

STEP Hungary Conference

Cross-border wealth structuring in Central Europe and beyond

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ADVISING FAMILIES ACROSS GENERATIONS

20 March 2026, Budapest - In cooperation with the Budapest BAR Association

Welcome from STEP Hungary

Prof. Dr. István Sándor, PhD, DSc, TEP
Chair of STEP Hungary

Sponsors of the STEP Hungary 2026 Conference

We are in good company.



Welcome from the Budapest Bar Association

Dr. Péter S. Szabó

Vice-President of the Budapest Bar Association

STEP Update

Dr. Paolo Panico
Chair of STEP Worldwide

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Key-Note Speech No. 1

STEP: Presentation And Public Policy Involvement in AML Matters

*by Paolo Panico, TEP
Chairman of STEP Worldwide*

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Key-Note Speech No. 2

The Realities of Anti-Money Laundering in Wealth Management

by Gabor Szabo, TEP

Primus Wealth

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Cross-border trust and foundation structures in Central Europe

Kacper Górnjak,
PhD, notary,
Poland

Miroslav Trenčan,
TEP, Hillbridges,
Slovakia

James Turnbill,
TEP, Uplift, Chair
of STEP Czech and
Slovak

Moderator: **Prof. István Sándor,**
TEP, Chair of STEP
HUNGARY



The family



The plan

- Long-term wealth planning and asset protection structure that
- ensures professional management of the business and private assets,
 - secures continuity across generations,
 - minimizes the risk of family disputes in their blended-family situation, and
 - provides appropriate asset segregation and creditor protection.

1. Legal Structures

Section 1448:

(2) *The creation of a trust establishes **separate and independent ownership** of the assets that have been set aside*

Typical Use Cases

(3) *The rights arising from the right of ownership in the assets of the trust are exercised by the trustee in his or her own name and on behalf of the trust, however, **the property in a trust is not owned by the trustee or the founder, or the person entitled to receive performance from the trust.***

Family wealth transfer

Blended families

Asset protection

Personal Wealth

Charitable / non charitable Purposes

Legal structures (PL)

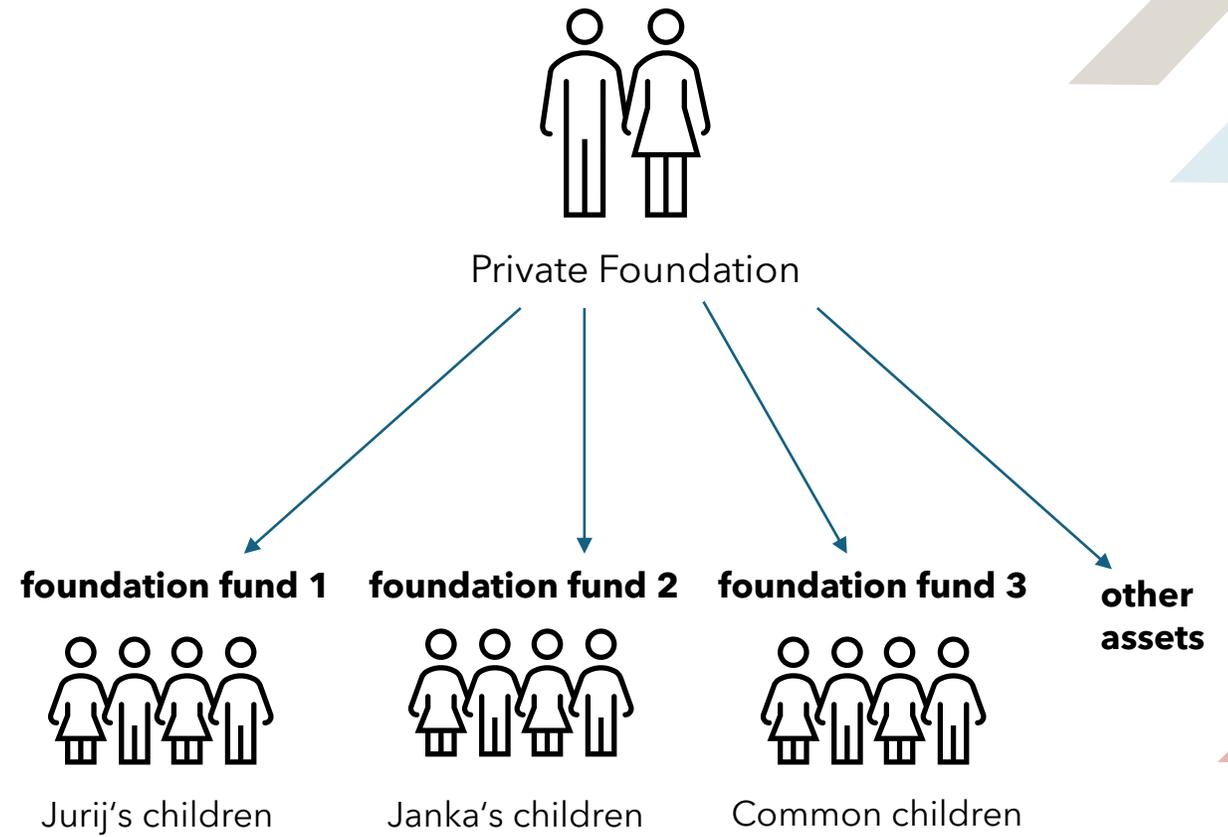
- Act of 26 January 2023 on Family Foundations, in force until 22 May 2023
- A family foundation is a legal entity established for the purpose of accumulating assets, managing them in the interests of the beneficiaries, and providing payments to the beneficiaries
- Not only for family members, but mainly for natural persons
- Duality of law of foundations: simple foundation (public utility) and family foundation (private utility)
- Lack of different advanced trust structures other than based on general principles of private law (freedom of contract)
- Jurij and Janka should jointly establish a family foundation with their children as beneficiaries; after ten years the foundation's patrimony would be probably free from forced heirship rules which is crucial in their situation

Case Study (SK)

1. CORE VEHICLES

Private Foundations

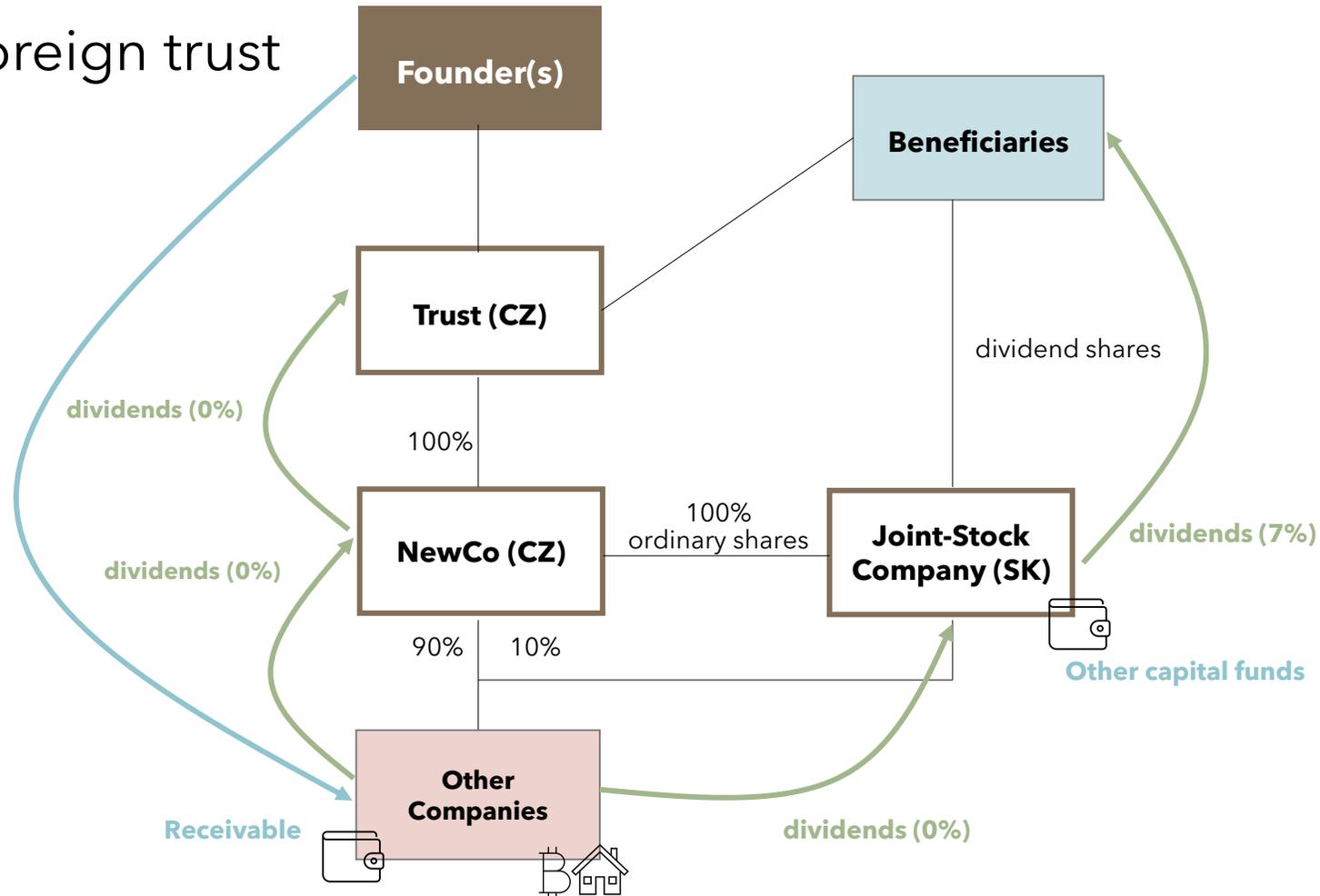
- ▶ Draft law proposed to enter into force on 1 July 2027 (not yet enacted)
- ▶ Inspired by Czech law
- ▶ **Purpose:** private family purposes
- ▶ **Form:** a legal entity (with legal personality)
- ▶ **Structure:** foundation fund(s) and other assets
- ▶ Slovak holding company
 - ▶ limited liability company / joint-stock company



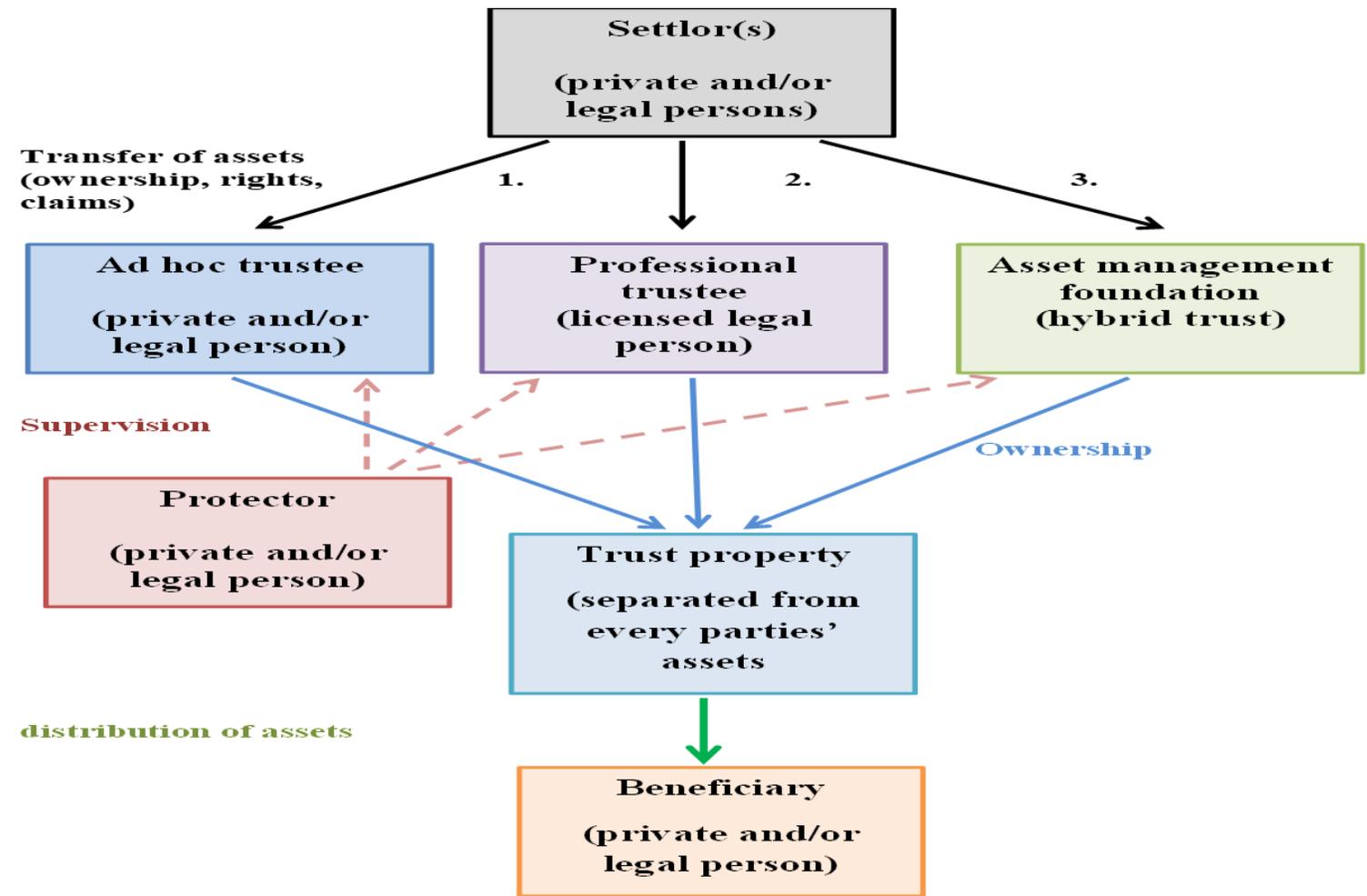
Case Study (SK)

1. CORE VEHICLES

- Structure with a foreign trust



Hungary



Case Study (SK)

2. BODIES OF THE PRIVATE FOUNDATION

- ▶ Administrator of the Private Foundation (*Správca súkromnej nadácie*)
- ▶ Board of Directors (*Správna rada*)
- ▶ Supervisory Board / Auditor (*Dozorná rada / Revízor*)

Trustees (PL)

- Family foundation is governed by:
 - 1) Management Board
 - 2) Supervisory Board
 - 3) Assembly of Beneficiarieswith the founder often holding a strong position
- Compulsory external audit by professional independent auditors every 4 years.
- The market for professional managers is still in its infancy.

