interested in restructuring or structuring a new investment or a new acquisition, we would recommend structuring that in a certain way if you're US. Even though you may not have entered the US yet, if you're about to make an acquisition like that, we would want to be involved in the structuring of it even if you're not a US person.

[\(07:56\)](#):

Additionally, sometimes we are encouraging folks to consider exits or liquidities before they become US because it is possible that some structures might be difficult to change or time-consuming to change. We would look at how long would it take to make the necessary adjustments to make a structure tax efficient for a US person, and is there a potential for a liquidity event before that occurs? There are a lot of timing issues that go into the tax planning. Usually, my recommendation at a minimum is to start talking to a tax advisor a year before the residence would occur.

[\(08:30\)](#):

Obviously, it doesn't always happen that way. Just because you're late doesn't mean we can't help you, and we will do things as quickly as we can, but there are some things that do take time and really aren't related to the US aspects. For example, we might recommend changing the type of an entity in a local jurisdiction from an entity that's always a corporation for US tax purposes to a different type of entity that gives us more flexibility with planning, and an entity that might allow us to take advantage of foreign tax credits and step-up in tax basis, things like that. That can take a while, depending on the jurisdiction of the entities. We are always trying to talk with people as soon as possible so that we can take advantage of all these powerful planning techniques that we have available to us when a person is not US.

Kate Kalmykov [\(09:19\)](#):

One of the things that you said is that some people may become US taxpayers even before they get their residency based on the amount of time they're spending in the US. Oftentimes, I think people don't realize that they're planning relocation to the US, they're spending time here, buying housing, establishing businesses, perhaps with the children, enrolling them in educational institutions, and they may acquire the number of days to become a US resident. What should they be aware of? What is the substantial presence test? If they do become a US taxpayer because they're spending a lot of time here, are you then limited in what you can do to help them before they get a green card?

Gennette Faust [\(10:06\)](#):

There are three classes of individuals that are considered US income tax residents. There are citizens, obviously. Then there are green cardholders, and that's what we already talked about. Then there are individuals that spend a significant amount of time in the US, enough days of physical presence that our government treats them as if they're income tax residents. We call that the substantial presence test, and there are really two ways that a person can meet the substantial presence test. If they're physically present in the US in any given tax year for 183 days or more, then they're automatically going to be a US income tax resident. There are certain very limited days that can be excluded from that, but I always recommend that people don't try to rely on those exclusions because they are very limited and probably more limited than people think.

[\(10:57\)](#):

The other way is by a three-year lookback rule. Generally, what that does is it looks at the days that you've spent in the US in the current year and the two preceding years, so the year before and then the

preceding year before that. Generally, when you use a calculation that they provide, when the total of those days of presence is 183 days or more, then you are going to be a US income tax resident.

[\(11:24\)](#):

There's a rule of thumb that we tell clients, which is if you want to be spending time in the US in consecutive years, then never go above 121 days in any given year. If you follow that rule of thumb, then you're not going to go above the substantial presence test.

[\(11:42\)](#):

There are two exceptions and ways that you can get around the substantial presence test if you meet that test. There's one, which is if you are a resident or a citizen of a country where the US has a bilateral tax treaty, then in some instances, you can rely on that tax treaty to say, "You know what? I spent too many days in the US, but I'm still not a resident because, under pursuant to the terms of this treaty, I shouldn't be a resident." That sometimes can work, but we have to be very cautious about applying the treaty rules. Keep in mind that there are pretty significant reporting requirements to the US for an individual that claims non-residence under the treaty. I always like to be a little bit cautious with using those exceptions. Sometimes we have to, sometimes they do apply, and it's fine to use them, but we want to be mindful of other rules that go along with the exception.

[\(12:32\)](#):

The other one is called a closer connections exception. For that rule, you do have to be in the US less than 183 days in the year that you're trying to apply it. We're looking at where does the individual have certain closer connections to? Again, when we're planning for pre-immigration, my recommendation is to try to just avoid being a resident if it's possible. That's usually the best-case scenario. If, for some reason, we run amuck with the rules, we need to rely on an exception, and it does apply, then obviously we can, but we have to be careful because they're pretty technical, a little nuanced, and don't always work.

