



1. INTRODUCTION 1.1 The US. Estate and gift tax rules are one of the most complex set of rules in the Code. There are several reasons for this – they apply to a wide range of nonresidents, need to be integrated with U.S. CFC and PFIC rules and are also subject to modifications by the U.S. estate and gift tax treaties. 1.2 Most U.S. citizens are not implicated by the estate and gift tax laws. \$ 2.06 million lifetime exemptions Inter-spousal transfers are exempt from gift tax. \$ 22.12 million per couple exemption. Although the U.S. grants favorable exemptions for its citizens-nonresidents are not so lucky, the estate and gift tax regime can quickly impact a typical U.S. family with cases where a spouse is married to a citizen of another country, non-residents are living in the U.S. or have children or assets in the U.S. 1.3 Domicile and residency The US app.....