Case Study (CZ)

2. Trustees

Family Members

Lawyers

Professional Trustees

Protectors

Vacant Protectors



Hungary

| Decision Factor | Ad hoc Trustee | Professional Trust Service Provider | Asset Management Foundation |
|-------------------------|--------------------------|-------------------------------------|------------------------------|
| Regulatory burden | ✓ Low | ⚖️ High (licensed) | ⚖️ High (court registration) |
| Capital requirement | ✓ None | 💰 High (HUF 70m) | 💰 Very High (HUF 600m) |
| Flexibility | ✓ High | ⚖️ Medium | ⚖️ Medium |
| Professional management | ✗ Limited | ✓ Yes | ⚖️ It depends |
| Best for | Simple family structures | Complex portfolios | Long-term wealth planning |

Case Study (CZ)

3. Setup

Documents (minimum vs recommended)

Record = 6 days

Seat CZ

No CZ Trustee (but beware)

Notary

Tax and Accounting

ESF and ESM

Banking



Set-up (PL)

- Notarial act of establishment
- Notarial act of charter
- Transfer of assets (worth at least 100.000 PLN = 25.000 EUR)
- Entering into the special register of family foundations
- Registration process is long (ca. 1 year) but earlier activity is possible
- Succession and estate planning
- Asset protection
- Tax optimisation

Case Study (SK)

3. SET-UP

▶ Limited Liability Company / Joint-Stock Company

- ▶ Simple incorporation process
- ▶ Registered seat in Slovakia
- ▶ Identification of UBO
- ▶ Registration in the Commercial Register

▶ Private foundations

- ▶ Constitutive documents
 - ▶ Foundation deed (notarial form)
 - ▶ Statutes (if adopted)
 - ▶ Notarial UBO verification document
- ▶ Minimum contribution of EUR 1
- ▶ Registration required

Hungary

| Factor | Ad hoc Trustee | Engaging a Professional Trust Service Provider | Asset Management Foundation |
|---------------------------------|----------------------------|--|----------------------------------|
| Set-up time | ⚡ Fast (weeks) | ⚡ Fast (days–weeks) | 🐢 Longer (months) |
| Set-up costs | € Low | €€ Medium (service fees) | €€ Medium (legal fees) |
| Regulatory process | ✅ Minimal (registration) | ⚖️ Provider already licensed | ⚖️ Court registration |
| Capital requirement | ❌ None | ❌ None (provider meets requirements) | 💰 HUF 600m |
| Documentation complexity | ⚡ Simple | ⚖️ Moderate (service agreement + structure) | 📄 Complex |
| Governance structure | ❌ Basic | ✅ Professional governance | ✅ Highly structured |
| Typical use case | Quick, simple arrangements | Managed wealth with professional oversight | Long-term family wealth planning |

Case Study (SK)

4. RECOGNITION AND LITIGATION

- ▶ Legal framework
 - ▶ Slovakia has not ratified the Hague Convention on the Law Applicable to Trusts and on Their Recognition
 - ▶ Trust is not recognised under Slovak law
- ▶ Public registries
 - ▶ Assets must be registered to a natural or legal person
 - ▶ Trust vs. Trustee
- ▶ Foreign private foundations (branch) - *not enacted*
- ▶ Register of Foreign Trust Funds - *in legislative process*

Case Study (SK)

4. RECOGNITION AND LITIGATION

Section 22 of the Slovak Commercial Code

„The Slovak law shall accept the legal capacity of non-residents (other than non-resident individuals) pursuant to the law, under which such a legal entity was established. The law, under which the non-resident entity was established, shall also govern its internal relations and the liability of its partners, members or shareholders for the entity-s obligations“

- Insufficient protection in case of attacks on the structure (creditors / unhappy heirs) = chance that they will be successful (*defective structure*)
- Risk that trustees will be considered the real owners = the structure bears the trustee's credit risk
- Forced heirship?

International (PL)

- Poland is not a party to the Hague Convention on Trusts
- Recognition of foreign trusts is subject to dispute and is based only on general principles of private law (there are no special rules), visible for example in case law on succession
- Recognition of foreign legal persons is based on the principles of the EU law and the incorporation theory is applied (in practice, a place of formal incorporation is decisive, not the real seat)

(CZ)

4. Recognition and Litigation

Trusts vs Foundations

Trusts as shareholders

Inbound / ESF

Trustees as parties (much confusion)

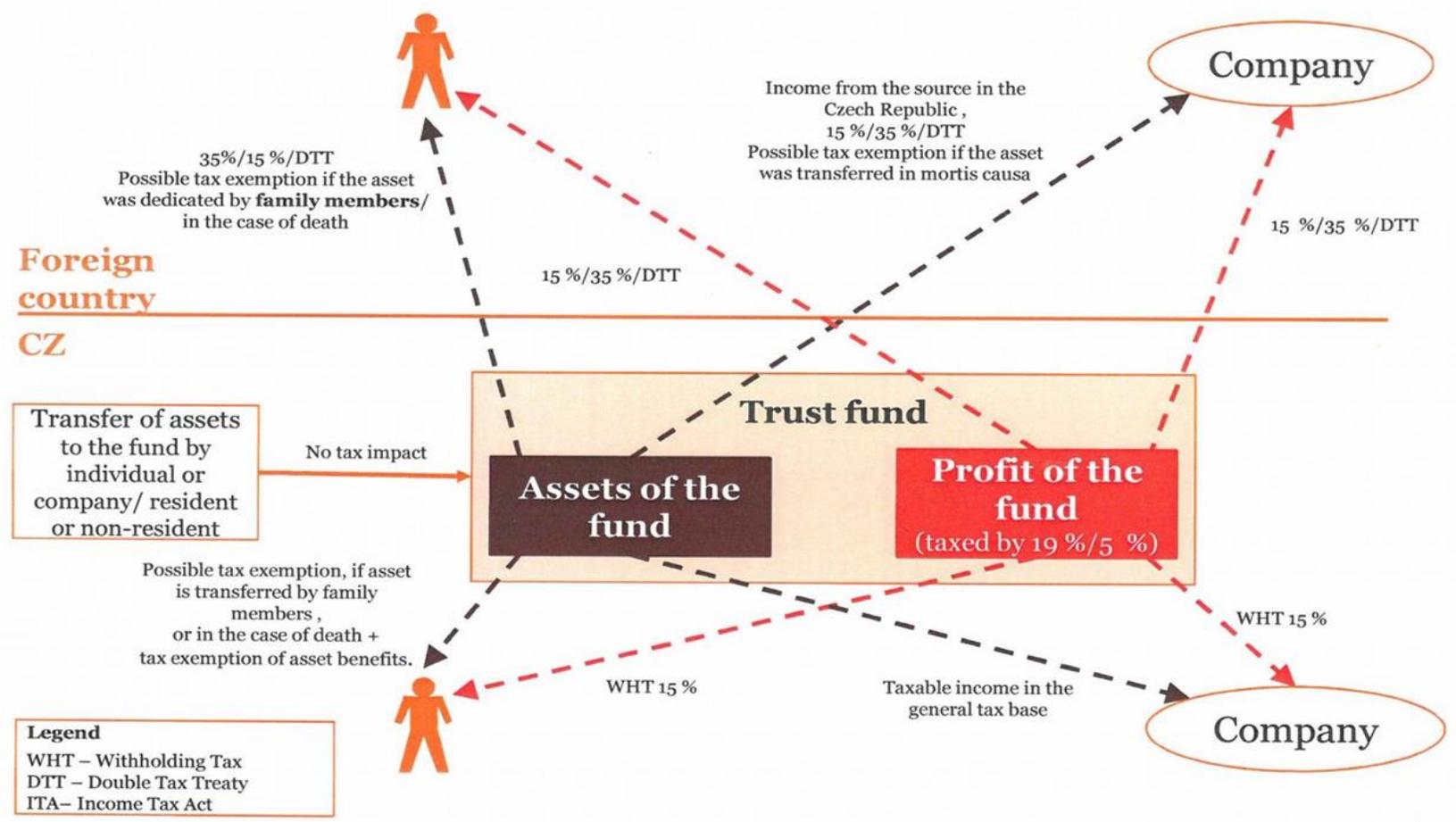
Beneficiaries have rights (SF ✓ NF?)

Forced heirship????



Hungary

| Factor | Ad hoc Trustee | Engaging a Professional Trust Service Provider | Asset Management Foundation |
|--------------------------------------|--|---|--|
| Cross-border recognition | ⚖️ Limited / uncertain (civil law jurisdictions) | ⚖️ Moderate (depends on structure) | ✅ Generally stronger (legal entity form) |
| Legal nature | Contractual relationship | Contractual + institutional background | Separate legal entity |
| Applicable law clarity | ⚖️ May be disputed | ⚖️ May be disputed | ✅ Clearly defined |
| Jurisdiction in disputes | ⚖️ May be complex | ⚖️ May be complex | ✅ Typically clearer (seat of foundation) |
| Creditor challenges (foreign) | ⚠️ Higher risk | ⚖️ Moderate | ✅ Lower risk (segregation stronger) |
| Typical dispute forum | Courts / arbitration (multiple possible jurisdictions) | Courts / arbitration (contract-based) | Courts (seat of foundation) |



Tax (PL)

- Payments to beneficiaries are not taxed if they are among the founder's close family members, i.e. descendants, ascendants, spouse, siblings, or stepchildren
- A family foundation is subject to a 19% Corporate Income Tax rate unless it conducts business activities that are not permitted by law (Art. 5 of PFA)

Case Study (SK)

5. TAX - DISTRIBUTION TO BENEFICIARIES

SLOVAKIA

Founder (s)

Beneficiary (ies)

Problems with categorization in Slovakia

- ▶ Income? = "remuneration from disposal of assets"
- ▶ Gift? - out of scope of tax
- ▶ Other income? - 19% / 25% / 30% / 35% tax + health insurance contributions 16%

2. Funds distribution

Trust /
Foundation

Case Study (SK)

5. TAX - DISTRIBUTION TO BENEFICIARIES

SLOVAKIA

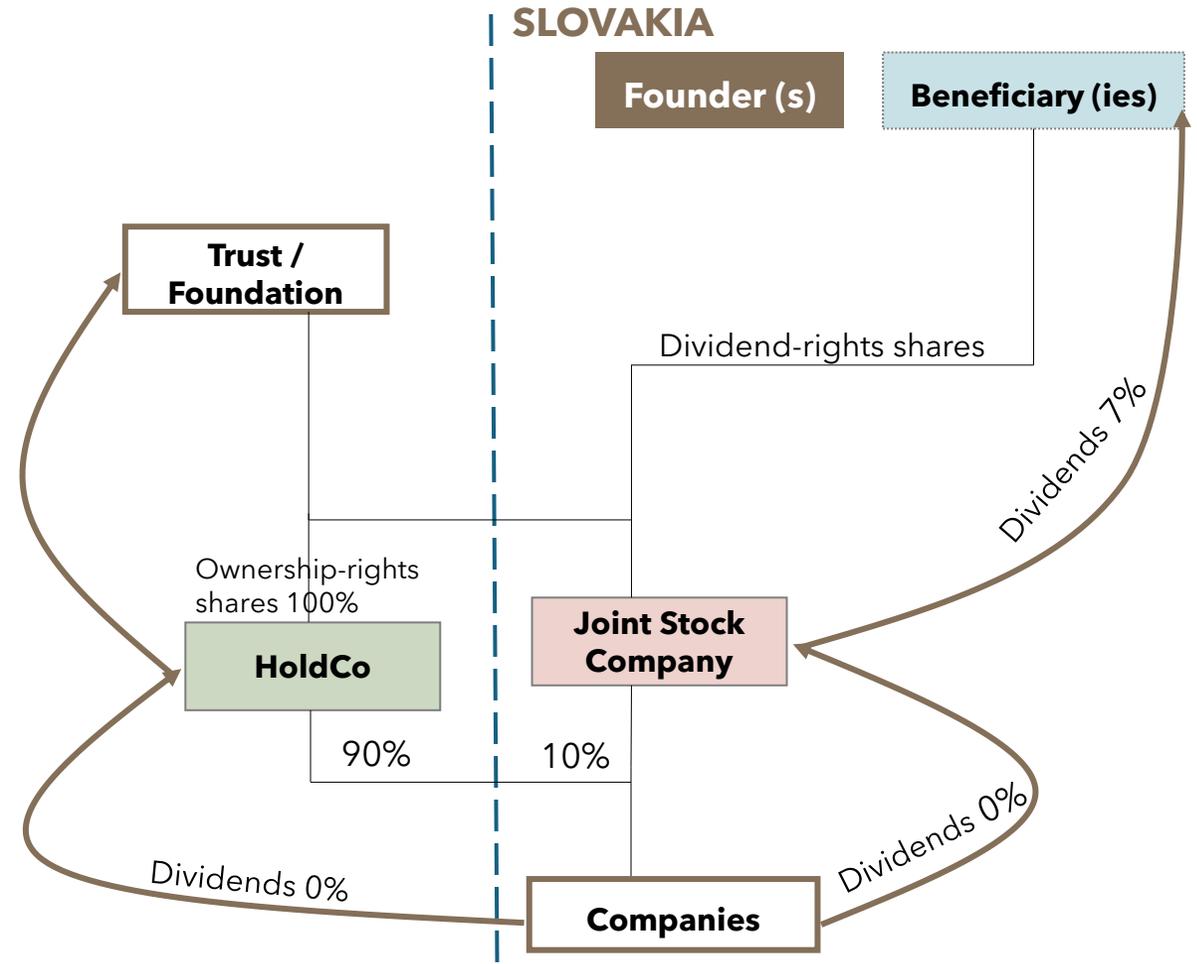
EXAMPLE SOLUTION FOR CZECH TRUST / FOUNDATION

Joint Stock Company

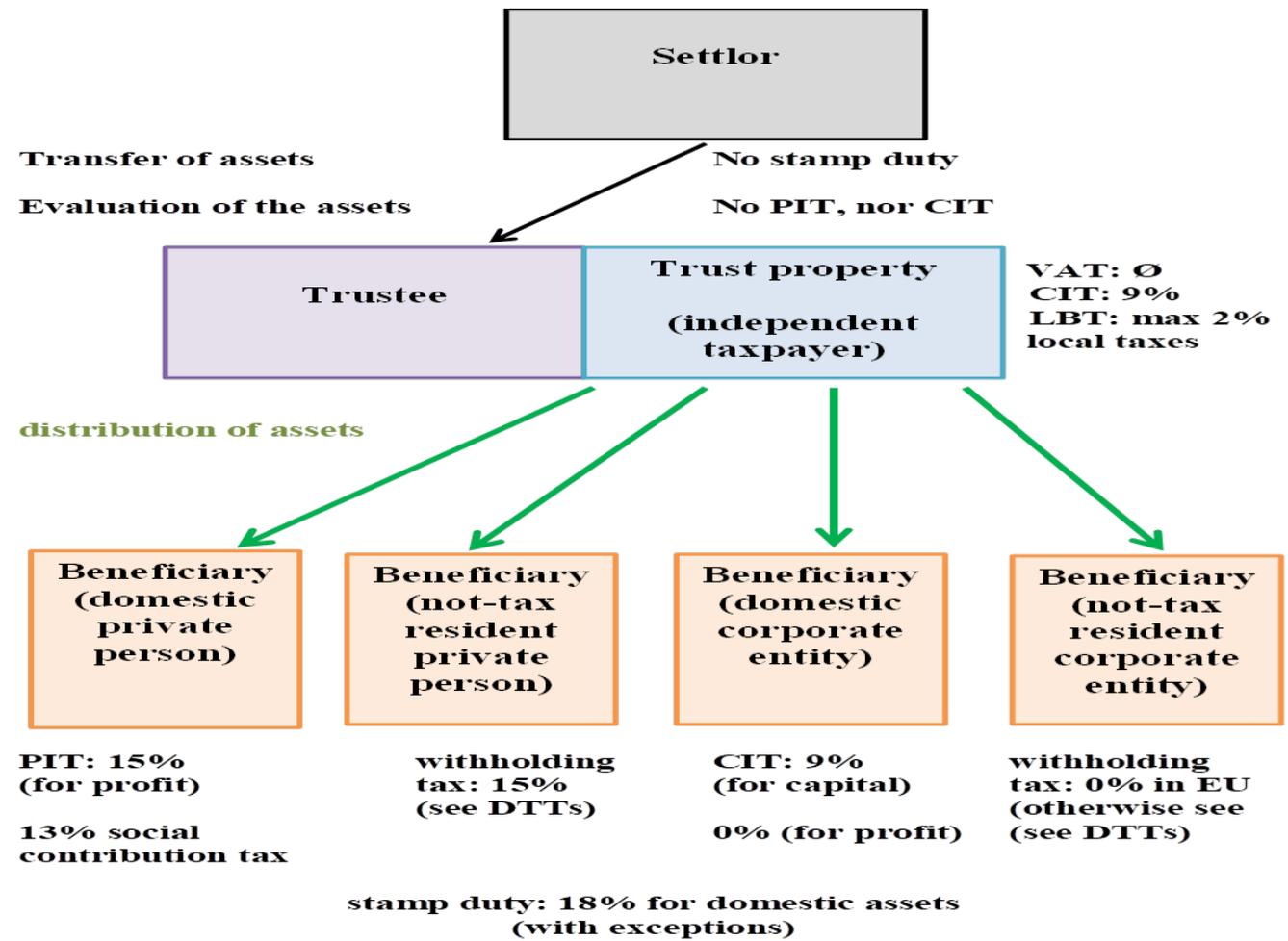
- ▶ Different share classes for different beneficiaries
- ▶ Dividends to beneficiaries taxed at 7% in Slovakia

HoldCo

- ▶ Ensures efficient dividend distribution between the Companies and the Trust /Foundation



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**Thank you for
your attention!**



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With or Without Your (Hungarian) Trust? - Estate Planning for HNWIs Setting Off for Life Abroad



Elodie MULON



Stuart SMYTH



Alberto Perez CEDILLO



Dr. Daniel LEHMANN



Péter KUN

THE CAST (in order of appearance)

- **József and Ilona (65)**
- Hungarian entrepreneur couple
- 35-year business career
- Business sold for 50 million euros

- **Béla (30)**
- Gambling addiction
- Significant debt

- **János (25)**
- Painter living with autism
- Full guardianship



ALLOCATION OF FAMILY ASSETS

Hungarian Trust

- Business sale proceeds placed into a Hungarian trust („bizalmi vagyonkezelés”)
- Settlers: József and Ilona
- Children named as sole beneficiaries

Assets Outside the Trust

- Family home in Hungary
- Cash in a Hungarian bank account
- Securities held in a Hungarian bank account

Planning Objective

- Concern for sons' long-term wellbeing
- Avoiding personal management of family wealth by the sons
- Asset protection
- Avoiding potential disputes



MOVING – BUT HOW?

