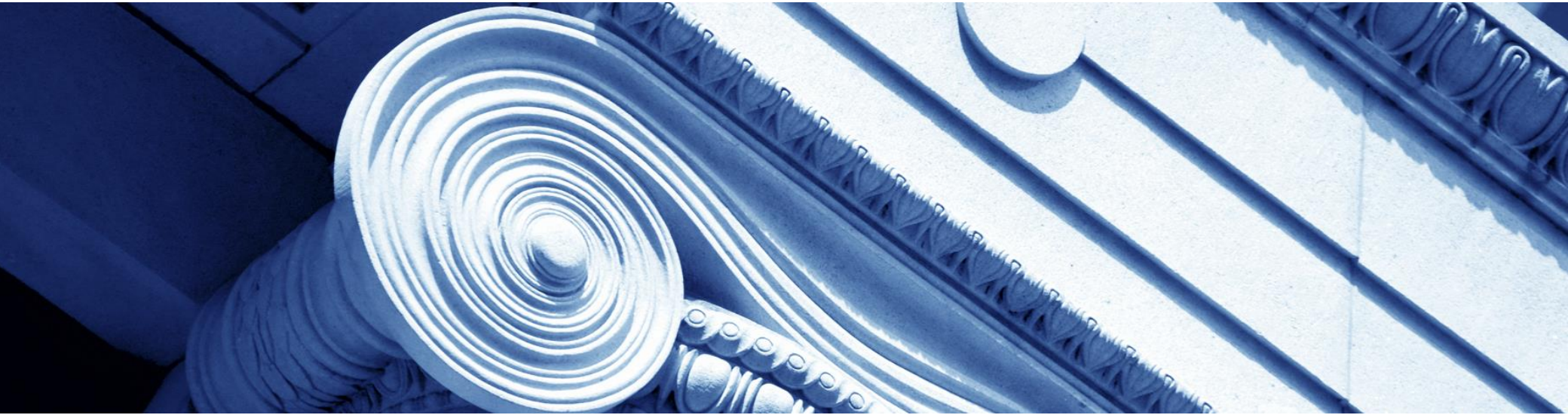


# *The Hampton Freeze*



*Specialized Wealth Management and Tax Planning Strategies  
for International Investors*

In 1994, Professor Craig Hampton visited with a wealthy gentleman, with a net worth exceeding US\$ 100 million, in the Piccadilly district of London. The gentleman was very knowledgeable in offshore investing.

He said to Professor Hampton:

**“You’re a bright young man who obviously knows his craft. But what can you tell me that I don’t already know about finances?”**

Professor Hampton leaned forward and made this simple statement:

**“Through the creative use of international life insurance, your financial affairs can be arranged so that you will never have to pay income taxes for the rest of your life!”**

Thus was born the Hampton Freeze...

- **International investors looking for a cutting edge, flexible, tax-efficient and safe global investment vehicle available today.**
- **Ultra-high-net-worth individuals and legal entities, who**
  - have a large amount of **“free assets”** (not needed for daily life / operations),
  - understand the advantages of ready **global investment access**,
  - seek **ultimate investment flexibility**,
  - are interested in **total tax freedom / tax-free compounding**,
  - want to retain a considerable level of **liquidity**,
  - have a desire for the highest level of **asset protection and privacy**,
  - aim at tax-efficiently **passing on their accumulated wealth to beneficiaries**, and
  - are planning for long-term, **“perpetual” wealth preservation and growth**.
- **“World citizens” that want a strategy that fits multiple jurisdictions without repeated planning required**

# Some of the Hampton Freeze Exclusive Specialties

- **Single premium capability** - without exposure to MEC rules. No need for 7-pay method.
- **Premium in kind** - “roll in” your existing assets and portfolio, without prior liquidation. And, avoid all income taxes on the transfer!
- **Multiple insured persons** - This of course extends the period during which asset can accrue “silently”, and it provides the basis for powerful long-term, trans-generational planning.
- **Currency diversification** - the policy can be denominated in the currency of your choice.
- **Select your preferred asset manager** - choose from the best asset managers in the world, with access to ALL investments in the world.
- **Safe custodian banks** - work with only the best and most solid custodian banks world-wide.

