

❖ THE BARATELLI INSTITUTE · FREE PREVIEW

A SAMPLER OF THE PAID FLAGSHIP · THE GLOBAL CITIZEN

THE CROSS-BORDER WEALTH PLAYBOOK

A free sampler of the paid 40-chapter reference for the internationally mobile individual and family. Two complete chapters — the foundational idea and the trap that surprises almost everyone — a working reference appendix, and a full map of what is inside.

A border is not a wall around your money. It is a line that changes the rules — and the rules are knowable.

FREE PREVIEW · 2 SAMPLE CHAPTERS · SITUS CHECKLIST · THE FULL MAP

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What this preview is

If you live, earn, invest, or have family across more than one country — or are about to — the full *Cross-Border Wealth Playbook* is the reference written for you and for the advisers who serve you. This free sampler is a real taste of it, not a sales sheet.

Inside you get two **complete** chapters from the full forty — Chapter 1, the three questions that organize every cross-border decision, and Chapter 15, the US-situs estate trap that can tax a non-American who never set foot in the United States — plus Appendix C, the situs and US-situs exposure checklist you can use today, and a complete map of all nine parts and forty chapters.

THE ONE IDEA BEHIND THE WHOLE BOOK

Across a cross-border life, three questions decide almost everything: **where are you resident** (who taxes your worldwide income), **where is your income sourced** (who taxes it at source), and **where are your assets situated** (who taxes them on transfer and death). Master those three, and the rest of the book is detail. Miss them, and no amount of detail will save you.

THE FULL GUIDE

What’s inside all 40 chapters

This preview includes Chapters 1 and 15 and Appendix C in full. Here is the whole reference they are drawn from — nine parts that follow a cross-border life from the first question to the family office.

PART I · THE CROSS-BORDER MAP

- 1** **The Three Questions ← in this preview**.....
- 2** Residency, Citizenship, and Domicile.....
- 3** The Tests That Make You Theirs.....
- 4** Your Flags Base Case.....

PART II · NOT BEING TAXED TWICE

- 5** How Double Taxation Happens.....
- 6** Treaties and Tie-Breakers.....
- 7** Credits, Exemptions, and the Order of Taxing Rights.....
- 8** Totalization and Social-Security Agreements.....
- 9** The US-Person Complication.....

PART III · EARNING ACROSS BORDERS

- 10** Remote Work and the 183-Day Myth.....
- 11** The Globally Mobile Entrepreneur.....
- 12** Equity Compensation Across Borders.....
- 13** Pensions Across Borders.....

PART IV · INVESTING WITHOUT BORDERS

- 14** Where to Hold Your Investments.....
- 15** **The US-Situs Estate Trap ← in this preview**.....
- 16** Currency and the Base-Currency Balance Sheet.....
- 17** Cross-Border Banking and Cash.....
- 18** The End of Secrecy.....

PART V · PROPERTY ACROSS BORDERS

- 19** Buying Property Abroad.....
- 20** The Home You Kept.....
- 21** Financing Across Borders.....

PART VI · THE MOVE ITSELF

- 22** Pre-Departure Planning.....

- 23** Breaking Residence Cleanly.....
- 24** Exit Taxes and Deemed Disposals.....
- 25** Arrival Planning.....
- 26** The New-Arrival Regimes.....

PART VII · FAMILY ACROSS BORDERS

- 27** The Cross-Border Family.....
- 28** Succession Across Jurisdictions.....
- 29** Cross-Border Gifts and Inheritances.....
- 30** Trusts and Foundations Across Borders.....
- 31** Matrimonial Regimes and Cross-Border Divorce.....

PART VIII · CITIZENSHIP & RESIDENCY AS ASSETS

- 32** Residency by Investment.....
- 33** Citizenship by Investment and the Second Passport.....
- 34** Renunciation and Expatriation.....
- 35** Statelessness, Visas, and the Right to Stay.....

PART IX · THE LONG GAME

- 36** The Globally Diversified Balance Sheet.....
- 37** Building a Cross-Border Advisory Team.....
- 38** Asset Protection Across Jurisdictions.....
- 39** The Return Home.....
- 40** The Global Family Office.....

APPENDICES

- A** Treaty and Tie-Breaker Quick Reference.....
- B** Residency-Test Comparison Framework.....
- C** **The Situs and US-Situs Exposure Checklist ← in this preview**.....
- D** The New-Arrival-Regimes Menu.....
- E** The Cross-Border Move Checklist.....
- F** Glossary of Cross-Border Terms.....

SAMPLE CHAPTER · COMPLETE, FROM THE PAID EDITION

This is one of the forty chapters in full — every chapter follows the same shape: the idea, the mechanics, a worked table, an AI-prompt, a “do this now,” four takeaways, and the five recurring cases.

CHAPTER 1

The Three Questions

Almost every expensive cross-border mistake is the same mistake: answering a question for the country you left when the country you are standing in asks it differently. There are only three questions. Learn them once and you can find the answers anywhere.