Kate Kalmykov ([13:06](#)):

I also love that you mentioned the tax treaties because, once people do become residents, a lot of times they're getting advice that is maybe correct from a tax perspective, but really in conflict with the immigration requirements. From a US immigration point of view, even if you don't spend any time in the United States while you have a green card, you are still considered a US resident and you have to comply with the tax requirements for things like naturalization, for getting reentry permits, which is extended permission to remain outside the US. These are questions that the US immigration agency asks on the forms, and people need to sign an attestation and confirm that they're in compliance.

[\(13:59\)](#):

On the other hand, sometimes we have clients who work with tax counsel or accountants that are not aware of the immigration requirements, and they're telling them, "Oh, you are on a green card, but you're not spending time there. You don't have to pay as a US resident. You can file as a non-resident under so-and-so treaty between our countries, and you're fine." Then we have huge problems then when we try to apply for citizenship because they're making themselves ineligible unless they go back, correct the returns, and pay penalties, and it's quite onerous.

Gennette Faust ([14:34](#)):

Yeah, it is interesting. I think people are surprised that there's that disconnect between the US laws, but that's why it's important to talk with an expert in the field that you're looking at. When we work on

matters together, we always work together where you do the immigration piece, I consult with you on immigration issues, and then you consult with me on tax because just because I'm a lawyer in the US and I'm an expert in my field doesn't mean I know everything about other fields. I need to bring in experts to help the client have the right team working with them.

Kate Kalmykov ([15:06](#)):

Absolutely. I'm very lucky that we get to work together. What are the reporting obligations once someone gets residency for tax purposes with the United States?

Gennette Faust ([15:21](#)):

I think it is interesting, and our tax system is a little bit different than a lot of other systems. The US subjects its income tax residents to a worldwide taxation. That means that US income tax residents, so citizens, green card holders, and folks that are residents on the substantial presence test, are going to pay taxes on their worldwide income. It doesn't matter if your income comes from sources outside the US, you're still going to report that income and pay taxes on it in the US.

([15:51](#)):

That's the case even if you're not living in the US because there are some countries where you can be a citizen, but if you don't spend enough time there, they're not going to make you report income that wasn't earned within that country. Many people, when they move here, they're surprised by that. They're surprised that, all of a sudden, they're going to have to report income from outside of the US. They're going to have to report the income even if they're not spending a lot of time here.

([16:16](#)):

The other thing that the US does, and I think a lot of the world is starting to catch up, but we certainly have one of the most sophisticated anti-deferral regimes. What we mean by when we say that anti-deferral is the US has a lot of rules in its tax code that make it so if people choose to invest through non-US vehicles -- and we're US-centric so we say foreign from our perspective -- in foreign vehicles, that the US might subject those foreign investments to different taxation than you might expect.

([16:48](#)):

One, for example, is there are certain of those investments where undistributed income from certain foreign corporations would be subject to current income taxation by a shareholder that's a US person. You might have a foreign corporation that's operating in a different country. It doesn't bring any income to the US, and it makes no distributions to you. In certain instances, if that company's considered controlled by US people that have 10% or more interest in the company, the US is going to tax you on your pro rata share of the earnings of that company, even if they're not distributed to you.

([17:30](#)):

That is counterintuitive for a lot of people and they're not anticipating that. That can cause a problem, one, when you're estimating how much it is going to cost you to become a US income tax resident. Then it's also problematic if you then fail to report it because another thing that the US does is imposes substantial penalties for individuals that don't properly report offshore assets. I think people can remember that there have been initiatives in the US over time where they have really tried to target and go after US people that were investing offshore in an attempt to hide their assets. Well, that net also captures people that just don't know the rules, or maybe they're new to the US and they didn't realize that, but that net also captures those people.

([18:17](#)):

Those high penalties that the US imposes on maybe people that were really more like tax cheats actually extends to the average person as well. We have to be really careful that we are understanding what our US tax obligations are going to be. We want to plan for you before you come so I can get you the lowest possible effective US tax rate and global tax rate on your assets. Then also make sure that you understand what you need to report. Especially in those early years while you're still onboarding all your assets, getting used to being here, getting used to our system, that we don't make mistakes that can be costly because these penalties often are imposed automatically, and really not being ignorant to the rules, not knowing the rules isn't an excuse, unfortunately. Something that we're always looking at with people when they're coming in from the US and have significant assets.

[\(19:11\)](#):

There are other types of investments that are called passive foreign investment corporations, and these are really passive foreign investments that a lot of people, especially high-net-worth people, have. These are going to be your foreign private equities, your mutual funds, your non-US ETFs. These are included in most high-net-worth people's investment portfolios. Some of these investments have a really long tail. You can't just get out of a private equity investment on a whim. You have to wait for that to mature.

