



Connecting professionals around the world

International Practice Group, is an international association of independent firms, with a Secretariat, which meets clients' needs for legal, taxation and accountancy services throughout the world

February 2013

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„IPG IS GROWING”



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In this Newsletter you will find articles from our members from around the globe, including South Africa, New Zealand, Brazil and Europe. Although the number of members of IPG is still growing, we have quite a number of “white spots”. Francesca Falbo (Law), Rahul Chadha (responsible in Asia) and Jochen Hey (tax and accounting) need your help finding new members. They are constantly looking for new members in all countries where we do not have members yet.

However, they do have their own top three wish lists. These are as follows:

Jochen Hey needs your help finding a tax lawyer and/or accountant in:

1. Hungary
2. Czech Republic
3. Belgium

Francesca Falbo needs your help finding lawyers in:

1. Russia
2. Australia
3. Northern Africa

Rahul Chadha needs your help finding new members in Asia and especially in:

1. Singapore,
2. Indonesia,
3. Japan (and Korea, Thailand - and Hong Kong)

With helping them, you will also help yourself and your fellow members! Check your network and send an email with your suggestions to the secretariat: aylin.redondo@ipg-online.org.

INVESTING IN NEW ZEALAND



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New Zealand has a small and open economy. It is able to offer a wide range of investment opportunities in line with those available in most other developed countries. These include:

Interest bearing deposits through trading banks;

Stock bonds and units with public companies registered with the New Zealand Stock Exchange;

A variety of residential, commercial and industrial property investment options.

New Zealand is relatively large (approximately twice the size of Britain) but very sparsely populated, with just over 4 million people. Only about 1 million people live in the larger South Island. Auckland, the main commercial centre, has a population of 1.5 million. The country is home to over 50 million sheep! Principal economic activities include the normal services as well as high tech and information based industries. Nevertheless the main exports remain agriculturally based:- Dairy (Fonterra, New Zealand's dairy exporter is the world's largest dairy company) Fisheries New Zealand has one of the world's largest coastlines and its Exclusive Economic Zone is over 4 million square kilometres – the 4th largest in the world) Beef and lamb Forestry Wine Tourism Minerals, coal and oil

The environment is clean and green and staunchly non-nuclear. The main sources of energy generation are hydro-based.

The New Zealand economy has proven stable and remarkably resilient throughout the

global financial crisis. This is largely attributable to continued high commodity prices with consistent and growing demand from China and other South East Asian countries. Uniquely, New Zealand is the only Western country to have a comprehensive free-trade agreement with China along with a number of other regionally based FTA's. New Zealand also enjoys a very close relationship with Australia which in turn has benefited from Chinese demand. The banking system is exceptionally strong with the main five (Australian owned) banks all rating in the world top 40.

New Zealand has recently been ranked by the World Bank as 3rd for Ease of Doing Business and 1st for Ease of Starting a Business. Transparency International's Freedom from Corruption survey ranks New Zealand 3rd. New Zealand is currently experiencing a booming housing, farming and property market driven by an under supply of residential property and an ever increasing demand for our high quality agricultural products. Interest rates are relatively high by international standards and offer attractive investment opportunities:

-Trading bank deposit rates – 3-4.5% per annum

-Prime trading bank lending rates – 5-7% per annum

-Residential property returns – 4-5% per annum

-Commercial industrial property returns – 7-10% per annum

-New Zealand share market has reached a 5 year high

Inflation is currently running at between 1.5-2.5% per an-

num. The areas of investment that are generally regarded as having good future potential include:

Residential property in the Auckland region as a result of a housing shortage having developed over the last 4 to 6 years;

Commercial industrial property returns given the relatively high returns as opposed to historically low lending rates; The availability of direct investment in the agricultural industry through the offerings of units or shares in major dairy operations. This enables an investor to take advantage of the economies of scale offered under a corporate ownership structure;

Trading bank deposits given the relatively low rates available in the UK, USA and Asia. IPG member firm Turner Hopkins operates a contributory mortgage investment vehicle allowing investors (both New Zealand and offshore individuals and corporates) to contribute towards real estate financing packages governed strictly in accordance with New Zealand Law Society requirements. These rules ensure that loan to equity ratios do not exceed 66% for developed land and 50% on undeveloped property. The returns currently being received by investors in the Turner Hopkins Solicitors contributory mortgage vehicle are currently 8.5% per annum net. Further information concerning Turner Hopkins Solicitors' contributory mortgage company can be found here:

<http://www.turnerhopkins.co.nz/contributory-mortgages-57/>

INVESTING IN NEW ZEALAND



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Offshore / Foreign Trusts

Finally it may well be of interest to your and your clients to familiarize yourself with the unique and highly favourable offshore trust and New Zealand look through companies. Information concerning possible structures and benefits are contained on the Turner Hopkins website Foreign/Off Shore Trust page: www.turnerhopkins.co.nz/foreign-offshore-trusts-107/.

We would welcome the opportunity to discuss investment, immigration and tax structure/trust opportunities with you or your clients.

Email: mrobinson@turnerhopkins.co.nz

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WHY AND HOW TO INVEST IN SOUTH AFRICA



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South Africa today:

South Africa has experienced enormous change over the past 19 years. The achievement of democracy in 1994 led to transformed institutions, new policies and the start of a new society. The country is one of the most sophisticated and promising emerging markets globally and a member of the BRICS forum. South Africa is the economic powerhouse of the African continent, with a Gross Domestic Product (GDP) of R2, 3 trillion (US\$309bn) - four times that of its Southern African neighbours, and comprising 30% of the entire GDP of Africa. The World Economic Forum's Global Competitiveness Report of 2010/11 ranked South Africa 54th out of 139 global nations. The World Bank Group's report; Doing Business 2013, ranked South Africa 39th out of 183 economies, in terms of the ease of doing business. South Africa has remained one of the most popular trade and investment destinations in the world, due to a stable democracy and the fact that the

country can meet specific trade and investment requirements of prospective investors with very competitive labour costs. IPG Members will be pleased to know that for professionals, labour costs are less than half of the cost in European countries. There is a strong focus on research and development - with more patents by foreign companies than any other country in Africa or Eastern Europe.

Exchange Control:

South Africa, similar to most African countries, still has exchange control restrictions in place, despite significant relaxations in 1994, 1997 and 2009. There are no restrictions on non-residents owning South African shares. However, these shares must be endorsed as non-resident when the initial funds come into SA, and there must be a record of the flow of these funds. Compliance with these requirements will avoid problems regarding later related outbound payments such as dividends and capital repayments.

Taxation:

South Africa has a progressive income taxation system which is based on the premise that the wealthy should contribute a greater proportion towards supporting the State than the poor.

Income tax in South Africa was first introduced in 1914 with the introduction of the Income Tax Act No 28, an act which had its origins in the New South Wales Act of 1895. The act has undergone numerous amendments with the act presently in force being Income Tax Act No 58 of 1962. Income tax is levied on residents' worldwide income, with appropriate relief to avoid double taxation. Non-residents are taxed on their income from a South African source. **Double taxation agreements**

South Africa has entered into double taxation agreements with most of its trading partners, including: Austria, Belgium, Canada, Cyprus, Denmark, France, Germany, India, Ireland, Israel, Italy, Japan, Korea, Malta, Mauritius, the Netherlands, Norway, Singapore, Sweden, Switzerland, Taiwan, Thailand, the United Kingdom and the United Sta-



WHY AND HOW TO INVEST IN SOUTH AFRICA



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Types of Legal Structures

The types of companies provided for and regulated by the 2008 Companies Act are set out in sections 8 and 11(3) (c). Broadly speaking, they comprise external companies, non-profit companies and profit companies, in which lastly are included state-owned companies, private companies, personal liability companies and public companies.

External companies are those foreign companies which carry on business or non-profit activities within the Republic of South Africa. What constitutes

"carrying on business" was radically altered with the result that the majority of foreign companies undertaking transactions or making investments in South Africa will now not be required to register as external companies.

South African trusts are based on Roman Dutch and common law principles and are widely used in South Africa.

South Africa is the doorway for investments into Africa and provides a stable and supportive basis for any investor who wishes to ensure a sophisticated investment environment within an emerging market.