Relocation Plan

- Later years to be spent abroad
- Purchase of property (for themselves and younger son)
- Investment in real estate and securities in new home country
- Béla remains in Hungary
- János relocates with parents



Uncertainty is certain:

- Succession law and jurisdiction – last habitual residence, domicile, nationality – who will tell?
- Recognition of trusts – The only good foreign trust is the void foreign trust?





Chapter I

Hungarian Trust in Troubled Waters

(... is it advisable for a Hungarian trust management company to acquire real estate or financial investments directly in your country?)

Is it advisable for a Hungarian trust management company to acquire real estate or financial investments directly in your country?

- Continuity of ownership
- Permits control by the donors and timing as to when family members benefit
- Allows management of the assets by a professional trustee
- Affords an element of privacy
- Trustee to register on the Register of Overseas Entities
- Health warning re UK tax!

1. Holding Spanish Assets Through a Hungarian Trust

- Issue: Spanish law does not recognise trusts as legal entities.
- Risk: Property registered in the trustee's personal name.
- Risk: Non-EU entities may face the annual 3% Spanish property tax.
- Risk: Trust income may be attributed to Spanish-resident beneficiaries.
- Solution: Use a Spanish Sociedad Limitada (SL) owned by the trust.

1. Is it advisable for a Hungarian trust management company to acquire real estate or financial investments directly in your country? What complications might this create, and what alternative approaches would you recommend?

1. Lack of recognition of trusts in France:

- Trusts are not recognised under French law → contrary to the principle of unity of assets
- Trusts are assimilated in doctrine to existing legal categories in French law: mandate, donation, “**fiducie**”, etc.

“Fiducie” topic:

French mechanism whereby a person temporarily transfers assets to a “fiduciaire”, who manages them in a separate estate for the benefit of a beneficiary (Art. 2011 of the Civil Code) → organisation and securisation of asset management.

→ Still rarely used in family planning in France, as it is highly regulated and subject to legal and tax constraints.

→ Major restriction imposed by Article 2013 of the Civil Code: **the fiducie is void if it arises from a charitable intention** for the benefit of the beneficiary

What we expect: National Assembly Draft (proposed on 2 December 2025) on the extension of “fiducie” to asset transfers

The core of this proposal is the introduction of charitable “fiducies” to meet three major needs :

- Protection of vulnerable persons – may constitute a trust
- Business continuity
- Development of philanthropy

1. Is it advisable for a Hungarian trust management company to acquire real estate or financial investments directly in your country? What complications might this create, and what alternative approaches would you recommend?

2. **Recognition of the effects of a foreign trust:** France recognises the effects of validly constituted foreign trusts, subject to certain conditions:

1. Compliance with applicable foreign law
2. Absence of fraud under French law
3. Compliance with international public policy

3. **Risk about acquisition of property in France via a foreign trust:**

- Civil implications → Acquisition in the name of the trustee as the legal representative of the trust
- Tax implications :
 - Settlor subject to wealth tax and an **annual tax of 3%** of the market value of the property
 - Beneficiary subject to income tax

4. **Solutions:**

- Direct purchase of a property by Jozsef and his wife
- Purchase via a French property investment company
(Called in French “SCI” – Société Civile Immobilière)

1. Advisability to directly acquiring assets by trust management company

- No recognition of trusts by German civil law
 - Legal uncertainty: Qualification as foreign foundation or contractual (inter partes) relationship?
 - No direct ownership of German assets by foreign trust
 - No protection of trust beneficiaries in front of German courts in case of breach of trust (no right to follow, etc.)
- Possibility of acquisition of German assets through foreign underlying company or trust management company
 - Any potential litigation outside Germany
- Taxation:
 - Attribution of income to settlor/beneficiaries
 - Avoidance of German inheritance tax (up to 50%)
 - Potential internal double taxation (gift tax/income tax) on distributions
 - Rule of thumb: Structure can be beneficial if family can „afford“ to regard trust assets as a mere savings box not required for their daily lives (otherwise compliance cost and tax levy potentially disproportionate)



Chapter II

„Better the devil you know...”

(... would it be wise for József and Ilona to purchase real estate in your country personally, rather than through the trust?)

Would it be wise for József and his wife to purchase real estate in your country personally, rather than through the trust, as suggested by an old friend?

- Joint tenancy v tenants-in-common
- Succession governed by laws of England and Wales
- Need Wills
- No privacy
- No compliance requirements – Register of Overseas Entities/Trust Register
- Corporate ownership is unattractive is for personal use

2. Personal Acquisition of Spanish Property

- Issue: Direct ownership widely accepted by Spanish banks and notaries.
- Benefit: No corporate maintenance or reporting obligations.
- Risk: Spanish forced heirship rules apply to succession.
- Rule: Legítima allocates two-thirds of the estate to children.
- Solution: will with Brussels IV election on succession law.

2. Would it be wise for József and his wife to purchase real estate in your country personally, rather than through the trust, as suggested by an old friend? What succession-planning considerations should they keep in mind?

1. Reminder of the conflict-of-laws rules relating to succession:

Succession Act (4 July 2012), applicable to successions of persons deceased on or after 17 August 2015

2 hypothesis :

→ Election of law (art. 22)

→ If no choice of law: criterion of the deceased's last habitual residence (art. 21)

2. Civil implications:

- Full property
- Recommendation : election of Hungarian law (in case, they're planning to move in France or another country)

2. Would it be wise for József and his wife to purchase real estate in your country personally, rather than through the trust, as suggested by an old friend? What succession-planning considerations should they keep in mind?

3. Tax implications:

- The property located in France will be subject to French inheritance tax (art. 750 ter CGI), whether the purchase is made directly or through the trust
→ it applies only where the beneficiary of a trust has been tax resident in France for at least 6 years (on the ten years immediately preceding the year in which they receive the assets)
- Inheritance tax according to a progressive scale after a €100,000 allowance (for parent/child inheritances)

| Part taxable après abattement de 100 000 € | Barème d'imposition |
|--|---------------------|
| Jusqu'à 8 072 € | 5% |
| De 8 073 € à 12 109 € | 10% |
| De 12 110 € à 15 932 € | 15% |
| De 15 933 € à 552 324 € | 20% |
| De 552 325 € à 902 838 € | 30% |
| De 902 839 € à 1 805 677 € | 40% |
| Plus de 1 805 677 € | 45% |

2. Direct acquisition vs. acquisition through trust

- See before (1):
 - Only indirect acquisition by trust through foreign company possible
 - No court protection of trust relationship in Germany (litigation in Hungary required) in case of breach of trust
 - Tax and cost efficiency of (indirect) acquisition by trust only in case of „savings box“
 - Chance of keeping assets free from forced heirship claims: Potential of spendthrift protection
- Direct acquisition by clients
 - Duplicate German estate planning for (significant) German assets requires additional care
 - Tax and cost efficiency of direct acquisition by clients in case income is needed
 - Directly owned assets subject to forced heirship (even in case of choice of law of Hungarian succession law = public policy)



Chapter III

All that we left behind

(...from a succession-planning perspective, what would you recommend regarding their Hungarian real estate and other assets if they choose to take up habitual residence in your country?)

From a succession-planning perspective, what would you recommend regarding their Hungarian real estate and other assets if they choose to take up habitual residence in your country?

- Domicile is not dead! Assessment of their domicile status
- Testamentary cross-jurisdictional planning
 - One Will or multiple Wills
 - Become British national?
- Consider potential issues such as:
 - Possibility of challenge by heirs
 - Another jurisdiction may not recognize the English law Will
- Practical difficulties to use an English law Will in different jurisdictions

3. Hungarian Assets After Relocation

- Issue: Hungarian trust remains governed by Hungarian law.
- Risk: Spain may attribute trust income to settlor or beneficiaries.
- Obligation: Foreign assets must be reported under Modelo 720.
- Risk: Securities may fall under Spanish succession law.
- Solution: Pre-departure restructuring and tax planning.

3. From a succession-planning perspective, what would you recommend regarding their Hungarian real estate and other assets if they choose to take up habitual residence in your country?

Note: in the absence of law choice, the applicable law is that of the deceased's domicile → in this case, French law

1. Donating their assets before settling in France

Hungary does not impose any tax on donations between parents and children → attractive

Advanced donation of Hungarian assets – 2 possibilities:

- Donation of the entire property
- Donation of bare ownership and retention of usufruct

2. After settling in France

- **Donation:** exempt from gift tax under 100.000 €, and then tax according to a progressive scale
- **Life-insurance:** exempt from succession tax as it does not form part of the estate
- **Creation of an SCI in France:** Specific type of civil company dedicated to the management and ownership of real estate assets

3. Hungarian assets after relocation

- Keep things simple!
 - Even under the EU Succession Regulation, winding-up of estates with cross-border elements is tedious, time-consuming and costly: Possibility of transferring ownership titles to holding company?
 - See before (1) and (2):
 - Savings box (cost and taxes)?
 - Spendthrift protection / forced heirship?



Chapter IV **Especially for you**

(...are there any special considerations you would recommend given the circumstances of their two children?)

Are there any special considerations you would recommend given the circumstances of their two children?

- János
 - Application to Court of Protection for a declaration that Hungarian guardianship order is recognised and enforceable in England
 - If József and his wife were to pass away/incapacitated, would János be able to live by himself? Who would take over as guardian? What happens to Hungarian order in those circumstances?
- Béla
 - Design a structure where assets are not in his personal name and value can be protected from claims by creditors
 - A trust with a robust trustee!
 - Consider a (1) protective trust or (2) Family Investment Company

4A. Planning for Béla – Asset Protection

- Issue: Exposure to creditor claims.
- Solution: Use usufruct structures to separate control and ownership.
- Tool: Spanish fideicomiso substitution mechanisms.
- Benefit: Protect assets during lifetime.
- Outcome: Assets ultimately pass to next generation.

4B. Planning for János – Long-Term Protection

- Issue: Need for supported decision-making structures.
- Rule: Spanish Law 8/2021. Law 8/2021 – Support measures for persons with disabilities.
- Risk: Long-term financial protection required.
- Solution: Establish patrimonio protegido structure.
- Outcome: Assets ring-fenced for care and support.

Conclusions

- Spanish law does not recognise foreign trusts directly.
- Spanish SL structures often solve cross-border ownership issues.
- Forced heirship requires proactive succession planning.
- Law 8/2021 – Support measures for persons with disabilities.

4. Are there any special considerations you would recommend given the circumstances of their two children?

1. Temporary solutions :

- **Transmission via an SCI in France** : specific type of civil company used for the family's interests
- **Donation of bare ownership of the property and retention of usufruct** : József and his wife will be able to retain management while transferring ownership to Béla and János.

Please note: upon the death of Jozsef and his wife, the issue will arise once again.

Long-term solution are needed

4. Are there any special considerations you would recommend given the circumstances of their two children?

2. Long-term solutions :

- **For János**

→ Appointment of a new guardian for János by drawing up **a will**

→ Advance care directive (mandat de protection future): upon their death, Jozsef and his wife can appoint someone to manage Janos's estate

- **For both**

→ Life insurance with a modified beneficiary clause: take out a life insurance policy and include a beneficiary clause with scheduled payments (monthly annuity, payments managed by a third party, etc...)

French “fiducie” : assets are transferred to a trustee who is responsible for managing them on behalf of a beneficiary → unattractive, as the “fiducie” is rarely used in family matters

4. Are there any special considerations you would recommend given the circumstances of their two children?

3. And “fiducie” ?

At the end of the contract, the assets of the fiducie are transferred to the beneficiary or returned to the settlor in accordance with the terms set out in the fiducie agreement (art. 2029 of the Civil Code)

Major restriction imposed by Article 2013 of the Civil Code: **the fiducie is void if it arises from a charitable intention** for the benefit of the beneficiary

→ this is not a sustainable situation in long-term

Further reading : National Assembly Draft (proposed on 2 December 2025) on the extension of “fiducie” to asset transfers

4. Special considerations for children

- János:
 - Plan for sufficient funds to be directly held/acquired for daily life (savings box only for the rest avoiding German inheritance/gift tax)
- Bela:
 - Plan for sufficient regular income (e.g. life interest/usufruct) to cover daily cost and avoid transfer of wealth accessible to creditors
 - Keep subsequent next generation in mind (Bela may have descendants, too):
 - Bela and his descendants should remain members of the class of beneficiaries of the family trust, and the trust rules should allow for the flexible distribution of income and capital to accommodate for changed circumstances

**„Trust, but verify”
(*Ronald Reagan*)**

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**TAXATION OF
CROSS-BORDER
STRUCTURES**

OUR CHEFS



Priska RÖSLI

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Partner, Crystal Worldwide LP (NZ)



Liechtenstein



Cyprus



New Zealand

Liechtenstein – Taxation at Trust/Foundation Level

| | Foundation | Trust |
|---------------------------------|--|--|
| Legal nature | Legal person under Liechtenstein law | Trust relationship governed by Liechtenstein trust law |
| General tax regime | Corporate income tax 12.5% | Generally subject only to minimum income tax |
| Minimum tax | CHF 1,800 per year | CHF 1,800 per year |
| Tax filing | Annual tax return required | No tax return required |
| Special regime | Private Asset Structure (PVS) available for passive asset holding | No equivalent special regime required |
| PVS features | Flat tax CHF 1,800 per year ; no annual tax return | n/a |
| Treaty access | Access to double tax treaties only if ordinary taxed (not under the PVS regime) | Not typically relevant |
| Typical income treatment | Dividends generally tax-exempt (anti-avoidance rules to be observed); foreign permanent establishments and foreign real estate income generally exempt | In practice only minimum taxation in Liechtenstein |

Liechtenstein – Taxation of Settlement & Distributions

| | Foundation | Trust |
|--|--|--|
| Settlement of assets | No Liechtenstein corporate income tax on the contribution of assets | No Liechtenstein corporate income tax on settlement |
| Formation levy | CHF 200 minimum or 0.2% of statutory capital | CHF 200 minimum or 0.2% of statutory capital |
| Income generated within the structure | Generally low-tax environment; dividends often tax-exempt | Typically, only minimum taxation in Liechtenstein |
| Distributions to beneficiaries | No Liechtenstein withholding tax | No Liechtenstein withholding tax |
| Taxation of beneficiaries | Determined in the beneficiary's jurisdiction of residence | Determined in the beneficiary's jurisdiction of residence |
| International tax classification | May be treated as transparent or opaque depending on the foreign jurisdiction | Same issue: classification depends on foreign tax law |

CYPRUS

Cyprus as a leading jurisdiction for trusts and succession planning

- Cyprus is a member state of the **EU** and a **common-law jurisdiction**, where **trusts are a well-established legal concept**, supported by experienced courts, professional advisers, and financial institutions.
- Cyprus has offered a dedicated international trust regime since the early 90's through Cyprus International Trusts. The regime has been modernized to **incorporate best-practice features from other leading jurisdictions**.
- Cyprus International Trusts (CIT) offer a high degree of flexibility and robustness, including **strong asset-protection** provisions and statutory protection against challenges based on foreign forced-heirship rules.
- Cyprus offers a combination of legal certainty, flexibility, and practical advantages, making it a particularly suitable jurisdiction for trust structures.

