



International Associate Program 2024

Case study – Inbound real estate investments Canada / Luxembourg / Greece

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Participants



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- *Associate* at Aird & Berlis LLP
- Focused on domestic and international tax planning and structuring of business transactions



Tom Hamen

- *Senior Associate* at Loyens & Loeff
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Anastasia Kritikou

- *Senior Associate* at Zepos & Yannopoulos
- Specialized in income taxation, corporate taxation, real estate taxation and international taxation



Jan Wegener

- *Counsel* at POELLATH
- Focused on Tax Planning/Structuring, Business Successions, Private Clients, Corporate Law, Foundations and Non-Profit Organizations

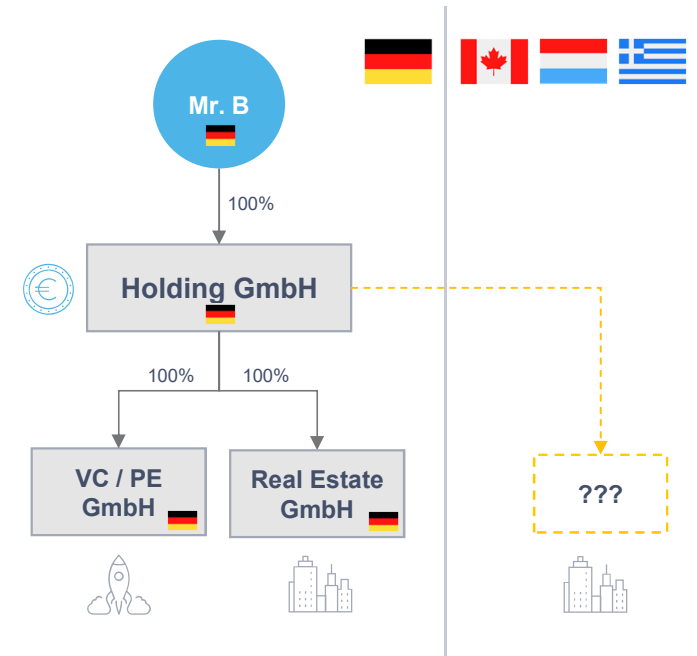
Facts

- Mr. Beckenbauer („**Mr. B**“) is a German citizen and tax resident.
- He is 82 years old, divorced and has one daughter (German resident).
- He is the sole shareholder of his German holding company.
- The holding company holds cash and two subsidiaries:
 - real estate company in Germany
 - VC / PE company in Germany
- Mr. B is concerned about political and economical developments in Germany and aims to diversify his assets.
- In particular, he plans to invest in real estate abroad.
- He prefers to invest via his holding company or a subsidiary. Otherwise he needs to distribute cash upfront (triggers income tax in Germany).
- He is always open for optimizations and keen to reduce taxes.

Base Case: Mr. B plans to buy an apartment building in Toronto.

Modification 1: He plans to buy an office building in Luxembourg.

Modification 2: He plans to buy a beach house in Paros.



Potential discussion topics

- **Restrictions / bans for non-residents**
- **Fees, expenses, taxes on the transaction (RETT)**
- **Preferred structure (holding vs. new subsidiary)**
- **Private investment by Mr. B?**
- **Ongoing taxation (rental income)**
- **Sale of property / shares (exit)**
- **Funding of a potential subsidiary (equity vs. loan)**

- **Private use by Mr. B and his family**
- **Rental use within the group (PE arm)**
- **Restrictions / bans re short term rental (Airbnb)**
- **Other general optimizations / ideas**
- **Wealth tax**
- **Tax implications in case of death**