---

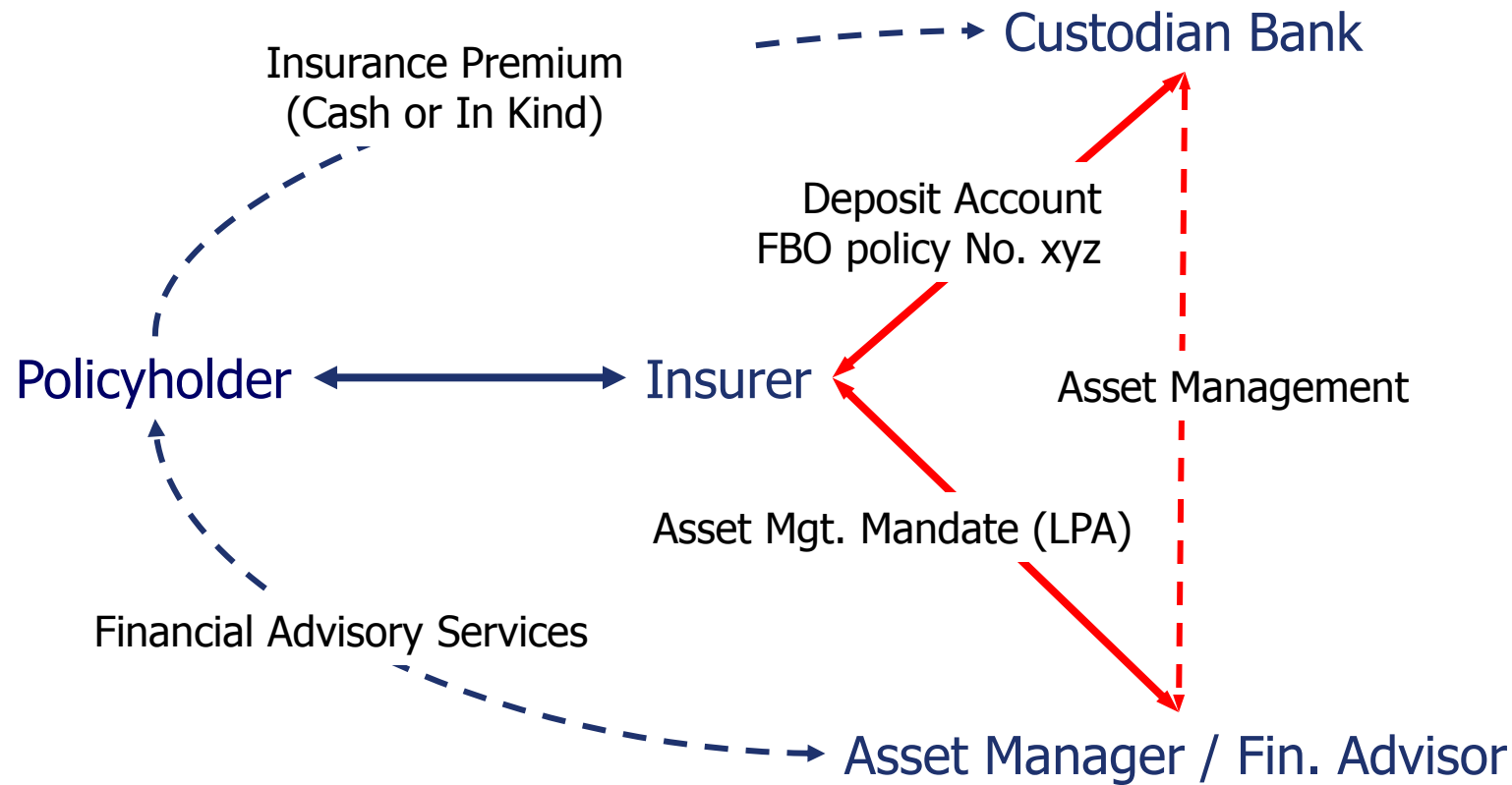
**In essence, the Hampton Freeze is the more sophisticated and flexible version of a private placement variable universal life policy (PPVUL).**

- A PPVUL is a life policy that is available only to “qualified purchasers”, because it is not registered, i.e. only available via private placement.
- In consideration of the requirements defined in IRC Section 7702, a PPVUL qualifies as a life insurance policy, which enables it to benefit from the respective income tax advantage, both during the life of the insured as well as after his or her death.
- The Hampton Freeze takes PPVUL’s to the next level. PPVUL’s are commonly used for tax planning and international investing. They are subject to manifold complex restrictions, which the Hampton Freeze largely eliminates.

# Some of the Hampton Freeze Exclusive Specialties

- **Single premium capability** - without exposure to MEC rules. No need for 7-pay method.
- **Premium in kind** - “roll in” your existing assets and portfolio, without prior liquidation. And, avoid all income taxes on the transfer!
- **Multiple insured persons** - This of course extends the period during which asset can accrue “silently”, and it provides the basis for powerful long-term, trans-generational planning.
- **Currency diversification** - the policy can be denominated in the currency of your choice.
- **Select your preferred asset manager** - choose from the best asset managers in the world, with access to ALL investments in the world.
- **Safe custodian banks** - work with only the best and most solid custodian banks world-wide.

# The Basic Structure



# Comparison of Financial Products in the Context of Tax Considerations

| <b>Financial Product</b> | <b>Deductible Contribution</b> | <b>Tax-Deferred Accumulation</b> | <b>Tax-Free Distribution</b> | <b>Tax-Free Death Benefit</b> |
|--------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| <b>Mutual Fund</b>       | No                             | No                               | Yes                          | No                            |
| <b>Annuity</b>           | No                             | Yes                              | Partial                      | Partial                       |
| <b>PPVUL</b>             | <b>No</b>                      | <b>Yes</b>                       | <b>Yes*</b>                  | <b>Yes**</b>                  |

\* Policy distributions are taxed on a “modified cost recovery” basis pursuant to IRC Section 7702.

\*\* As a general rule, death proceeds are excludable from income pursuant to IRC Section 101(a)(1).

- The Hampton Freeze is applied most appropriately for “free assets”.
- Application procedures must be conducted “offshore”, i.e. outside of the policyholder’s jurisdiction.
- Generally, no medical examination required.
- Withdrawals / life-time surrenders are only possible up to the basis. However, the fully accumulated value passes on to heirs free of income taxes.
- A key ingredient to the Hampton Freeze is the selection of an adequate asset manager with a clearly defined and fully understood management mandate.
- Beware of copied versions. The genuine Hampton Freeze is issued only by one of the most reputable European carriers.



**BFI Consulting Ltd.**

Bergstrasse 21  
8040 Zürich  
Switzerland

**BFI Consulting Ltd.**

Zurichstrasse 103e  
8123 Ebmatingen  
Switzerland

Tel +41 43 366 2200  
Fax +41 43 366 2201  
info@bficonsulting.com

**[www.bficonsulting.com](http://www.bficonsulting.com)**