Cyprus International Trust

- Forming a **Cypriot International Trust (Cyprus Trust)** requires that:
 - **the settlor and beneficiaries are not tax residents of Cyprus** for the calendar year immediately preceding the calendar year of the creation of the trust, and
 - **at least one trustee be a Cyprus tax resident at all times.**
- Cyprus tax laws provide limited guidance on the tax treatment of trusts.
- **A trust does not have a separate legal personality** (like a company) and thus the Cyprus Tax Authorities (**CTA**) **treat trusts as tax transparent.**
- **In practice**, the CTA would allocate the income earned by a discretionary trust equally between the beneficiaries and tax the income based on the tax status of the beneficiaries.

CYPRUS

How would a Cyprus tax resident (non-dom.) beneficiary be taxed?

- Where a beneficiary of a Cyprus Trust is a **Cyprus tax resident (non-dom.) individual** he/she may enjoy:
 - **Tax free dividends**
 - **Tax free interest**
 - **Tax free capital gains** (if not linked to Cyprus immovable property)
- the above tax exemptions are **not subject to a minimum tax & do not depend on whether the income is remitted to Cyprus.**
- Furthermore, **Cyprus does not have inheritance tax or net wealth tax.**

How can one become Cyprus tax resident (non-Cyprus domiciled)?

- In general, an individual born to a non-Cypriot domiciled father, who becomes Cyprus tax resident.

- Trusts could be:

- complying trust
- foreign exemption trust
- dual status trust
- non-complying trust

Foreign exemption trust:

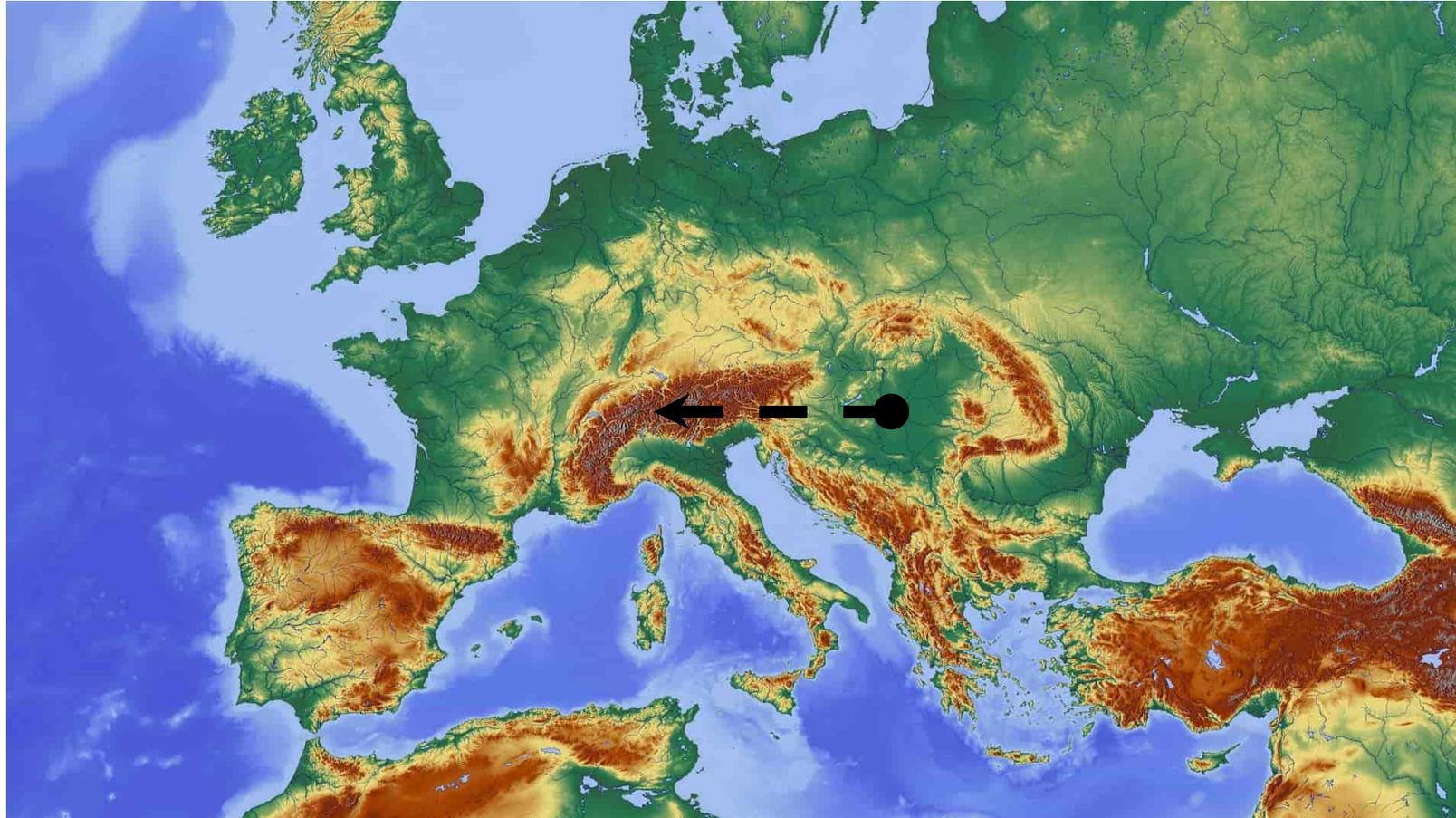
- no NZ resident settlors
- NZ resident trustee (contact trustee)
- registration with IRD

NEW ZEALAND

- Administration:
 - Need NZ resident trustees
 - file financial statements with IRD
 - File connected person details to IRD

- Taxation
 - Foreign source income exempt
 - Domestic income taxed at 39%
 - Distributions exempt

TRUST SETTLEMENT (LIECHTENSTEIN)



TRUST SETTLEMENT (CYPRUS)



TRUST SETTLEMENT (CYPRUS)

Taxation of transfer of foreign assets into a CY Trust

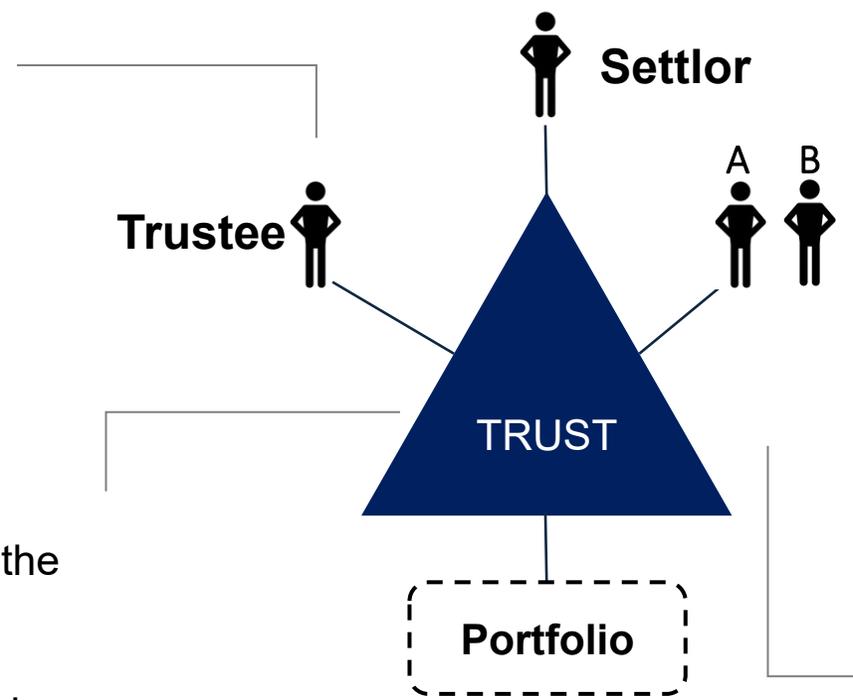
Creation of a trust

Upon the creation of a trust, the contribution of the portfolio by the settlor is not considered a taxable transaction.

Who is taxed on the trust income?

Tax is assessed at the level of the beneficiaries.

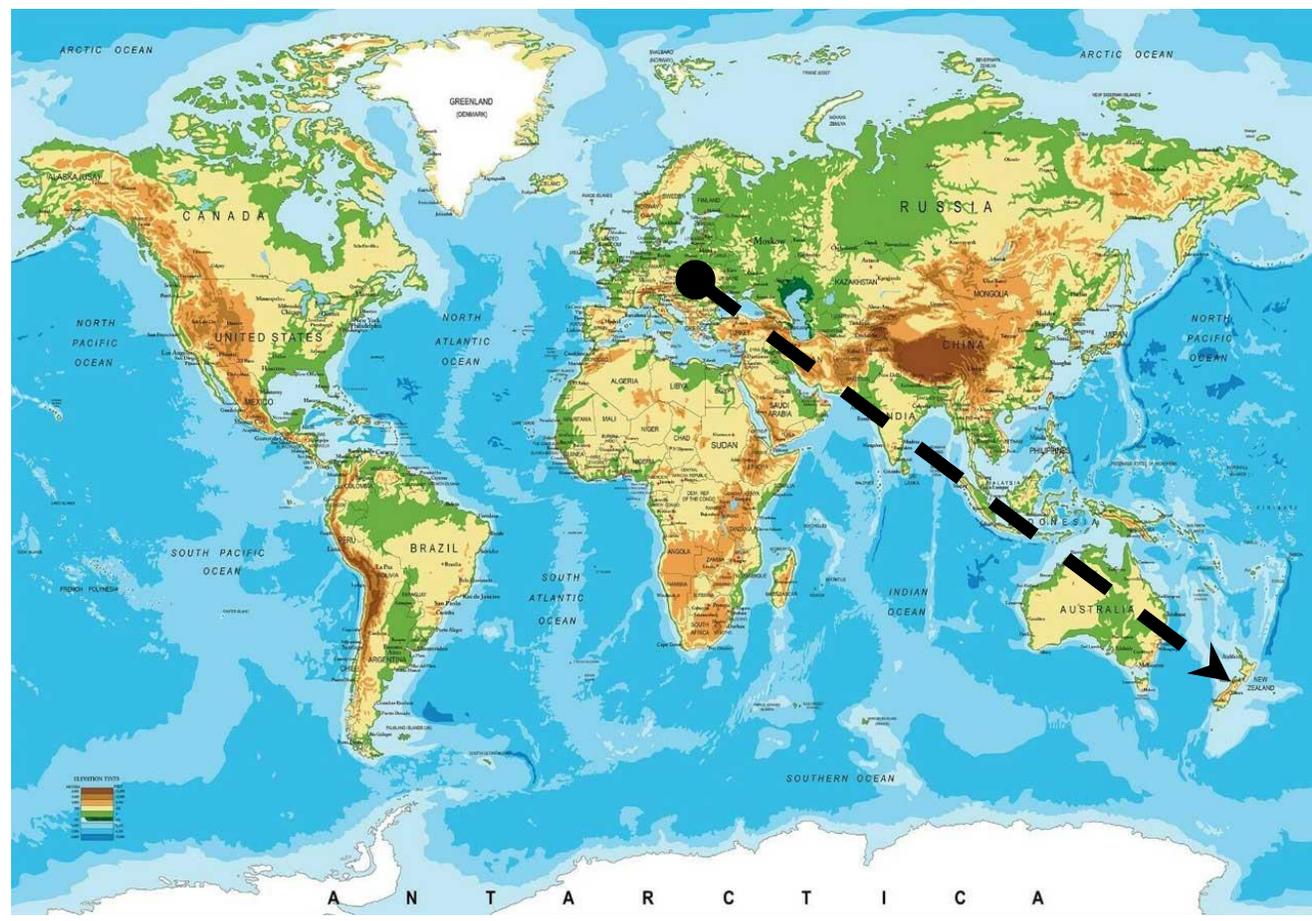
The taxation of income earned by a trust will therefore depend on the beneficiaries' tax status (tax residency and domicile)



Tax status of trusts

In general, "tax transparent"

TRUST SETTLEMENT (NEW ZEALAND)



