

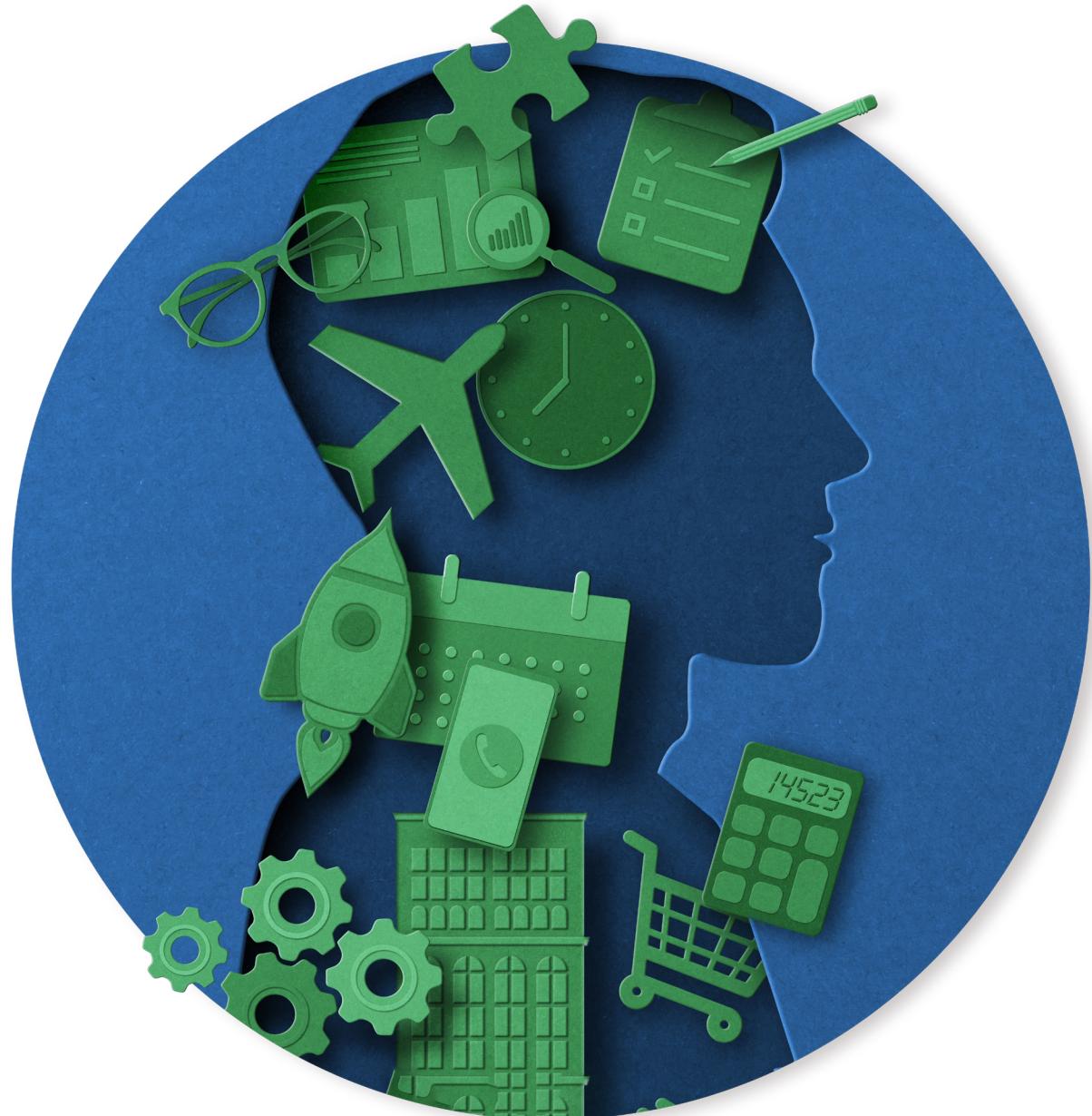
# Deloitte.

*Together makes progress*

## Deloitte International Private Wealth

Excellence Beyond Borders,  
Navigating Global Wealth

2026



# Overview

The majority of businesses around the world are family owned and privately controlled. And with the increased movement and dispersal of high-net-worth individuals and their families globally, they have the potential to impact every geography.

Deloitte is positioned to assist with the tax needs – of global families, high-net worth individuals, family enterprises and family offices to support their plans for the future.



# U.S. Tax Residency and Other Tax Planning Considerations for Non-U.S. Citizens

Foreign nationals may choose to spend significant periods of time in the U.S. as a result of family ties, business investments, or job opportunities. Proactively assessing the income, gift, and estate tax consequences of increasing their presence in the U.S. is critical.

U.S. citizens and residents are taxed on worldwide income and a change in tax residency status may have major implications.

Deloitte can help assess whether the client's current structure is efficient for their home jurisdiction as well as for U.S. tax purposes.



U.S. Individual Expatriation Tax



# Pre-Immigration Tax Planning: Considerations



Pre-immigration tax planning should be conducted before an individual begins to plan a move to the U.S. Once the individual is a U.S. person, planning opportunities may be more limited.

## Consideration:



Length of Stay



Managing Income Tax Residency



Managing asset types

- Use of Trusts
- Check-the-box planning
- Acceleration of income
- Foreign tax credits

# U.S. Estate and Gift taxation of Non-U.S. Citizens

Wealth transfer taxation should also be considered, as non-U.S. citizens who live, work, or own property in the U.S. could find themselves subject to U.S. estate, gift, and generation-skipping transfer taxes.