[\(19:43\)](#):

But those types of investments can actually have somewhat onerous reporting requirements in the US, and also they can have onerous tax implications because some of the income that you'll earn from a sale or a liquidation of that investment, you won't be eligible for long-term capital gains rates when that investment is sold or when it makes a distribution to you. Instead of getting a 20% tax rate, now you're paying 37% on that income.

[\(20:10\)](#):

Additionally, sometimes they subject the income to interest and penalties. They're looking at the time that you held that investment as a US person, then they're allocating the income that you earned in the current year to prior years, and taxing you as if you failed to pay your income tax on time. Now, you're paying interest and penalties for prior years on this distribution. Sometimes, it really eats up all of the profits that someone can earn on this type of investment, so we always want to look at the structure, see if we can make the changes, see if we can make certain elections that reduce the negative implications of this regime on a taxpayer before they come.

Kate Kalmykov [\(20:51\)](#):

I think it's so critical, everything you're saying. There are so many considerations to consider. People really, really need to speak to a tax professional before they move here. One of the things I just wanted to clarify is we have a tax on worldwide income, but are people going to be double taxed, I think, if they're already paying in their home country when they take up the US residency or become a US taxpayer because of their presence in the US?

Gennette Faust [\(21:24\)](#):

The idea behind our structuring would be to try to avoid that. We'd be looking at structuring your assets in a way to, to the extent possible, reduce that double taxation. If the investments are not properly structured, the possibility of paying double tax increases significantly. Part of the planning is always looking at what's the best way to mitigate that and reduce the double taxation.

[\(21:53\)](#):

In many instances, it's possible to credit your foreign taxes against your US income taxes, so we're always looking to credit those. The other things we're looking at, we talk about tax treaties. We're looking at is there a tax treaty that might apply to reduce the tax rate? Are there certain structuring options and elections that we have within the US tax code that will allow us to utilize foreign tax credits?

[\(22:20\)](#):

But foreign tax credits is very nuanced and it's very complicated. There are certain things, for example, where I think people would think they would get a credit, but they don't necessarily get the credit. Looking at that and evaluating the structure to ensure that you're going to get the credit that you think you're entitled to is really important, and it's a crucial part of our pre-immigration planning.

Kate Kalmykov [\(22:44\)](#):

I also just wonder what are the different techniques? I know we talk a lot about trusts when we're speaking to clients, and for especially high-net-worth families. Can you speak a little bit about the vehicles and the mechanisms that you use in structuring?

Gennette Faust [\(23:02\)](#):

I think we've talked a lot about income tax planning, and that's a really important part of our structuring, but in pre-immigration planning, we also do significant estate and gift tax planning. Trust vehicles are very important for us when we're looking at planning for US estate tax. The US has a very high estate tax. We generally impose a 40% tax on assets that are transferred from an individual to their heirs at death. The tax is imposed based on the domicile or the residence of the decedent. If a person comes to the US, they have substantial assets, and we don't do any planning for estate tax purposes. When that person passes away and they bequeath assets to their heirs, they may be subject to a 40% US estate tax.

[\(24:02\)](#):

There is an exclusion amount for gifted estate currently up to \$15 million, so that means you can pass up to \$15 million of assets to your heirs without paying an estate tax. But we have to keep in mind that during my lifetime, and I like to think that I'm relatively young, but during my lifetime, the estate tax exemption has been \$1 million, \$2 million, \$3 million, \$5 million, \$10 million, and now it's gone to \$15 million, so this is something that changes and has changed very significantly over time.

[\(24:32\)](#):

Now, we don't think, at this point, that there's going to likely be a significant reduction in the estate tax exemption, but to the extent that an individual has assets that are in excess of \$15 million, we certainly do want a plan to avoid giving 40% of those assets to the US government. There's an ability while you're a non-US person to do very powerful pre-immigration estate tax planning, utilizing trusts to hold assets for beneficiaries that are the heirs or other people within the family, that can then transition that wealth to later generations without paying that 40% estate tax, without eating into the estate of the individual who's probably spent their life trying to accrue and earn these assets, and then doesn't want to have to give 40% of them to the government when they pass away.

[\(25:20\)](#):

It's really important to consider doing that planning before you become US. We often use trusts for that. The US has a very well-developed trust law, and so those are our vehicles that we can use in the US very easily. They have a lot of flexibility from a planning perspective, so they're really powerful tools.