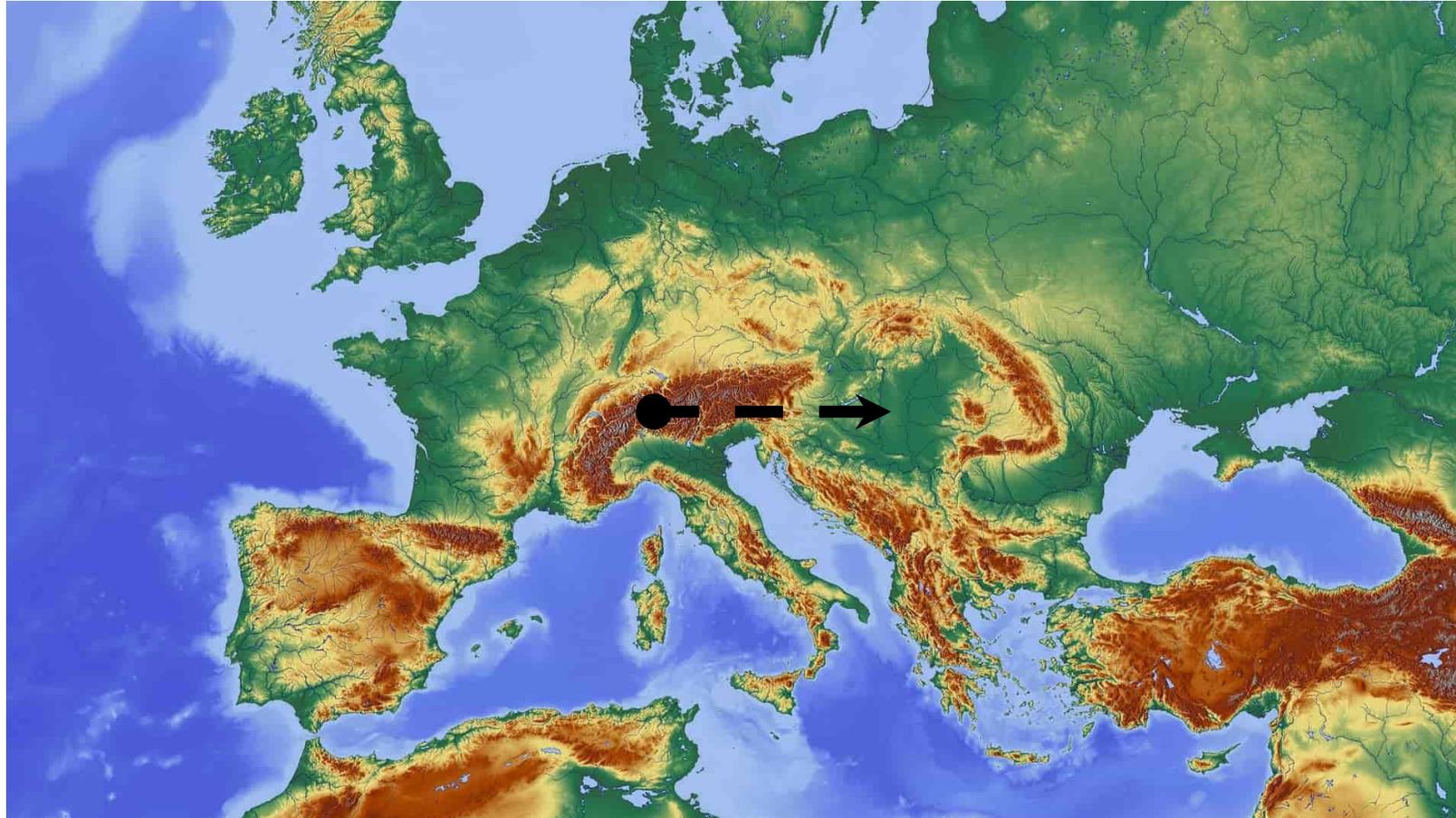
STEP HUNGARY CONFERENCE



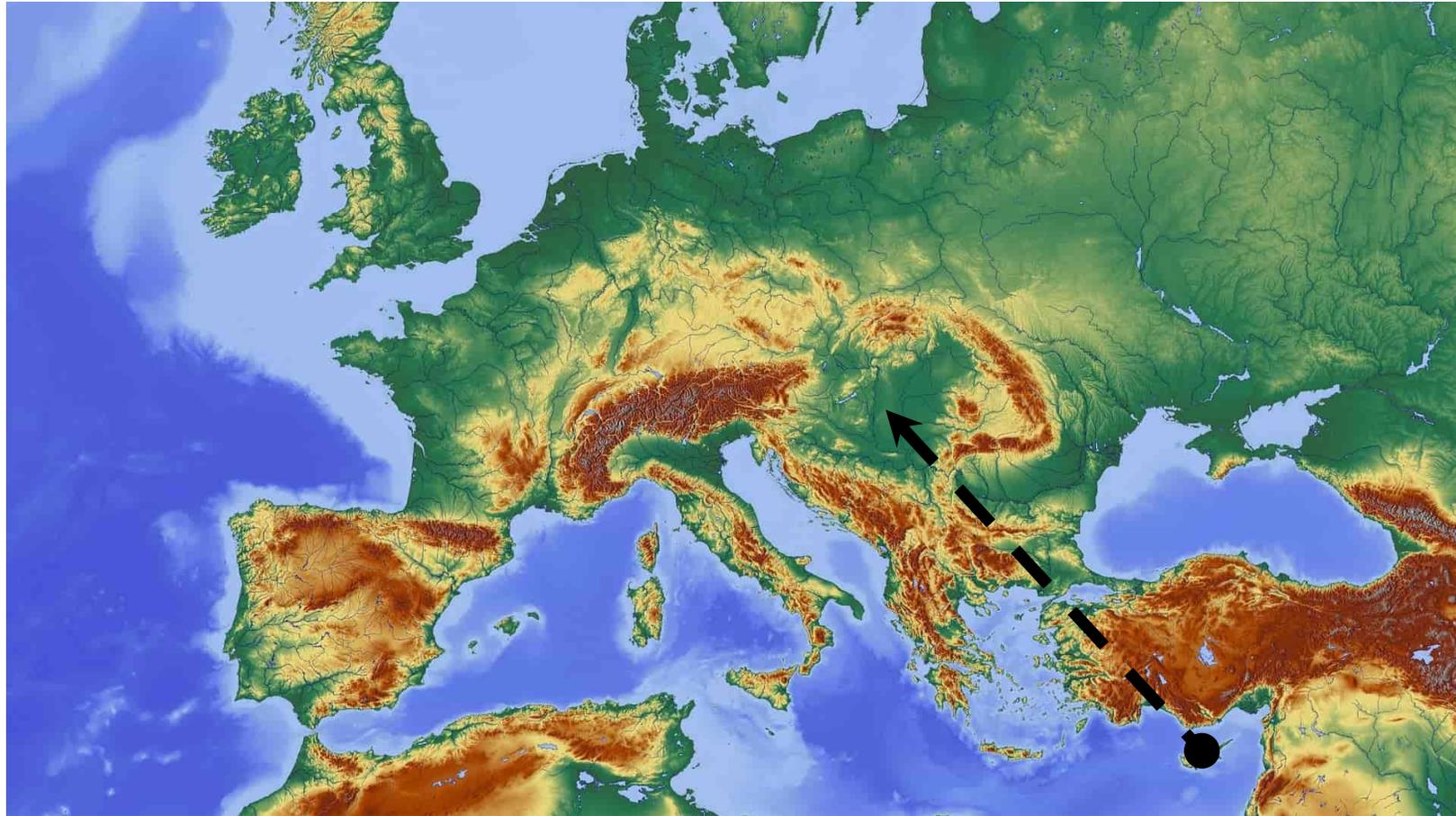
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DISTRIBUTION (LIECHTENSTEIN)



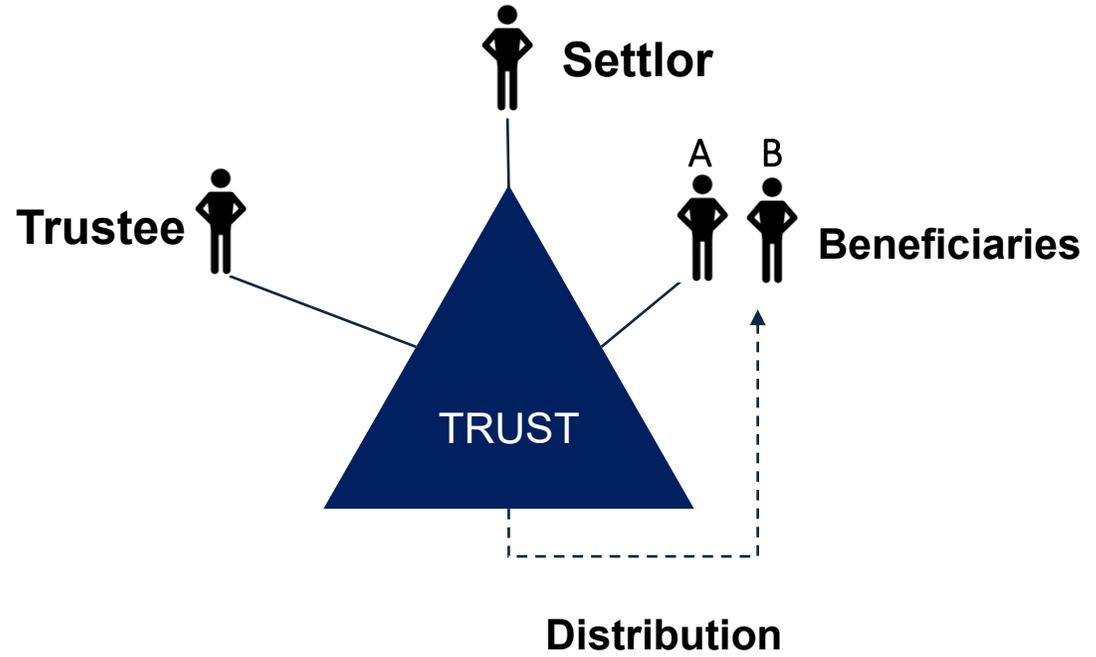
DISTRIBUTION (CYPRUS)



DISTRIBUTION (CYPRUS)

Distribution from a CY Trust to the beneficiary

- Non-Cyprus tax resident beneficiaries are subject to tax in Cyprus only on their income arising from sources within Cyprus, including any income accrued to the Trust which is attributable to them.
- Distributions of income or capital that do not arise from sources within Cyprus, from a Cyprus trust to non-resident beneficiaries (such as Hungarian beneficiaries) are not subject to tax in Cyprus.



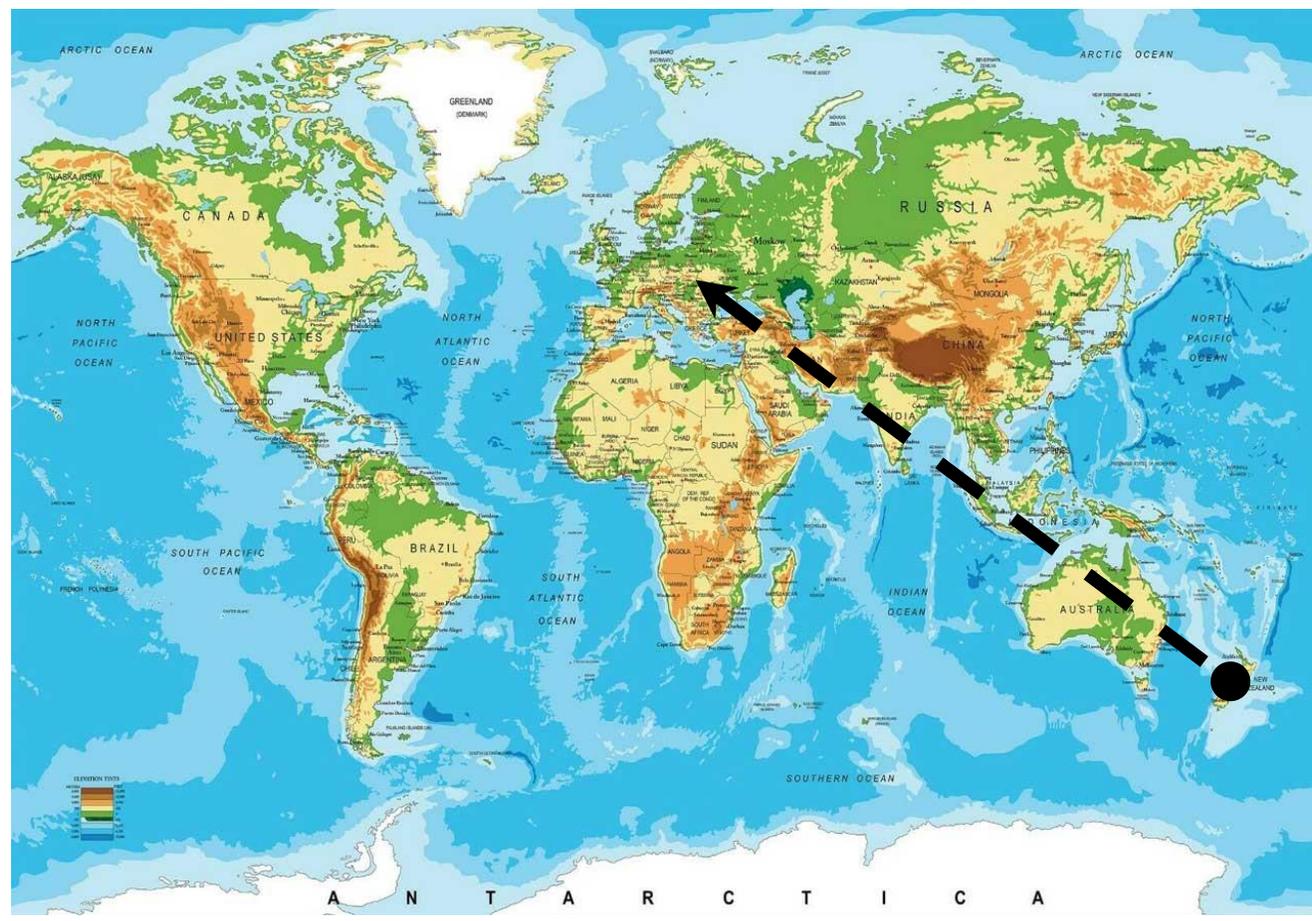
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DISTRIBUTION (NEW ZEALAND)



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Networking lunch 12:05 – 13:30

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Taxation of cross-border structures – Part II (Outbound)

Dr. Anett Anna Kátó-Pertl, Vice President of the Hungarian Business Council UAE, Hungary

Xavier Xivillé TEP, CUATRECASAS Barcelona, Spain

Dr. Eva Stadler, Wolff Theiss, Austria

Moderator: **Dr. Balázs Békés TEP**, BékésPartners, SINE QUA NON Trust, Hungary

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Global families' needs are evolving



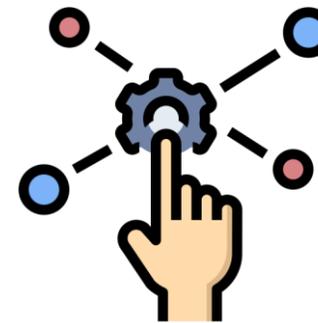
Reputation



Stability



Regulations



Control



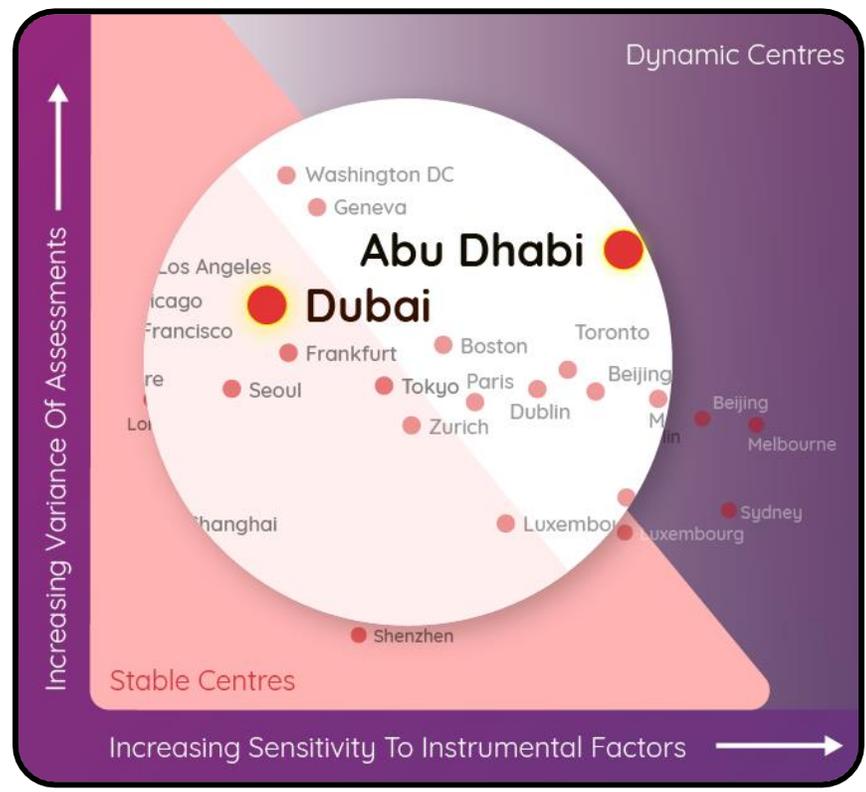
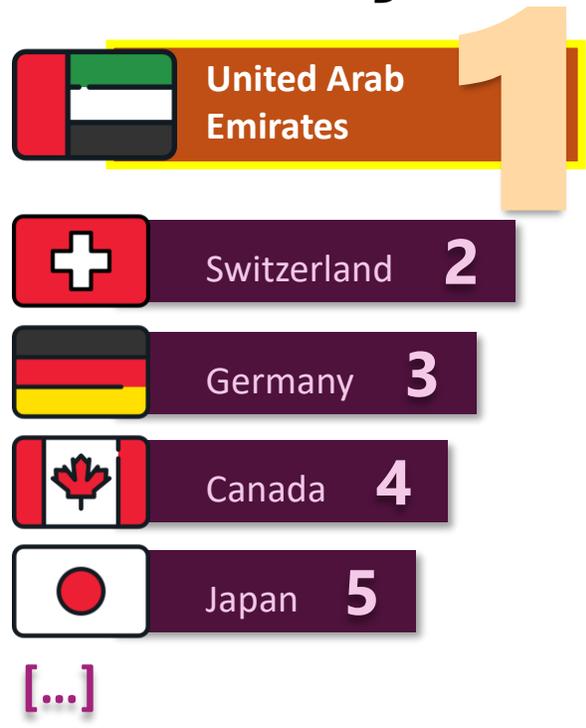
Privacy



