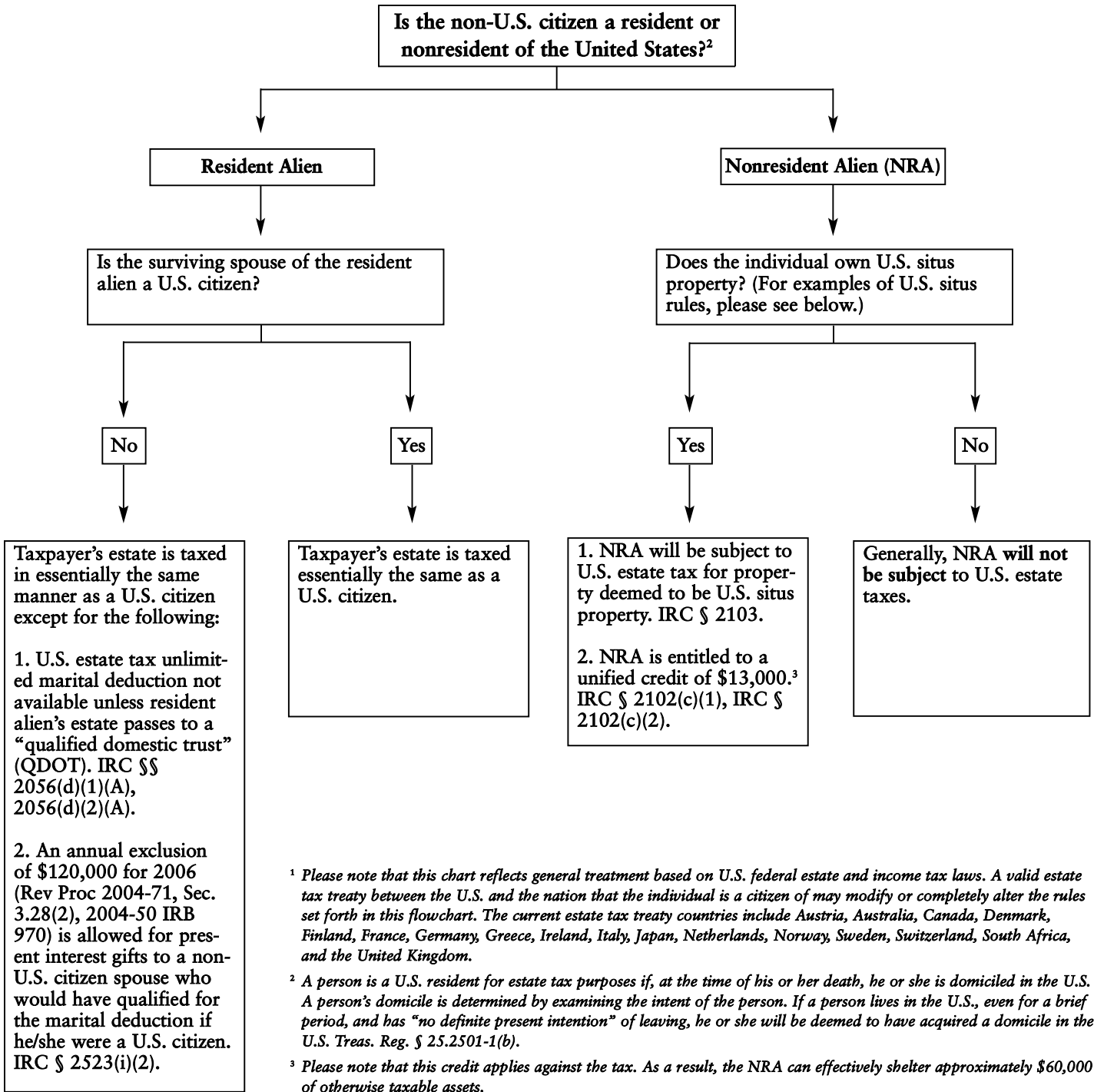


Estate Planning Flowchart for Non-U.S. Citizens¹

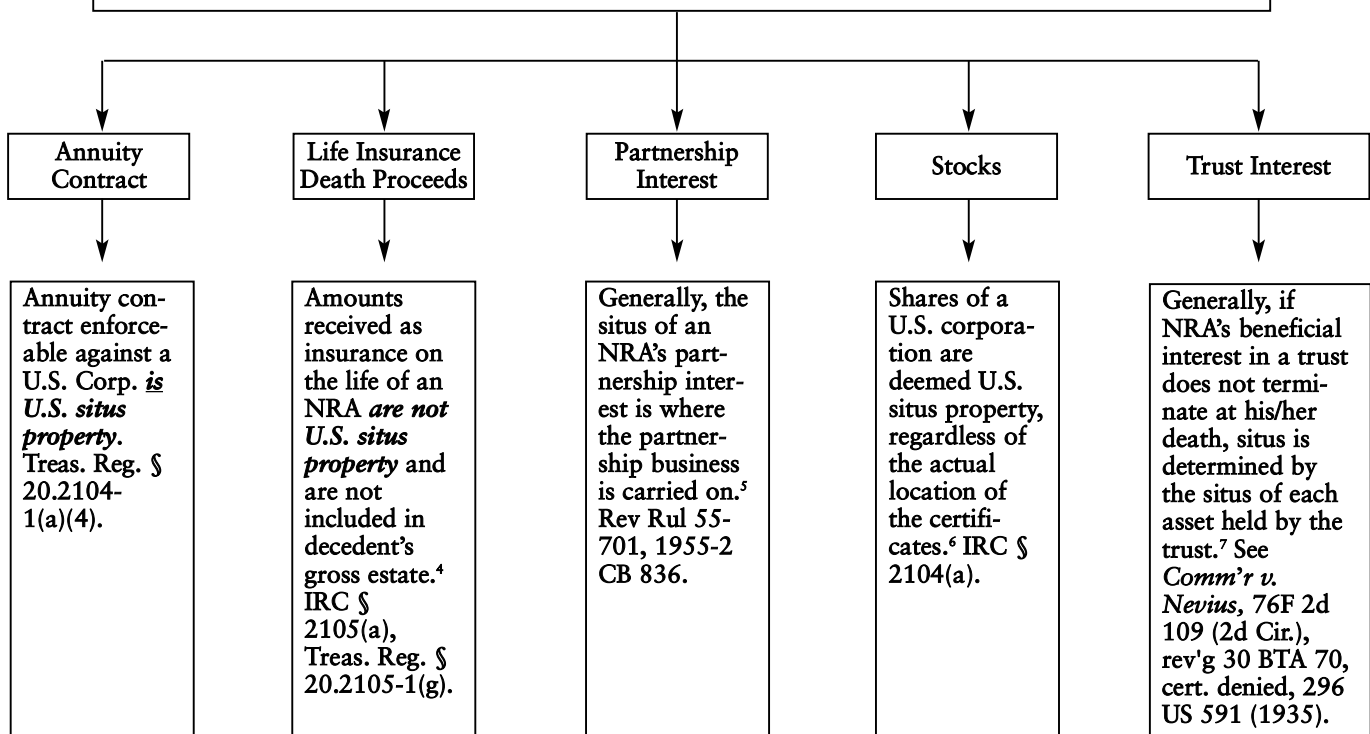


¹ Please note that this chart reflects general treatment based on U.S. federal estate and income tax laws. A valid estate tax treaty between the U.S. and the nation that the individual is a citizen of may modify or completely alter the rules set forth in this flowchart. The current estate tax treaty countries include Austria, Australia, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, South Africa, and the United Kingdom.

² A person is a U.S. resident for estate tax purposes if, at the time of his or her death, he or she is domiciled in the U.S. A person's domicile is determined by examining the intent of the person. If a person lives in the U.S., even for a brief period, and has "no definite present intention" of leaving, he or she will be deemed to have acquired a domicile in the U.S. Treas. Reg. § 25.2501-1(b).

³ Please note that this credit applies against the tax. As a result, the NRA can effectively shelter approximately \$60,000 of otherwise taxable assets.

Examples of U.S. Property Situs Rules. IRC §§ 2103-2105



⁴ The regulations limit this exemption to amounts received as insurance from decedent's life. Situs for purposes of cash surrender or replacement value will be determined based on the location of the policy issuer. Treas. Reg. § 20.2105-1(g)

⁵ If the partnership terminates because of the partner's death, his estate will include his share (percentage) of partnership assets located in the U.S. See *Sanchez v. Bowers*, (1934, CA2) 13 AFTR 1074, 70 F2d 715.

⁶ Under most estate tax treaties, the situs of corporate stock is determined by the domicile of the decedent, regardless of where the corporation is organized.

⁷ If the NRA dies holding a general power of appointment in a trust created by another, trust assets subject to that power are U.S. situs property and are likely to be included in the NRA's estate. See *Comm'r v. Nevius*, 76 F 2d 109 (2d Cir.), rev'g 30 BTA 70, cert. denied, 296 US 591 (1935).

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