Kate Kalmykov [\(25:39\)](#):

Then a lot of times, plans change. People come here, they take up the green cards, sometimes they even process and naturalize, and then they decide they want to move abroad. Again, maybe they want to return to their home country, maybe they want to move to another country, there's a business opportunity, there are family changes, whatever it is. We also help people relinquish their green card status, expatriate for naturalization.

[\(26:08\)](#):

By the way, sometimes we bring them back again, they decide to go through the whole process again, and that's fine. You're not limited from an immigration point of view in how many times you process for a green card or naturalize, but there are a lot of tax considerations. Can you plan for that ahead of time if you want to keep that option open? Or once you're already in our tax net and you want to relinquish either your green card status or give up your citizenship, what should you be doing?

Gennette Faust [\(26:41\)](#):

You certainly can plan for it in advance. I think one important piece of planning for that in advance is understanding generally what the rules are so you can keep them in mind in relation to your life events, and then be contacting your tax advisors when certain things may be occurring. Whenever anyone gets a green card, I always bring up to them the point that the US expatriation regime can actually apply to green card holders. I think that's a surprise to a lot of people because yeah, we would expect that expatriation taxes could apply to citizens, but I don't think people that get a green card often think, "Oh, wow, if I end up giving up my green card at a later date, I might actually be subject to the US expatriation tax rules." We always talk with our clients about how those rules apply to green card holders.

[\(27:35\)](#):

If an individual holds a green card in any 8 of the preceding 15 years, when they relinquish the green card, they would be considered what we call a long-term resident. If you're a long-term resident, it's possible that you would be subject to the expatriation tax. When you're considering the duration of time that you hold the green card, you always want to keep in mind that when we say holding a green card during an eight-year period, we actually mean if you have a green card or if you are under permanent resident status on any day during that particular calendar year. If you receive your green card or your permanent resident status comes through on December 31st of 2026, 2026 counts as one of those eight years.

[\(28:23\)](#):

When you get your green card, I always like people to start looking and say, "Okay, how do I feel about having my green card?" If we're getting later into the term, say year six, and you're not sure about whether you're going to want to stay, we might want to consider giving up the green card before you become a long-term resident. If you give up the green card before you reach that eight-year period, you are not going to be a long-term resident, so in no case will the expatriation regime apply to you.

[\(28:53\)](#):

If you're already a long-term resident or you're a citizen, then the expatriation regime applies to if you are considered a covered expatriate. There are citizens and long-term residents that can expatriate with no tax implications, and those are people that are not considered covered expatriates. A person is a covered expatriate if they fail any three of the following tests.

[\(29:22\)](#):

Their net worth is not less than \$2 million. If you have more than \$2 million net worth, then you are going to be a covered expatriate. Now, when we look at your \$2 million net worth, I'm not just looking at the money in your bank account. I'm not just looking at the assets you own directly. I'm going to take a very wide view of assets that could be attributed to you. For example, you're a beneficiary of a trust. If you are considering expatriating, you're a citizen or you're now a long-term green card holder, and you find out that someone's considering putting you as a beneficiary of a trust, you have to realize that you're going to need to expatriate before you're added as a beneficiary if that beneficial interest in the trust is going to put you over the \$2 million limit.

[\(30:10\)](#):

We're looking at that talking with clients. What assets do you have? What assets may you acquire in the future? What beneficial interest may you acquire in the future? If you're going to acquire interests that are going to put you over the \$2 million, we need to consider an expatriation before that happens.

[\(30:27\)](#):

The second test is your average income tax liability over the five-year period preceding expatriation. If your average income tax liability is around \$200,000 or more... That amount is indexed for inflation so it goes up every year. If your average income tax liability is \$200,000 or more, you're going to fail that average income tax liability test and you're going to be a covered expatriate. That's really not a lot of money. If you earn most of your income as a W2 earner or you have mostly ordinary income, you're going to hit that at about \$600,000, maybe between 6 and \$700,000 of income in a year. It doesn't take very much to put someone above the average income tax liability test to be a covered expatriate.