Tax Optimization

Relocation and Trust Structures

Stability Rating



Source: These Are the Most Economically Stable Countries | U.S. News

Relocation and Trust Structures

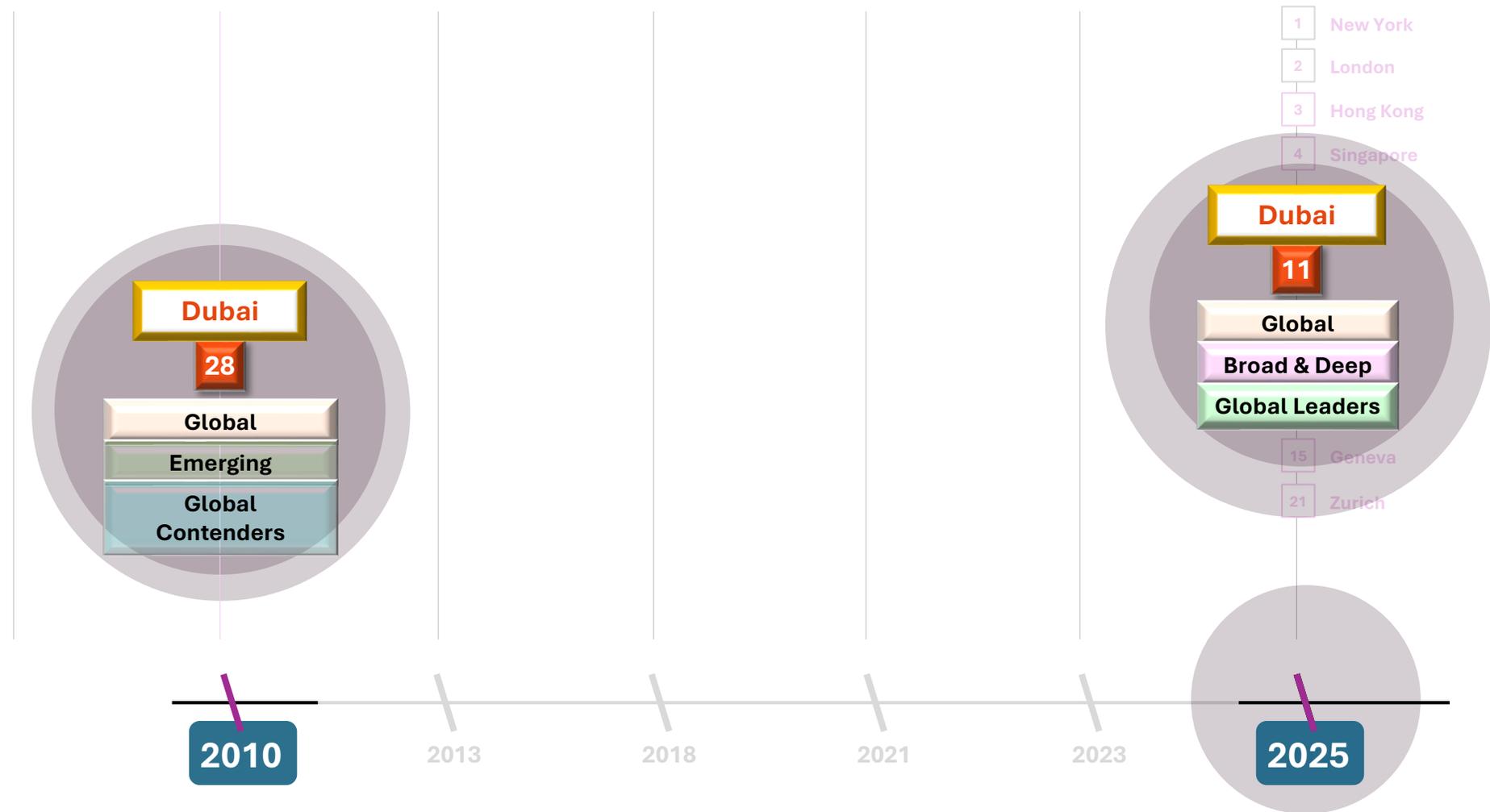


Source: Global Financial Centres Index 38, Z/Yen Group Ltd & China Development Institute (2025)

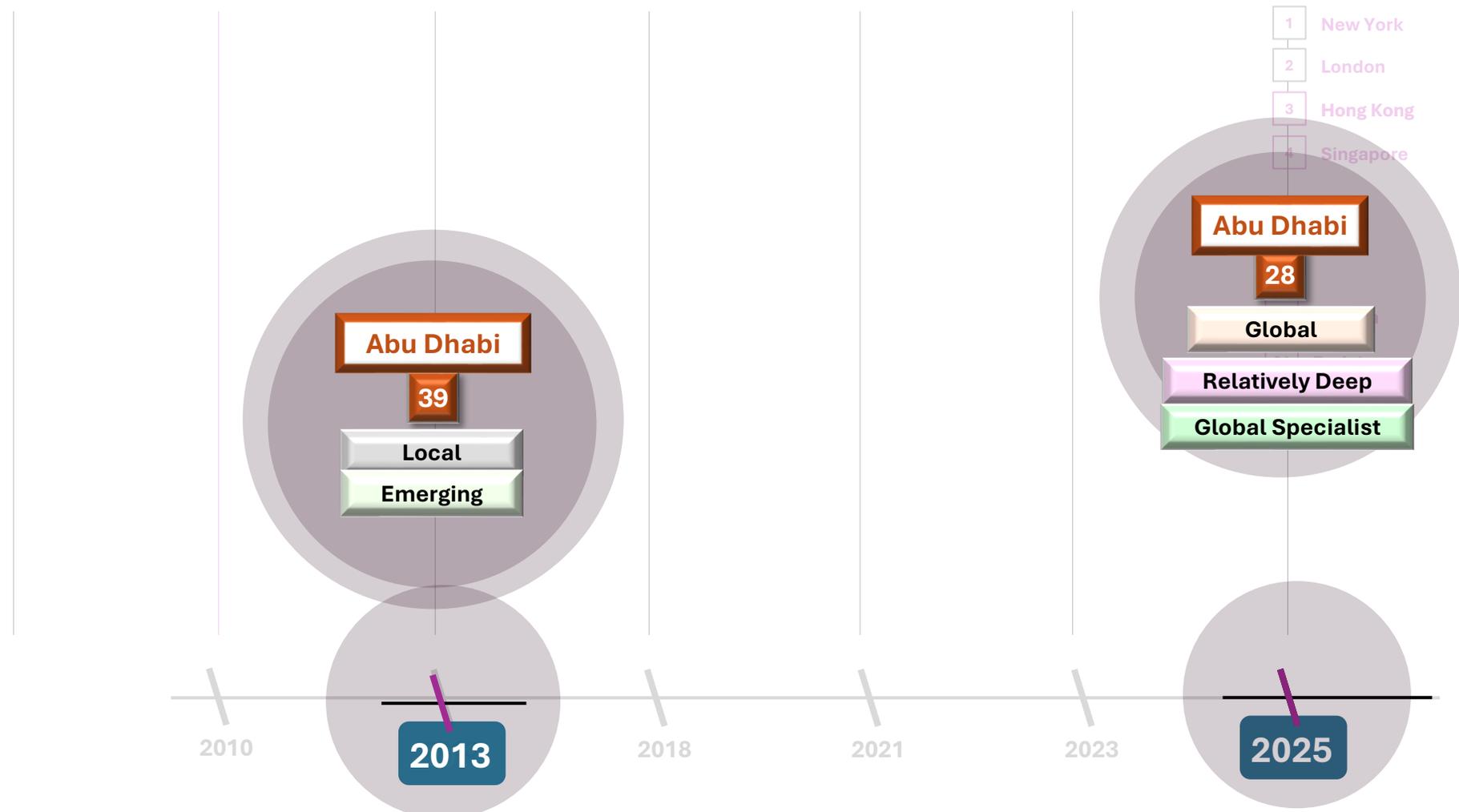
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Relocation and Trust Structures



Relocation and Trust Structures



Relocation and Trust Structures



Source: Global Financial Centres Index 38, Z/Yen Group Ltd & China Development Institute (2025)

Attracting Talent & Investment

Attracting talent

1. London
2. Amsterdam

3. Dubai

4. Abu Dhabi

5. New York

Competitiveness

1. Singapore
2. Switzerland
3. Denmark
4. Ireland
5. Hong Kong (SAR)
6. Sweden

7. UAE



FDI inflows

1. United States
2. Singapore
- [...]

10. Dubai

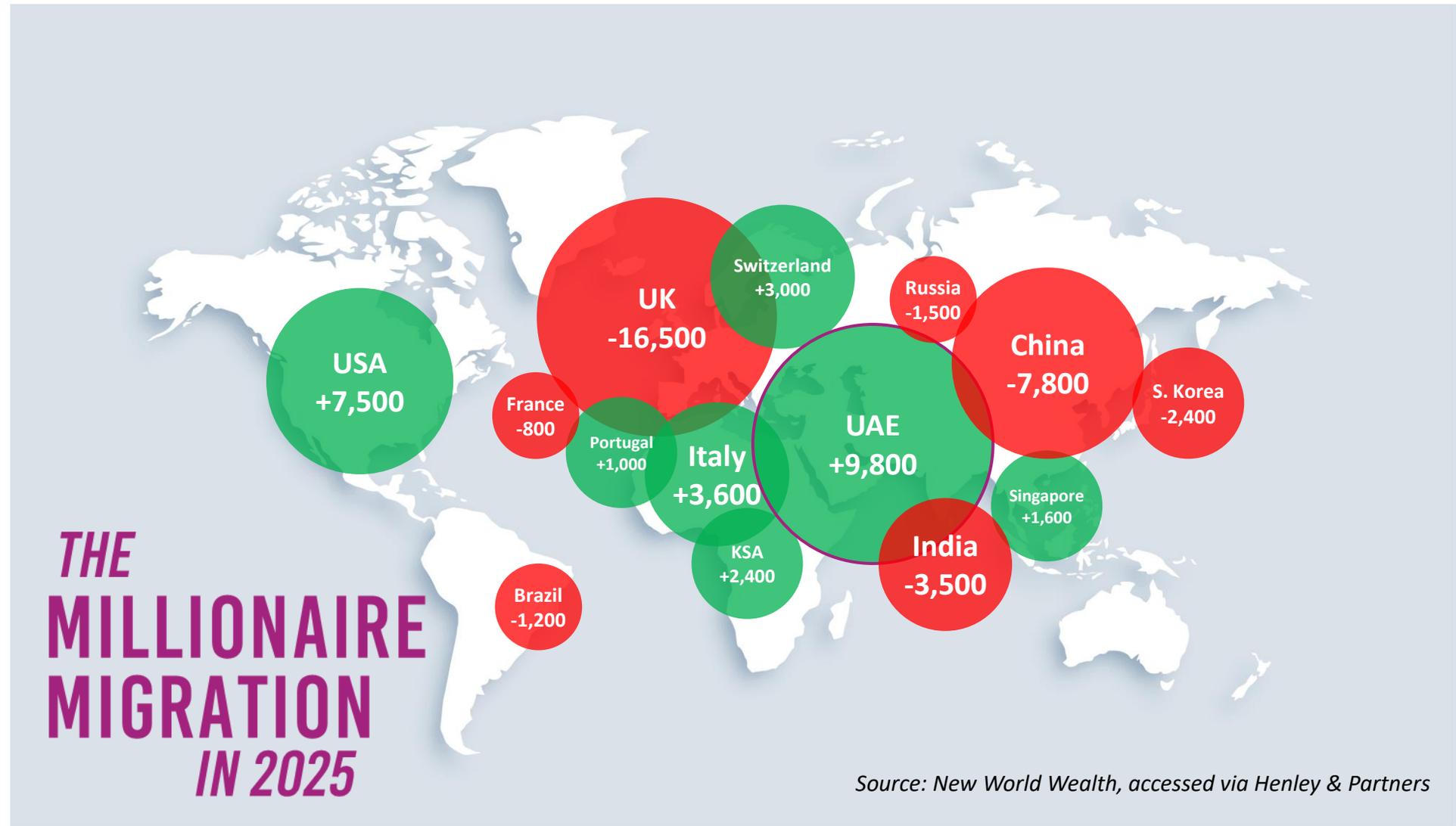
Ease of entry

1. UAE

Sources:

1. Decoding Global Talent Report 2024, BCG | www.bcg.com
2. World competitiveness ranking, IMD | www.imd.org
3. Ease of entry Global Cities Index | www. Kearney.com
4. World Investment Report 2025 | www.unctad.org

Relocation and Trust Structures



Relocation and Trust Structures

- **Long-term residency options, including the 10-year Golden Visa, available to investors, professionals, and property owners**
- **Exemption route available**
- **No estate tax, inheritance tax, or personal income tax in the UAE**

Menu of Structuring options



Trusts



SFOs



Foundations



MFOs



Holding Companies



Wills

Relocation and Trust Structures

- **Regulatory frameworks aligned with international (incl. UK) standards**
- **Common law legal system**
- **Common law, English language courts**

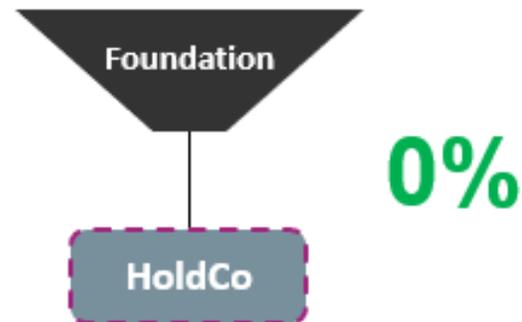
Control

Founder can reserve decision-making powers. E.g.

- 1** Liquidate the Foundation
- 2** Replace Members of the Council, guardian, or Beneficiaries
- 3** Distribution to Beneficiaries
- 4** Acquisition/Disposal of assets
- 5** Review the Charter and By-laws, etc.

Tax Optimization

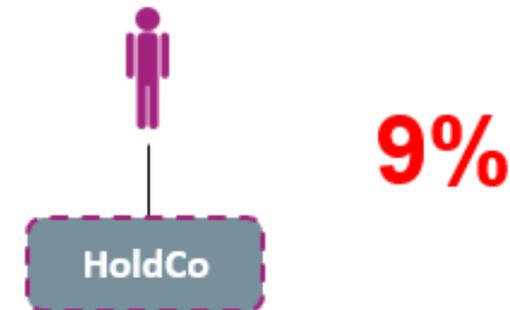
FOUNDATIONS



Can apply for tax exemption

- On profits generated by the Foundation or subsidiaries
- Dividends are tax exempt by default

OTHER OPERATING ENTITIES



Corporate tax

- Subject to standard corporate tax on profits received

Foundation and subsidiary holding entities can apply for Tax Transparency. Other types of entities may be able to qualify for a 0% CT rate, if it meets the conditions to be considered a Qualifying Free Zone Person (QFZP), specifically: maintain adequate substance (e.g., employees, office space, etc.) in the Free Zone; Derive Qualifying Income (subject to a minimum level of non-qualifying income).

Cross-Border Succession Planning – UAE Tax Overview

Natural Persons

- No estate, inheritance, or gift taxes in the UAE; no personal income tax
- UAE Corporate Tax applies only if carrying on a **business activity** exceeding AED 1 million turnover
- **Passive income** (real estate, investments, salaries) generally not treated as business income

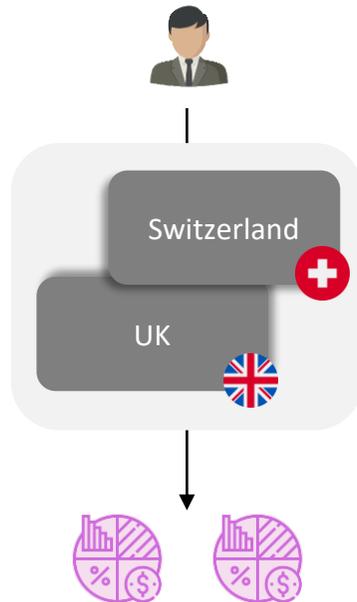
Juridical Persons

- UAE entities (including Free Zones) may be subject to **Corporate Tax at entity level**
- Non-UAE entities may trigger UAE tax where there is:
 - **UAE Permanent Establishment**
 - **UAE-sourced income or other UAE nexus**
 - **UAE tax residence** (e.g. place of effective management in the UAE)
- Free Zone outcomes depend on **Qualifying Free Zone Person (QFZP)** status and conditions
(including substance, audited IFRS financials, transfer pricing compliance, qualifying income, and de minimis thresholds)