Turnstone

Turnstone is a global fiduciary service provider. It offers services to Africa from its base in South Africa with offices in Johannesburg, Botswana and Namibia. It provides access to fiduciary services in South Africa, Botswana, Namibia, The Isle of Man, Mauritius and Seychelles. More information is available on www.turnstone-group.com

Heinrich Odendaal is the Chairman of the Turnstone Group and is an advocate of the High Court of South Africa.

„LANSIGT” AND „DE GRAAF + PLAISIER” MERGER



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Collectively confronting the trends in the accountancy and tax consultancy sector

The past has been and gone, but the future has to be prepared for. The world is changing rapidly and the accountancy and tax consultancy sector has to move with the times. Legislation and regulations are being amended and the professional services sector is subject to increasingly higher requirements. In order to continue tackling these developments successfully, Lansigt accountants and tax consultants are merging with De Graaf + Plaisier accountants and tax consultants at the start of 2013.

The accountancy and tax consultancy sector is not standing still; in addition to amendments to legislation and regulations, rapid changes are occur-

ring in the area of IT. Mainly due to these developments, increasingly higher requirements are being placed on professional service providers; and these are creating - and causing - a scarcity of highly qualified personnel.

Comparable basis

To confront these trends, Lansigt and De Graaf + Plaisier had several meetings with one another last year. These proved fruitful as, in respect of identity, quality objectives and ways of working, the firms have a comparable structure. Consequently, a decision has been taken to merge the two firms into one new organisation which will, in the long term, operate under the name Lansigt.

First quarter of 2013

In the course of the first quar-

ter of 2013, the two accountancy and tax consultancy firms will be merged. After the merger, there will be one firm employing about 110 people with offices in Alphen aan den Rijn, Gouda, Ridderkerk and Nieuw-Vennep.

Continuous innovation

The mission of both firms remains the same; the primary objective being to act as a competent, reliable, proactive and enterprising professional service provider. Therefore, continuous innovation to enhance our efficiency and create value for our clients is also important.

After the merger, Lansigt and De Graaf + Plaisier will continue to operate from their usual offices offering the high standard of work for which they are renowned.

MOLADE TRUST PARTICIPANT OF DUTCH TRADE MISSION TO BRAZIL



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In November 2012, **Rene van den Outenaar** of Molade Trust Management joined a Dutch trading mission with his new company Crown Licensing Holding to Brazil.

The Dutch trade mission to Brazil was the biggest ever from the Netherlands and was accompanied by members of the Royal family Prince Willem-Alexander (from 30 April King of the Netherlands), his wife (Princess Maxima) and Minister of Economic affairs Mrs. Ploumen.

Together with 200 companies we visited Sao Paulo and Rio de Janeiro. During the day several meetings were set up, followed by an official reception with the Royal Family.

One of the highlights of the trade mission was the official moment whereby Dutch companies and Brazil companies signed contracts for co-operation or business deals. This event, whereby a lot of presses are involved and whereby all Dutch officials (including the Royal Family and the Minister) are present,

was when Crown Licensing Holding signed a contract for co-operation with Almeida Prado & Hoffmann.

The companies were presented by **Luiz Augusto Azevedo de Almeida Hoffmann** and **Rene van den Outenaar**. During the signing session we were interviewed by the chairman and Luiz made the audience laugh by mentioning that the Dutch football team lost the last time that they played from the Brazil team.



Luiz Augusto Azevedo de Almeida Hoffmann
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THE HIDDEN BEAUTIES OF ASSURANCE VIE



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Life after non-dom : Assurance-vie as the ultimate tax plan?

Non-doms who would live in France after an active and lucrative professional life in the UK, are often afraid of French taxes, and rightly so. For them, as for many others, assurance-vie ("AV") is a perfect, though underestimated French tax planner.

Many French non-doms have heard of the basic benefits of an AV contract (or "policy"), but not many are aware of its most advanced features that make their future French taxpayer's life easier, and their future French tax bills up to 100% (yes, 100%) lighter.

Not many indeed suspect that France offers this efficient tax-wrapper for medium, high or ultrahigh net worth individuals that works as a bullet-proof protection against France's high taxes on income, wealth and inheritance.

Some people even live dangerously without an AV policy: for example, 1/3 of French couples with children are not married. Assets left to their surviving partner is taxed at a punitive 60% IHT rate. Many French couples in that situation are not aware of this problem, and most of them do not know that a well-designed AV is the ultimate tool to avoid this confiscatory IHT rate.

