GLOBAL LIFE PLAN BENEFITS: COMPARISON

by Glacier International

glacier
by Sanlam

OFFSHORE INVESTING: GLOBAL LIFE PLAN VS DIRECT

(WHERE PLANHOLDER IS A NATURAL PERSON)

INTERNATIONAL INVESTMENTS HELD WITHIN GLOBAL LIFE PLAN	INTERNATIONAL INVESTMENTS HELD DIRECTLY IN YOUR NAME
Taxation	
Capital gains tax (CGT), at a rate of 12% for individuals, is applicable on all realised gains from switches, share trading and withdrawals.	CGT at a rate of up to 18% is applicable on all realised gains from switches, share trading and withdrawals.
Glacier International takes care of tax administration (calculation, collection and payment to SARS) – no personal liability.	Client is responsible for declaring and paying income tax and CGT.
Income tax, at a rate of 30% for individuals, is applicable on any income (rental and interest) received.	Income tax, at a rate of up to 45%, is applicable on any income received.
Foreign dividends tax, at a rate of 20% for individuals, is applicable net of tax withheld at source.	Foreign dividends tax, at a rate of 20% for individuals, is applicable net of tax withheld at source.
Estate planning	
Estate planning benefits: beneficiaries for ownership or for proceeds can be appointed for efficient estate-planning purposes. No executor fees. No international probate liability	Probate risk: Complications could arise from having part of an estate located offshore. In some countries, strict procedures may need to be followed to identify and appraise the assets of an estate, as well as pay outstanding debts and taxes. Most countries don't recognise a South African will, which can cause problems for heirs. If you draw up an offshore will, an offshore executor may need to be appointed in addition to a local one, with the attendant costs and complications involved.
Subject to SA estate duty at 20%	Subject to inheritance tax in foreign jurisdiction.
Insolvency protection	
Insolvency protection after three years.	No insolvency protection

The above is based on our understanding of the current rules. These rules may change in future and as a consequence the tax treatment of the policies may change.

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