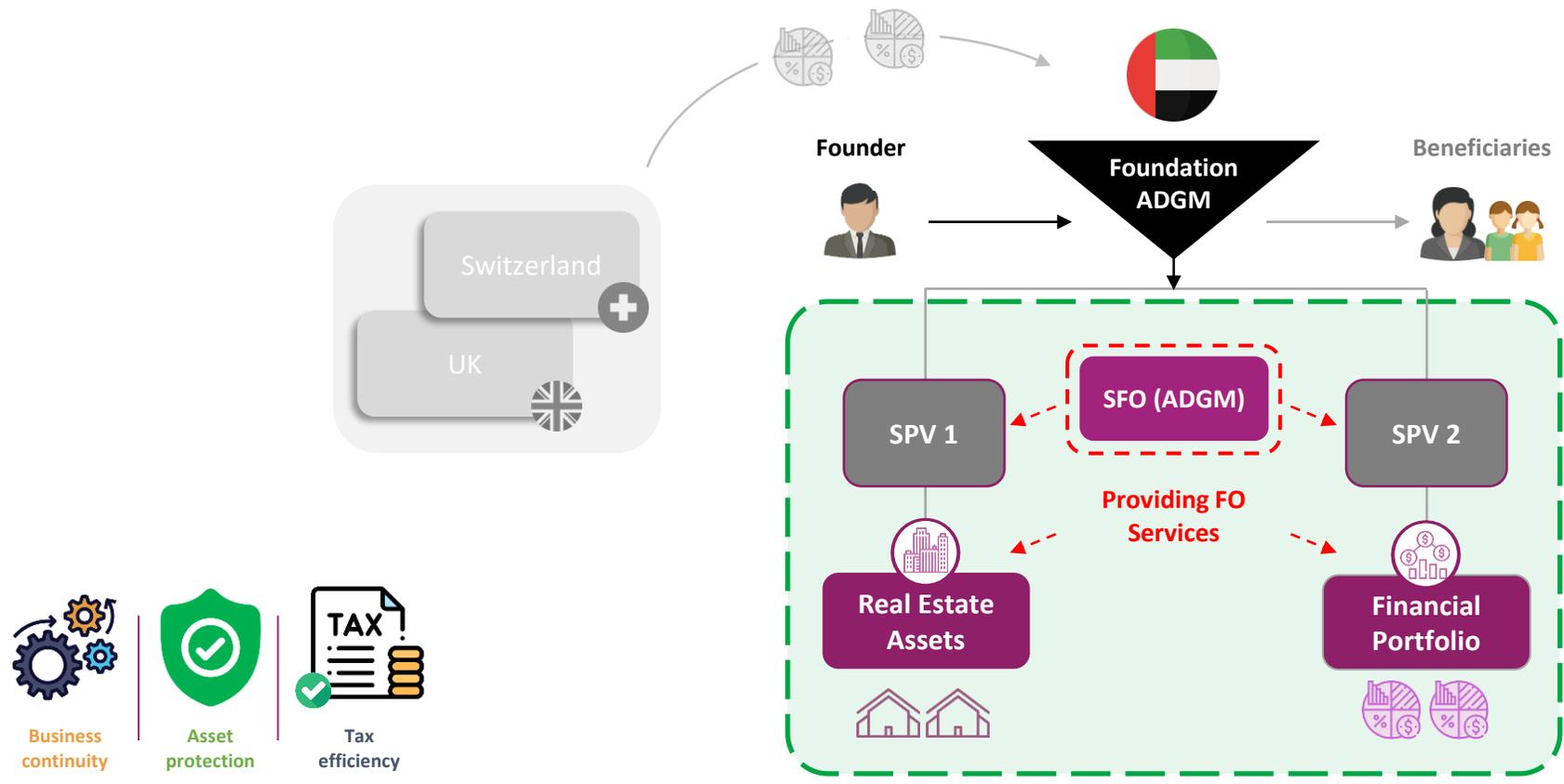
System & Treaty Considerations

- No emirate-level estate or inheritance taxes (federal system)
- No tax on succession transfers; **0% withholding tax**
- **Double tax treaties remain key** for managing foreign tax exposure and cross-border structuring

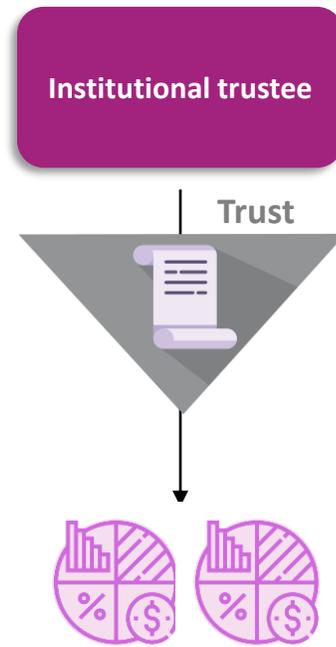
Case Study 1



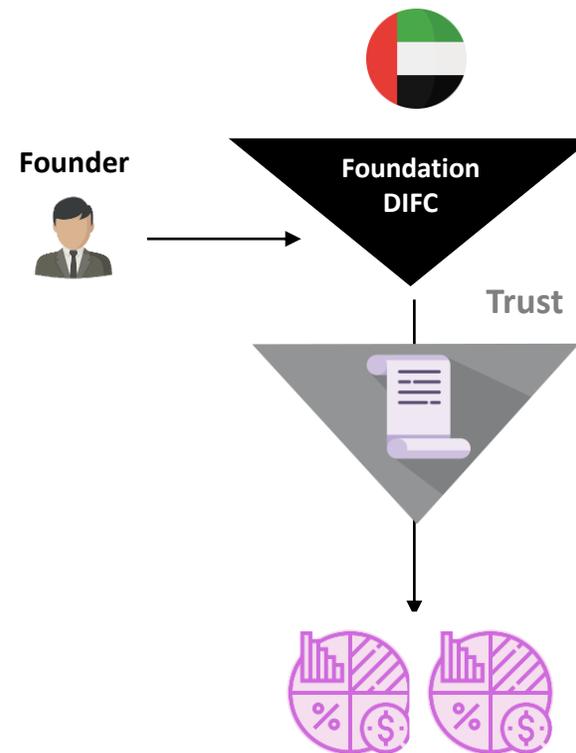
Case Study 1



Case Study 2



Case Study 2



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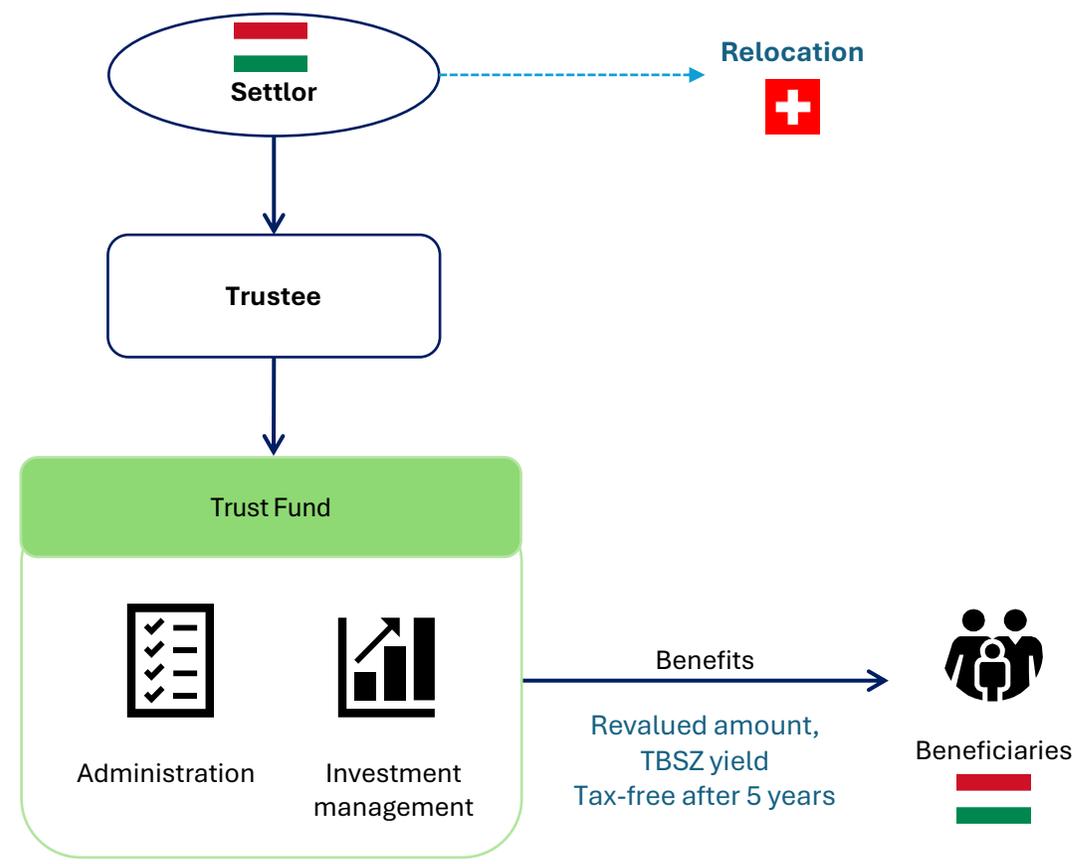
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Hungary

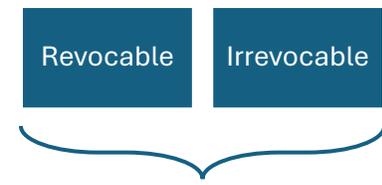
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HUN Settlor Relocation I



HUN Trusts



Same tax treatment:

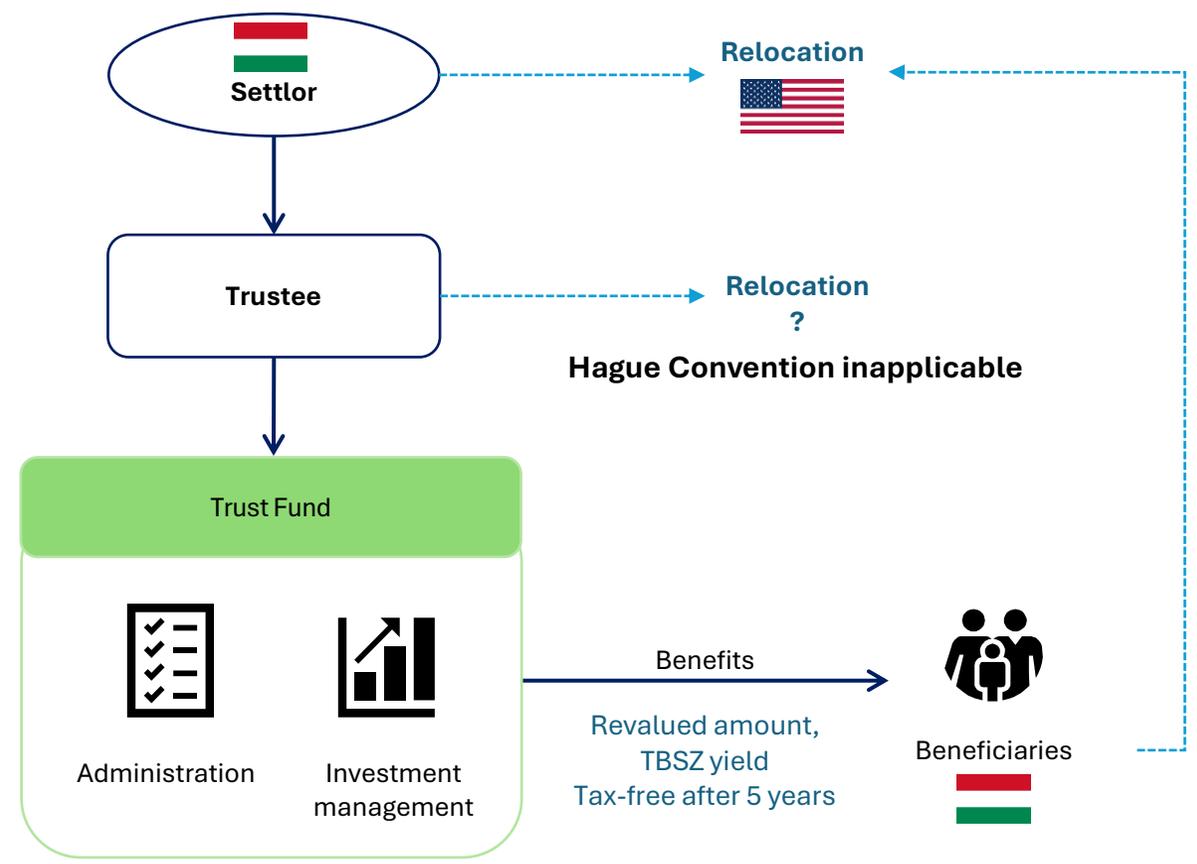
- Standalone taxpayer
- Tax free step-up (contributions – 5 years)
- Durable investment account (TBSZ)
- CIT exemption
- Tax free accumulation
- Inheritance duty exemption
- Strong asset protection

Vs

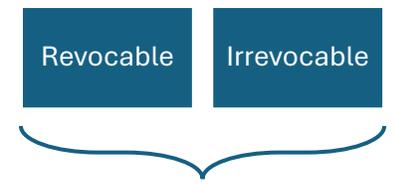
Circular No. 30 issued by Swiss Tax Conference

- Revocable trusts: pass through taxation
- Irrevocable trusts: wealth and other taxes apply

HUN Settlor Relocation II



HUN Trusts



Same tax treatment:

- Standalone taxpayer
- Tax free step-up (contributions – 5 years)
- Durable investment account (TBSZ)
- CIT exemption
- Tax free accumulation
- Inheritance duty exemption
- Strong asset protection (yes, revocable, too)

Vs

Foreign grantor or non-grantor trusts

- Enormous reporting obligations (Form 3520, FATCA)
- Strict deadlines and heavy fines + high tax rates
- Pass through taxation (grantor) / taxed DNI (non-grantor)
- Generally less favourable than domestic trusts

Do you really want to leave?

HUN trusts / asset management foundations offer:

- **Excellent asset protection**
- **Flexible succession planning**
- Tax and probate free inheritance
- Professional trustee providing family safety net
- Excellent taxation (no CIT and/or PIT, no CGT)
- Ideal holding capabilities



Hungary is an excellent location for your family trust



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HUN-US Tax Treaty

Termination of the US–Hungary Tax Treaty - Why it Matters for Cross-Border Wealth Planning?

The US–Hungary tax treaty provided a **stable framework for cross-border investments and wealth structures** for many years.

It reduced **withholding taxes**, helped **avoid double taxation**, and clarified **tax residency rules**.

This allowed internationally mobile individuals and families to structure **investments, trusts, and asset management structures** with greater certainty.

Since 2024, the treaty is no longer in force.

Cross-border situations now rely mainly on **US domestic tax rules**, which are often more complex and less favorable.

US Tax Residency

Key Consequences for International Wealth Structures - Higher withholding taxes

Without treaty protection, Hungarian investors may face **30% withholding tax** on US dividends, interest, and royalties.

Increased risk of double taxation

No coordinated framework between the US and Hungary.

Growing importance of tax residency

US tax residency can arise through:

- **Green Card Test**
- **Substantial Presence Test**

Once US tax residency arises, the US tax system may apply to:

- **worldwide income**
- **foreign assets**
- **existing wealth structures, including trusts**

This makes **pre-immigration planning and review of trust structures essential.**

Substantial Presence Test

Case Study: Hungarian Trust and US Tax Exposure

A Hungarian entrepreneur established a **Hungarian trust** for succession and wealth planning.

The trust holds **EU investments, US securities, and foreign bank accounts.**

He increasingly travels to the US:

- 130 days in the current year
- 120 days in the previous year
- 90 days two years earlier

Under the **Substantial Presence Test:**

$130 + (\frac{1}{3} \times 120 = 40) + (\frac{1}{6} \times 90 = 15) = 185 \text{ days} \rightarrow \text{US tax residency}$

Reporting Obligations

Consequences

The trust may be treated as a **foreign trust under US tax rules** FBAR reporting may arise if foreign accounts exceed **\$10,000**.

Additional reporting may include:

- **Form 8938** – foreign financial assets (FATCA)
- **Form 3520 / 3520-A** – foreign trusts
- **Form 5471 / 8865** – foreign companies or partnerships

Further complications may arise if:

- the trust is treated as a **grantor trust**, or
- the portfolio includes **PFIC investments**.

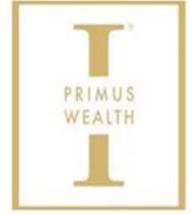
Key message: Changes in tax residency can significantly affect **trust structures, taxation, and reporting obligations**.



