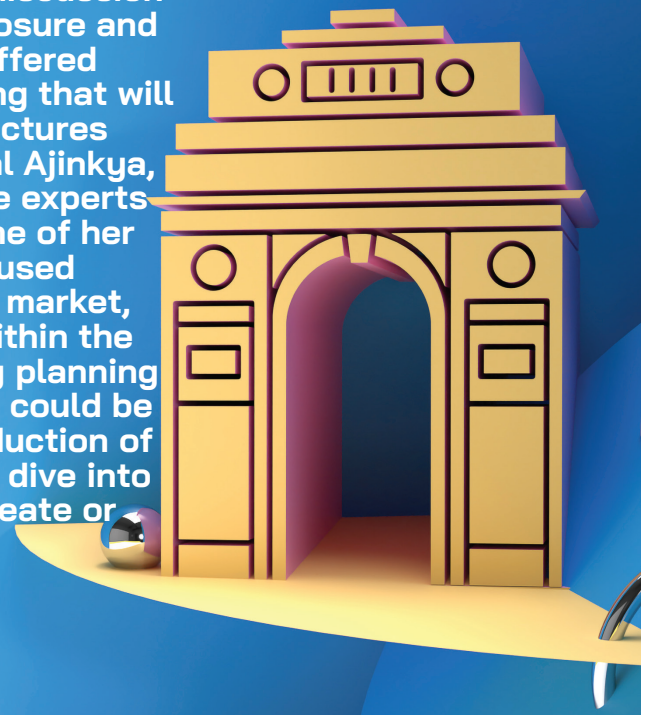


As Pressure on Tax Revenues Rises Worldwide Wealth Clients Need to Build or Improve their Structures

The Hubbis Asian Wealth Solutions event in Singapore on June 8 features a lively discussion on tax and the rising pressure on disclosure and compliance. A small panel of experts offered their views on estate and asset planning that will provide private clients with robust structures for the near and much longer term. Bijal Ajinkya, Partner at Khaitan & Co, was one of the experts on the panel. We have summarised some of her comments in this short report. She focused most of her observations on the Indian market, a particular area of expertise for her within the broader remit of tax, estate and legacy planning and structuring. She warned that there could be new taxes emerging, even the re-introduction of IHT. She advised clients to take a deep dive into their planning and structures and to create or remediate the optimal solutions.



GET IN TOUCH

[View this Panel Discussion On Demand](#)

[View Bijal Ajinkya's LinkedIn Profile](#)

[Find out more about Khaitan & Co.](#)



Bijal Ajinkya
Khaitan & Co.

She opened her commentary by noting that India did have IHT until 1985 but that in those days it reaped less than it cost to administer. With the immense advance in India's economy and in private wealth, and with CRS, AEOI, BEPS and other regulatory changes at the fingertips of the authorities, there is now a near constant discussion about a reintroduction of the estate duties in some form or another.

She said the government has been quick to actually state they are not looking at this, but that could easily change, especially with the well-known disparity between the incredibly rich and the incredibly poor in India. And she pondered whether perhaps the rich and ultra-rich had already set up or repaired their structures so that the actual result of such IHT or other taxes would result in slim pickings.

Bijal has a very good perspective on all these issues. She joined the firm in 2013 as a Partner to expand and build the tax and investment funds practice. On private client matters she

has advised individuals and family businesses from a legal, regulatory and tax perspective. She has experience in rolling out a comprehensive succession plan for clients, re-structuring of family businesses and family arrangements, drafting wills, creation of trusts, and so forth.

Aside from many awards, and many speaker appearances around the region, she is also an ex-officio member of the Steering Committee of the International Wealth Advisors Forum, which is a global think tank for the exchange of emerging trends in estate and succession planning.

“Indians must remember that the government is trying to crack down on tax nomads, so with information flows rising between countries and India, this needs to also be fully factored into the considerations.”

Bijal then offered delegates some detail on the types of structures Indian clients typically prefer, such as the creation of a trust which is irrevocable but that gives the settlor the powers as a trustee. She said that whatever the structure or solution, from her perspective as a legal advisor, her key missions are to make sure clients plan well in advance, then that they are well informed on the pluses and minuses of solutions, and also that they make their structures as robust and stringently organised as possible.

One area of discussion with clients is on residence and citizenships overseas. Alternative residence is possible for Indians, but citizenship overseas is only

possible if they surrender their Indian passports. There are many implications to such moves, she indicated, and these need to be considered in depth. It is not just about taking the cheapest option out there but making the right decisions for the longer term. “And Indians must remember that the government is trying to crack down on tax nomads, so with information flows rising between countries and India, this needs to also be fully factored into the considerations.”

She added that in this regard, the Indian government passed a law last year stating that if you are of

Indian nationality, and you are not liable to tax in any one country, you will be deemed and taxed as an Indian resident.

Her final comment related to digital assets, where she noted that to keep tabs on these and other more exotic assets, India has placed Indian tax authorities in Singapore, in Mauritius, in Dubai, and other countries. The simple message, she concluded, is that looked at from an overall perspective, governments are really going to be much tighter as they try to more comprehensively raise taxes from those not properly disclosing and as they purportedly aim to protect their own taxpayers. ■