An AV policy is easy to set up and simple to administer. It can be made to measure to ensure that the policy-owner, the spouse, the children, the heirs, the legatees, the charities, and even the dogs make the most of it.

For a surviving spouse leaving 2.5m euros to 2 children, basic AV planning secures IHT savings of more than 460k euros. Some further planning can increase the savings to over 600k euros, reducing French IHT to levels far below UK or US rates. Expert planning can reduce that to nil, and even

plan the next generation's IHT.

Non-doms are in the best possible position to reduce their future French income taxes thanks to AV planning: gains can be realized tax-free, lodged into one or several AV policies before moving to France and enjoying wine, sunshine and low income taxes. Yes, low French income taxes if that is what you call 23% on a portion of your income, and often a small one.

On a non-tax note, AV planning is also an effective way to, eg: ensure that your old age care home will be paid for, that your spouse will never be left uncared for, that your children will not dilapidate your estate, that your favourite nephew will be able to finish his studies in the States, etc.

Yes, an AV policy is a trust 'à la française'. It is widely under-used.

Please feel free to contact us for a personalized demonstration.



DEAR MEMBERS



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When I was asked to write something for the IPG newsletter, related to my experience as member of the Board of Directors of our network, the first thing that came into my mind was the word “friendship”.

I honestly believe that one of the main features of our network is and should always be the friendly relationships that the members can create between them.

The friendly and collaborative atmosphere that I feel inside the BoD is helping me in giving the best I can to do my job trying to help our organization in growing both in quantity and in quality.

From the moment of my election during the conference in Dusseldorf (May 2011), my activities were always inspired by the growth of our organization and it is a great pleasure to have the opportunity to share this goal with my colleagues on the BoD that also have the same aims.

As Head of section Law, I really think that one of the most important resources for our

group is in recruiting new members, permitting to our network to cover more and more jurisdiction and being able to grant to our current members both new referral's and opportunities and, last but not least, the big advantage in having reliable colleagues in foreign countries able to help and assist clients in international matters.

The globalization of the markets and, in certain cases, some sort of “globalization” of the jurisdictions – I am thinking particularly about the European regulations about the recognition and enforcement of foreign judgments for example – imply that we have to put extra efforts in covering those areas of the world that are not yet covered by our group but that are becoming or are going to become strategic countries for different kinds of business.

Increasing the group – in a manner that not only takes to consideration the number of members but also looks at the best maintenance of the high quality that all our members

grant – is the best way both to give our current and future members more opportunities to increase their businesses and, at the same time, a wonderful opportunity for the group's management to acquire new ideas, new energies and new goals.

Finally, let me say that I've learned from the past years that the best way to recruit reliable new members is to share the business contacts of the current members. The participation of all of the members in the life and in the growth of the network is a crucial starting point to really enjoy the memberships. For this reason, please remember that I will always be more than happy to talk with you in case you know of firms interested in joining our network.

I am very glad and proud of the opportunity given to me and I hope that my enthusiasm, my energy and my work in recruiting new Firms and in trying to improve new projects for the benefit of all of us could achieve good results.



The contact details for the Chairman and Secretariat of the group are shown at the bottom of this page, but detailed below is a list of contact details and areas of responsibility for the Management Committee:

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Newsletter distribution

Finally, we would ask that you pass this newsletter on to all members of your firm who could usefully be aware of IPG. If you wish to supply the Secretariat with a general email address which acts as a distribution list for your firm then we would encourage you to do so. This way each firm can keep their internal distribution list up to date and the Secretariat can send newsletters, etc. to the widest possible number of people. If you have any questions please contact Ms. Aylin Redondo.

If you would like to contribute to the newsletter or if you have any comments, please feel free contacting us via the secretariat.

Disclaimer:

All contributions and announcements of this newsletters are submitted by IPG members. All statements and opinions included in the newsletters announcements are strictly the author(s) or submitter(s) and do not necessarily imply those of IPG. IPG is not responsible for the accuracy or publication permissions of any of the contributions.

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FOR THE
BRUSSELS
CONFERENCE IS
NOW OPEN

THURSDAY 9
MAY 2013

TO SUNDAY 12
MAY 2013