Networking and refreshments 15:00 – 15:30

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When Foreign Structures Meet Hungary

Speakers:

Ákos Menyhei TEP, PRIMUS WEALTH and Aliant-Menyhei-Molnár-B. Szabó Law Firm, Hungary

Balázs Horváth TEP, Békés Partners and Sine Qua Non Trust, Hungary

When Foreign Structures Meet Hungary

- Foreign asset-holding structures
- Interaction with Hungarian legal framework
- Hungarian tax implications
- Nav notification requirements
- Compliance obligations
- CRS and transparency rules
- Practical risks and considerations

When Foreign Structures Meet Hungary

- **Foreign Asset-Holding Structures**
 - Trusts, private foundations, and similar international vehicles
- **Interaction with Hungarian Legal Framework**
 - Recognition of foreign structures under Hungarian law
 - Legal ownership vs. beneficial ownership
- **Hungarian Tax Implications**
 - Tax treatment of foreign trusts and foundations
 - Potential tax exposure for Hungarian residents
- **NAV Notification Requirements**
 - Mandatory disclosures to the Hungarian Tax Authority (NAV)
 - Reporting triggers and timelines

When Foreign Structures Meet Hungary

- **Compliance Obligations**
 - Documentation and record-keeping requirements
 - Regulatory expectations for Hungarian beneficiaries or settlors
- **CRS and Transparency Rules**
 - Reporting under the Common Reporting Standard (CRS)
 - Beneficial ownership transparency and cross-border information exchange
- **Practical Risks and Considerations**
 - Compliance pitfalls
 - Structuring considerations for international asset protection

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M^E J U L I E N D I F

Switzerland and Liechtenstein: Unregulated Investment Structures and Service Providers

Budapest, 20 March 2026



M^e Julien Dif | Attorney-at-law

Admitted to the bars in Geneva and Luxembourg

Registered Trust and Estate Practitioner (TEP)

The
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Switzerland and Liechtenstein: Unregulated Investment Structures and Service Providers

Overview

Switzerland:

- ❑ investment structures:
 - ✓ L-QIF
 - ✓ commercial companies
 - ✓ family foundations
 - ✓ trusts
- ❑ service providers:
 - ✓ investment advisors

Liechtenstein:

- ❑ investment structure:
 - ✓ private law *Anstalt*

Switzerland: Investment Structures L-QIF (1)

Limited Qualified Investor Fund (L-QIF) (art. 118a et seq. Collective Investment Schemes Act, CISA)

- ❑ recent vehicle (introduced in March 2024)
- ❑ model: Luxembourg reserved alternative investor fund (RAIF)
- ❑ legal forms:
 - for open-end funds:
 - the contractual investment fund
 - investment company with variable capital (SICAV)
 - for closed-end funds:
 - limited partnership for collective investment (LPCI)
- ❑ fund manager (mandatory): fund management company
 - authorised and supervised by the Financial Market Supervisory Authority (FINMA)
- ❑ delegation of portfolio management:
 - to a manager of collective assets (authorised and supervised by FINMA):
 - optional (for contractual funds and SICAVs); or
 - compulsory (for LPCIs, unless the GP is a bank, an insurance company, a securities firm, a manager of collective assets)

Switzerland: Investment Structures L-QIF (2)

Eligible investors

(art. 10 paras. 3 and 3ter CISA)

Qualified investors under Swiss law:

- ✓ banks
- ✓ insurance companies
- ✓ foreign clients under prudential supervision
- ✓ central banks, public entities with professional treasury operations
- ✓ pension schemes and institutions with professional treasury operations established for the purpose of providing occupational pension plans
- ✓ companies with professional treasury operations, large companies
- ✓ private investment vehicles with professional treasury operations established for wealthy clients
- ✓ retail clients for whom a financial intermediary provides portfolio management or investment advice within the scope of a permanent portfolio management or investment advice relationship
- ✓ HNWIs and investment vehicles established for them that opted out

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Switzerland: Investment Structures L-QIF (3)

Further aspects

- ❑ Eligible assets:
 - ✓ virtually no restrictions (e.g. securities, units of collective investment schemes, money market instruments, real estate, derivatives, structured products, commodities, infrastructure projects, wine, art, vintage cars, cryptocurrencies)
 - ✓ may be freely combined
- ❑ Investment techniques:
 - ✓ no restrictions
- ❑ Risk spreading:
 - ✓ no restrictions (unlike the RAIF)
- ❑ Disclosures:
 - ✓ prospectus and key information documents: not required
 - ✓ publication of investment approach in the fund documents: required
- ❑ Mutual independence of investors: not required
 - ✓ usefulness for succession matters, especially inheritance sharing
- ❑ Conversion into a regulated investment vehicle:
 - ✓ possible
- ❑ Access to foreign markets:
 - ✓ no passporting (unlike the RAIF)
 - ✓ some overseas jurisdictions (e.g. Hongkong)
- ❑ Tax:
 - ✓ withholding tax

Switzerland: Investment Structures Commercial companies

Public limited company (*société anonyme*) (art. 620 et seq. Code of Obligations, CO)

- ❑ beneficiaries and service providers (optional) as shareholders
- ❑ liability of shareholders limited to the share capital (but risk of piercing the corporate veil by court decision)
- ❑ highly flexible company purpose and organisational structure
- ❑ confidentiality of shareholders
- ❑ intergenerational transfer of the shareholders' assets
- ❑ shareholder agreements to ensure long-term control (e.g. by establishing pre-emption rights, purchase obligations, specific voting rules and veto rights)
- ❑ minimum capital: CHF 100'000

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Switzerland: Investment Structures Foundations

Family Foundations

(art. 80 et seq. Civil Code, CC)

- ❑ legal entity
- ❑ no supervision by public authorities
- ❑ no entry in the commercial register
- ❑ asset management on behalf of beneficiaries
- ❑ beneficiaries are limited members of an immediate or extended family only
- ❑ authorised purpose consists in meeting costs of raising, endowing or supporting family members or for similar objectives
- ❑ foundation assets and their possible capital gains can only be granted to beneficiaries by the board, except under the circumstances set forth by the law
- ❑ no special tax privileges

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Switzerland: Investment Structures Trusts

Trusts

(The Hague Convention on the Law Applicable to Trusts and on their Recognition of 1985, 2007)

- ❑ currently no trusts under the laws of Switzerland
- ❑ latest draft law shelved by the government in 2023
- ❑ recognition of foreign trusts pursuant to the 1985 Convention
- ❑ trustees require authorisation by FINMA

Switzerland: Investment Services

Investment advisors

(art. 3 lit. c no. 4 Financial Services Act, FinSA)

- ❑ may only provide investment advice, i.e. provision of personal recommendations on transactions with financial instruments
- ❑ not authorised to dispose of client assets
- ❑ rules of conduct for financial service providers apply
- ❑ subject to the AML legislation if they executed investment orders for third parties on the basis of a power of attorney
- ❑ client advisors, i.e. individuals working for an investment advisor and self-employed investment advisors, must be entered in a register of advisors

Liechtenstein: Investment Structures

Anstalt

(art. 534 et seq. Law on Persons and Companies, PGR)

- ❑ legal entity (private law establishment)
- ❑ forms: foundation vs. corporation
- ❑ nature: commercial vs. non-commercial
- ❑ contribution of cash or in-kind
- ❑ commercial activity subject to authorisation
- ❑ mandatory commercial register entry
- ❑ supreme body:
 - ✓ holders of the founders' rights; or
 - ✓ managers (must be licensed as a professional Liechtenstein fiduciary if non-commercial nature)
- ❑ minimum capital: CHF 30'000/CHF 50'000 (if capital divided into shares)

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Admitted to the bars in Geneva and Luxembourg

Registered Trust and Estate Practitioner (TEP)

Member of the Commission des relations internationales et des barreaux étrangers of the Geneva bar association

Appointed member of the membership panel for the Society of Trust and Estate Practitioners (STEP)

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ADVISING FAMILIES ACROSS GENERATIONS

20 March 2026, Budapest - In cooperation with the Budapest BAR Association

About Luxembourg

Jurisdiction highlights

- Diverse range of financial services
- Connecting investors and markets around the world
- Leader in global fund distribution, 2nd largest investment fund centre worldwide and number 1 in Europe
- Prime location for alternative investments
- Political, economic, regulatory stability, AAA rating
- High density of Tier IV datacenters in Europe
- Strong data sovereignty and regulatory focuses
- Low-latency links to major European hubs

Structuring toolbox for Family Office investments

- Flexible regulated and unregulated structuring solutions
- Scalable platforms with possibility to become AIFs
- Sophisticated ecosystem: legal/tax advisors, administrators, banks, fintechs, accessible regulator
- Controlled investment platforms for private market assets
- Highly adaptable investment structures offering various options to different needs

Corporate vehicles

Soparfis
Private wealth management
companies

Unregulated Collective investment vehicles

SCSp vs SCS

Regulated Collective investment vehicles

Specialized Investment Fund
SICARs
RAIFs

Unregulated asset management: Luxembourg

The Luxembourg partnership regime in context

Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers

Criteria of Alternative Investment Funds:

- Collective investment undertaking
- Raises capital from a number of investors
- Defined investment policy for the benefit of investors
- Is not a UCITS fund under the UCITS directive
- If conditions met, regulatory and reporting obligations BUT exemptions:
 - Holding companies, joint ventures
 - **Family office vehicles**
 - Certain institutional/public entities
 - Partial exemptions (sub-threshold AIFM regime)

- Flexible structures for asset managers and family offices
- Widely used as central investment platforms for alternative asset class and cross-border wealth structuring
- SCSp, SCS: structures following the international limited partnership model commonly used in private equity (Jersey, Delaware)

Key characteristics

Characteristics of the Luxembourg Special Limited Partnership (SCSp)

Corporate form defined in the Law of 10 August 1915 on Commercial Companies, as amended

Contractual flexibility

- Governance set out in the Limited Partnership Agreement
- Designed to mirror Anglo-Saxon limited partnership structures
- Co-Investment flexibility, easy integration of external investors or family branches:
 - Co-investment alongside private equity funds
 - Joint investments with other families
 - Separate SPVs for specific investors, joint venture structures
- Ideal for club deals and opportunistic investments
- Widely recognised by private equity sponsors, co-investors and banks
- GP / LP structure
 - General Partner small commitment, control and management rights
 - Limited Partners contribute capital, receive priority return and capital distributions

Confidentiality

- Limited partners typically not publicly disclosed
- Partnership agreement remains private

Tax transparency

- Income generally taxed at the investor level
- Avoids additional layer of taxation at the vehicle level
- Facilitates international investor participation
- Family members located in different jurisdictions can retain their own tax profiles

May be used to
replicate trust like
structures

Family Office in Luxembourg

Principal control

- General Partner controlled by founder of family holding
- Ownership may be combined with trust structures (eg purpose trust)
- Sweat equity / operating partner

Asset consolidation

- Centralised investment platform for family wealth, well established financial reporting
- Often combined with SPVs to offer access to DTTs, EU Parent – Subsidiary Directives

Governance

- Contractual freedom regarding voting rules, founder control and economic LP interests
- Voting LPs vs non-voting LPs, advisory committee LPs
- Veto rights for key decisions
- investment committees and distribution policies defined in the partnership agreement
- Flexible distribution rules (management fees, carried interest, hurdle rates, waterfall etc)

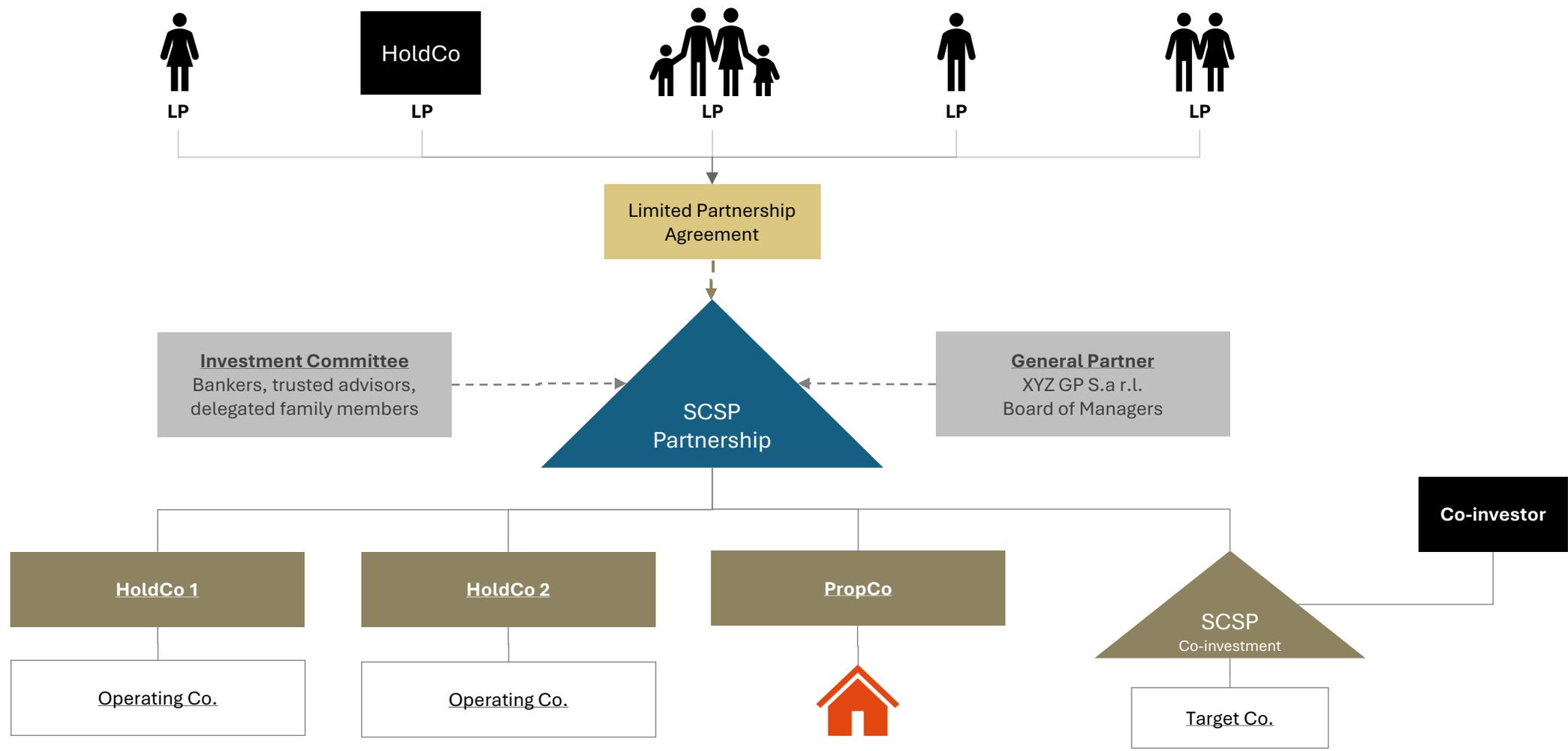
Succession planning

- Transfer of limited partnership interests to next generations
- Possibility to control transmission of shares (General Partner consent, mandatory buy-out mechanism, inheritance with deed of adherence)

Operational investment model (typical workflow)

- Family members invest / hold partnership interest as Limited Partners
- A General Partner controlled by the family manages the vehicle
- Investments are executed through dedicated SPVs per asset
- Enables risk ring-fencing, financing flexibility and co-investment opportunities

Example of structure



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Cross-border wealth structuring in Central Europe and beyond

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**Thanks for your
attention**



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Unregulated Asset Management in Hungary

Regulated forms:

- Business-like (professional) trust management („bizalmi vagyonkezelés”)
 - Licence of the National Bank of Hungary
 - Subject to AML law
- Non-business-like (ad hoc) trust management
 - Registration with the Hungarian National Bank
 - Subject to AML law – in theory but not yet in practice

Unregulated Asset Management in Hungary

Unregulated forms:

- Holding corporations (Kft. or Zrt.)
 - Only company registration requirement
- Asset Management Foundation („Vagyonkezelő Alapítvány”)
 - Only registration with registry of civil organizations

Asset Management Foundation (AMF)

The most suitable legal form for family office

- „Family Office” = content; AMF = most adequate legal form
- FO is not a separate legal format like in Luxemburg

AMF legal background

- Special form of foundation
- Primary law: Act No. XIII. of 2019
- Secondary law: Civil Code
- Not subject to Trust Law (Civil Code + Act No. XV. of 2014) in any sense

Asset Management Foundation (AMF) cont.

AMF basic requirements

- Minimum capital: HUF 600 Million (appr. EUR 1,5 Million) in cash or non-cash contribution; particularly high amount in international comparison (Austria: EUR 70.000; Liechtenstein: CHF 30.000; Poland: no legal minimum specified) => AMF is a (U)HNWI product
- Board of Trustees (min. three members) or a single Trustee
- Board of Supervisors (min. three members) or a single Protector
- The founder's right can be delegated by the Founder(s) to the Board of Trustees/Trustee or Protector
 - high level of operational flexibility
 - build in limitations required protecting the assets and the beneficiaries' interests

Similar Structures in Central Europe

- Poland – Family Foundation („Fundacja Rodzina”)
- Austria – Privatstiftung
- Liechtenstein – Stiftung
- No private foundation forms in Czech („svěřenský fond”), Slovakia and Romania
- Is there a competition among these structures? What are the biggest competitive disadvantages?

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**Thank you for
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Closing address

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