[\(31:17\)](#):

Then the last consideration is whether you can certify compliance with your US tax obligations for the five years preceding your expatriation. That really means that if you are considering expatriating, you really need to be mindful, and we always want to be mindful, but you really need to be mindful that you're complying with your US tax filing obligations because you're going to be certifying under penalties of perjury that you have complied with your US tax filing obligations. When you expatriate, you really are waving a red flag in front of the IRS, and it's likely that they're going to scrutinize your return more than they might've been prior years, so you want to be sure that you have been very comprehensive in your US tax filing obligations.

Kate Kalmykov [\(31:57\)](#):

I think it's also important to think about timing. Maybe the green card is not the best thing at a certain period of time to take up. Maybe it makes more sense to keep traveling in and out on a tourist visa, and delaying the green card in certain instances. Maybe if you're going to have a large liquidation of an asset or a capital event, maybe if you do have business interest in the US, let's talk about different visa options for you that are non-immigrant visas before you consider applying for a green card.

[\(32:31\)](#):

I think a lot of people don't realize, but many of the work visas can be filed part-time. You don't have to come here for a full year and work. If you're trying to structure everything and make sure to get everything in order, you can have what we call an intermittent, EL, different types of work visas.

[\(32:52\)](#):

Then I also think for some individuals that are going to inherit large sums of money, student visas are something to consider as well, especially if they're younger adults. Student visas have a very specific exemption, I think, from taxation. In those instances, they may be taxed, and you know better obviously

than I do, on what they're making in the US, but they're not looking at anything else. Same thing for the work visas, depending on how much time you're spending here, you might just be taxed on US income.

Gennette Faust ([33:31](#)):

When we're thinking about becoming a US tax resident, in that analysis, we generally are recommending also evaluating and structuring inheritance that the person who becomes US would receive from outside the US as well. I say to my clients, "Inheriting assets from someone outside of the US can either be the best thing that ever happens to you or your worst nightmare if it's not properly structured." Because if you inherit assets that haven't been structured in a way that works well for a US person, you could be subject to significant US income tax, have an inability to restructure those assets into a more efficient taxing structure.

([34:13](#)):

Usually, as part of our pre-immigration planning, we're talking about the things that you brought up, which are fundamental, is the timing of the immigration. Is there a reason to delay it or give yourself flexibility because you're going to have income that the tax implications in the US could be very significant so if we adjust the tax residency starting date, that you're going to have significant savings? If you're going to come to the US, we want to make sure that we've structured your assets in a way that it's going to be tax efficient for you income tax-wise, as well as gift and estate tax-wise.

([34:48](#)):

Then finally, we want to make sure that assets that you're going to acquire after you become US are structured in a way that's efficient for you. When you receive those assets from a relative that is outside of the US, that the appreciation and value of those assets during the time period that your relative owned them aren't subject to US tax. In properly structured inheritance, upon the occurrences of certain events, you can adjust the tax basis from the historic cost basis up to fair market value. That can be a significant saving if someone has an asset that maybe they've built from ground up and has a very low cost basis, and now it is very valuable, you can avoid paying a US income tax on all that appreciation prior to the bequest if it's profitably structured.

([35:36](#)):

Part of the planning is also to look at what we might inherit and consider, is this the right time for you to come to the US? If we're for some reason not able to structure an efficient manner, do we want to delay or do we want to make adjustments to succession planning structures to ensure that the US heir receives the assets in a way that's tax efficient for them?

Kate Kalmykov ([35:58](#)):

Thank you so much, Gennette. I can't tell you how important it is to think about these issues. I'm so lucky that we work in a firm where we have tax specialists who understand all of this because we often have clients that come to us that didn't meet with anyone ahead of time, who were just focused on the immigration, and the immigration attorneys were not able to advise them of a lot of the issues that we just talked about. Then they're shocked by their exposure to the US tax regime. Pre-residency tax planning, critical. Planning if you're going to spend a lot of time in the US and subject yourself to being a US tax player is incredibly important. It's incredibly important for high-net-worth families and individuals.

([36:49](#)):

Taking up US residency, just like taking up residency in other countries, has become really popular because people have assets all over the world. People want to avail themselves of educational and business opportunities all over the world. Just like you do your tax planning, people are adding different immigration options into their portfolio, but it's important to do a lot of it in terms of timing before you get the US residency, and to speak to someone with expertise in the field like yourself.

[\(37:23\)](#):

Thank you again so much for joining us today. This was incredibly informative.

Gennette Faust [\(37:29\)](#):

Thank you, Kate. It was my pleasure to talk with you.

Kate Kalmykov [\(37:32\)](#):

Thank you, everyone.