Determining which assets are considered U.S. situs can be complex, and the tax consequences of such determinations can be significant.

Non-U.S. citizens may be in the U.S. indefinitely, for a long-term stay, or for a short-term assignment. Upon their death, however, their estates may face adverse U.S. estate tax consequences in the absence of proactive and careful planning.



U.S. estate and gift tax rules for resident and nonresident aliens



# U.S. Taxation and information reporting for foreign trusts

The U.S. taxation of the income of, and distributions from, a foreign trust depends on the type of foreign trust and the status of the trust's beneficiaries at the time of distribution.

The status of a trust as foreign or domestic and the type of foreign trust will affect the U.S. taxation and reporting requirements of the trust and its beneficiaries.

Deloitte can help identify planning considerations as well as the U.S. tax and reporting obligations applicable to trustees, U.S. owners, and U.S. beneficiaries of foreign trusts.



U.S. Taxation and information reporting for foreign trusts and their U.S. owners and U.S. beneficiaries



# Reporting foreign bank accounts and other foreign financial assets



Each U.S. person with a financial interest in or signature authority over certain financial accounts in a foreign country, including bank, securities, or other types of financial accounts, is required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (the "FBAR" form).



In addition to accounts owned directly, owners of entities, as well as trustees, owners and beneficiaries of trusts, may be required to report foreign financial accounts of the entity or trust.



In addition to the FBAR filing requirements, the U.S. also requires disclosure of certain specified foreign financial assets ("SFFAs") on Form 8938.



# U.S. Tax Implications and Reporting Requirements of International Investments



Families with a global presence require diligent planning in order to adhere to information reporting, disclosure and compliance requirements both at home and abroad, as well as to manage their global tax burden.

U.S. information reporting requirements and anti-deferral rules are driven by the U.S. entity classification of an entity, which may be different than the classification in the jurisdiction where the entity was organized or established.

It is essential to confirm the “entity classification” as per the U.S. classification rules to mitigate potential penalties associated with these reporting requirements. “Check-the-box” planning may be available to change the U.S. entity classification but requires careful analysis.

# Effectively connected Income (ECI) and Fixed or Determinable Annual or Periodical (FDAP) income planning considerations and reporting requirements



The Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) have significantly increased tax transparency for investors across the globe.



Foreign individuals and trusts who are neither U.S. citizens nor U.S. residents are subject to tax on income that is effectively connected with a U.S. trade or business as well as on certain other types of U.S.-source income, such as dividends paid by U.S. companies. U.S. income tax returns may be required or recommended even if withholding is done at source.



# Foreign Investment in Real Property Tax Act (FIRPTA)

A foreign investor may purchase real property within the U.S. in a variety of ways: in his/her own name; through a U.S. corporation, partnership, or trust; or through a foreign entity.

In general, the Foreign Investment in Real Property Tax Act (FIRPTA) treats the gain or loss from the disposition of a U.S. real property interest by a non-U.S. investor or a foreign entity as income or loss effectively connected with a U.S. trade or business.

Consequently, such gain or loss will be included with the international investor's other effectively connected income (if any) and subject to U.S. income tax on a net basis.

FIRPTA withholding may also apply at the time of sale.



# Net CFC Tested Income (NCTI) and subpart F income tax reporting and planning for individuals and trusts



Under 2017 tax reform, the United States moved from a system whereby foreign earnings were generally taxed upon receipt of a dividend (deferral) to a system whereby, for most U.S. multinational corporations, a significant portion of foreign earnings will be included on a U.S. tax return currently.

This may cause a U.S. person who owns an interest in certain types of non-U.S. entities to be taxed on their share of income earned by the entity, even if not distributed out.

These reporting requirements can be complex and require specialized analysis, especially when subpart F or NCTI income is reportable by individuals and trusts. They may have “phantom income” absent a repatriation of profits. These taxpayers may wish to consider making a special election to be treated as a corporation solely for NCTI computation purposes, in order to access indirect foreign tax credits and obtain certain deductions.

# International Private Wealth Tax Controversies



In today's complex and ever-evolving tax landscape, many high-net-worth individuals and their enterprises face increasing challenges that require careful navigation. With a rapidly evolving IRS, the future of enforcement efforts is uncertain.



The IRS's evolving enforcement approach may involve more analysis from artificial intelligence, machine learning and data analytics. The stakes can be high for those unprepared to meet technologically-advanced scrutiny from both the IRS and state tax authorities.



Historically, some taxpayers may have approached controversy with a reactive mindset, addressing issues only as they arose during an audit. Today, proactive planning from the onset is not just advisable but essential. Proactive planning can place taxpayers in a stronger position should an examination occur, mitigating risks and potentially avoiding disputes altogether.



By adopting a strategic approach to tax controversy, taxpayers can effectively manage their obligations and protect their interests.

# Why Deloitte?

Deloitte can field a leading team to guide you through these critical conversations, coming to a clear path forward. We are closely connected to a multitude of professionals across the Deloitte ToucheTohmatsu Limited network of member firms who focus solely on private wealth, including families with multigenerational wealth, entrepreneurs, family offices, and fiduciaries. Our professionals provide advice and deep experience in a wide array of specialized areas, and have access to a network across the globe, including in emerging markets.

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