



Illicit earnings in estate: Heirs must be careful - Voluntary declaration

Illicit earnings in estate: Heirs must be careful - Voluntary declaration

GRP Rainer Lawyers and Tax Advisors in Cologne, Berlin, Bonn, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart and London - www.grprainer.com/en conclude: In the case of bereavement and the associated inheritance, thoughts of tax evasion are initially very remote. Heirs may nevertheless render themselves liable to prosecution if the testator also leaves behind untaxed illicit earnings. If the heirs do not declare this to the competent tax authorities, they render themselves liable to prosecution for tax evasion.

Heirs should therefore take a good look if accounts in Switzerland, Liechtenstein, Luxembourg or other tax havens appear in the estate. It is possible for them to have inherited untaxed illicit earnings without knowing it, in which case they should urgently turn to a lawyer versed in the field of tax law who can guide the inheritance through legal tax channels.

While the heir does not render himself liable to prosecution simply by inheriting illicit earnings, if, however, he does not immediately declare these to the tax office then he has evaded taxes. All the necessary documents must therefore be submitted to the competent tax office as quickly as possible and the testator's tax statements will then be corrected. This may even lead to the heirs being responsible for payment of tax arrears which exceed the inheritance.

Heirs who have yet to declare illicit earnings in an estate to the tax office should submit a voluntary declaration of an incomplete tax return, as the risk of untaxed funds being discovered in foreign accounts is constantly increasing. At this point, one only needs to recall the purchase of CDs on tax evaders or the increasing willingness of foreign banks and authorities to cooperate. If the tax authorities begin investigations first, it is too late to be exempted from punishment by means of a voluntary declaration.

It is not enough for a voluntary declaration to be made in good time; it also has to be exhaustive for the exemption from punishment to be effective. It must include all relevant tax information. This can prove to be extremely difficult, especially with respect to inheritances. It is therefore not advisable to prepare a voluntary declaration alone or with the help of standard forms, as in these cases the risk of things going wrong with the voluntary declaration is high. To avoid this, those concerned should urgently approach an expert.

<http://www.grprainer.com/en/Voluntary-Disclosure.html>

Pressekontakt

GRP Rainer LLP Lawyers Tax Advisors

Herr Michael Rainer
Hohenzollernring 21-23
50672 Cologne

grprainer.com/en
press@grprainer.com

Firmenkontakt

GRP Rainer LLP Lawyers Tax Advisors

Herr Michael Rainer
Hohenzollernring 21-23
50672 Cologne

grprainer.com/en
press@grprainer.com

GRP Rainer LLP www.grprainer.com/en/ is an international firm of lawyers and tax advisors who are specialists in commercial law. The firm counsels commercial and industrial companies and corporations, as well as associations, small- and mid-sized businesses, self-employed freelancers and private individuals worldwide from offices Cologne, Berlin, Bonn, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart and London UK.

Anlage: Bild

