

22. December 2022

## **GMBH SHARES ENCUMBERED WITH USUFRUCT - RISK OF INDIRECT HIDDEN PROFIT DISTRIBUTION AND ARRANGEMENTS**

USUFRUCT ARRANGEMENTS ALLOW THE SEPARATION OF ASSETS AND INCOME OF AN ENTREPRENEURIAL INVESTMENT. IN THIS WAY, DIFFERENT INCOME TAX AND INHERITANCE OR GIFT TAX OBJECTIVES CAN BE ACHIEVED. THE RULING OF THE GERMAN FEDERAL FISCAL COURT OF 14 FEBRUARY 2022, FILE NO: VIII R 29/18 ON AN INDIRECT HIDDEN PROFIT DISTRIBUTION IN CONNECTION WITH GMBH SHARES SUBJECT TO USUFRUCT EXEMPLIFIES THE PITFALLS OF ARRANGEMENTS WITH USUFRUCT AND THUS THE NEED FOR FORWARD-LOOKING TAX PLANNING. ([more...](#))