1.1 Why a cross-border life breaks the rules you knew

For most of a financial life, the rules are invisible because they are constant: one country decides what you owe, on what, and when, and you never think about the boundary because you never cross it. The moment you live, earn, or own across borders, that single rulebook becomes several rulebooks at once, each written as if it were the only one. Two countries can both consider you their taxpayer in the same year. Income you think of as “foreign” can be domestic to someone else. An asset can be taxed where it sits regardless of where you live. None of this is exotic or aggressive; it is simply what happens when more than one sovereign has a claim on the same person. The skill that protects a cross-border life is not knowing every country’s rules — no one does — but knowing which question each rule is answering, so you can ask it correctly in every country you touch.

1.2 Question one: where are you *resident*?

Residence is the question of which country (or countries) treats you as *theirs* for tax — typically with a claim on your worldwide income, not merely income arising locally. Most countries decide residence on where you actually live and how long you stay, measured by day-counts and by the location of your home, family, and economic life. Residence is the single most important fact in a cross-border plan because it usually determines the breadth of a country’s reach: a resident is generally taxed on income from everywhere; a non-resident, only on income with a local source. Because residence turns on facts you control — where you sleep, where your family is, where your center of life sits — it is also the most plannable of the three questions, and the one most often mishandled by people who assume that leaving a country is the same as ceasing to be its resident.

1.3 Question two: where is your income *sourced*?

Source is the question of where income is treated as *arising*, independent of where you live. Employment income is usually sourced where the work is physically performed; rental income where the property sits; business profits where the enterprise operates; dividends and interest by the residence of the payer or the situs of the asset, depending on the country. Source matters because a country can tax income sourced within it even from someone who is not resident there — the non-resident landlord, the consultant flying in

for a project, the founder whose company operates in a country she has left. When your country of residence and a country of source both tax the same income, you have the central problem of cross-border life: double taxation. Resolving it (Part II) requires knowing the source rule, not guessing it.

1.4 Question three: where are your assets *situated*?

Situs is the question of where an asset is legally located for tax — and it governs the taxes that attach to the asset itself rather than to you: capital-gains rules on disposal, and above all the gift and estate (inheritance) taxes that fall when an asset changes hands at death or by gift. Situs can be intuitive (real estate is situated where it physically is) or distinctly counter-intuitive (shares in a company can be situated where the company is incorporated, or where the share register sits; a bank deposit, where the branch is). The most dangerous situs surprises are the ones nobody saw coming: a non-resident with no other connection to a country can owe that country’s estate tax purely because an asset was *situated* there — the US-situs estate trap in Chapter 15 is the classic example. Situs is the question that reaches beyond your lifetime.

1.5 Why the three rarely line up — and why that is the whole game

In a single-country life, residence, source, and situs are the same place, so the three questions collapse into one and you never notice them. A cross-border life pulls them apart: you may be resident in one country, earning income sourced in a second, holding assets situated in a third, while carrying the citizenship of a fourth. Every cross-border tax, treaty, and planning rule exists to manage the overlaps and gaps between these three claims — to stop two countries taxing the same thing twice, and to stop income or assets falling through the cracks untaxed. The rest of this book is organized around the three questions: Part II keeps you from being taxed twice when residence and source collide; Part IV deals with where assets are situated; Part VI is about changing your residence cleanly. Hold the three questions in your head and the whole field becomes navigable.

THE QUESTION	WHAT IT GOVERNS	WHO DECIDES	WHERE IT GOES WRONG
Residence	Which country taxes your <i>worldwide</i> income	Day-counts + center-of-life tests (Ch. 3)	Assuming you stopped being resident just because you left
Source	Where a given stream of income <i>arises</i>	The source country’s own rules	Treating income as “foreign” when another country sources it locally
Situs	Where an <i>asset</i> sits for gift/estate and gains	The asset’s legal location	Holding assets situated in a country with a hidden estate-tax reach

The three questions almost never point to the same country in a cross-border life. Managing the overlaps is the entire discipline.

AI PROMPT — MAP YOUR THREE QUESTIONS

Context. I live, earn, and own across borders. Here are my facts: where I sleep and my family lives [...]; where my income comes from and the work is done [...]; where my assets are located [...]; my citizenship(s) [...].

Output: for each of the three questions — residence, source, situs — tell me which country/countries appear to have a claim, where two claims overlap on the same income or asset, and the three highest-risk overlaps to take to a cross-border adviser. Flag anything that depends on a rule I must confirm locally.

1.6 Do this now — write your three answers

On one page, answer the three questions for yourself today: the country (or countries) where you are tax-resident, the country where each stream of your income is sourced, and the country where each material asset is situated — and note your citizenship(s) alongside. Circle every place two answers point to different countries. Those circles are your cross-border exposure, and they are the agenda for the rest of this book and for the first conversation with a cross-border adviser. The companion workbook's residency and flags tools turn this page into a living map.

CHAPTER TAKEAWAYS

- **Three questions govern a cross-border life:** where you are resident, where income is sourced, and where assets are situated.
- **Residence usually decides the breadth of the bill** — worldwide income for residents, local-source income for non-residents.
- **Source and situs reach you regardless of where you live** — a country can tax local-source income, and local-situs assets, of a non-resident.
- **The overlaps are the whole game.** Every treaty and planning rule exists to manage where the three claims collide or leave gaps.

MARA SOLÉ · CHAPTER 1 · THE MAP

Mara Solé holds two passports, has just accepted a role that lets her work from anywhere, still owns the apartment in her home country, and has a brokerage account she opened as a student in a third. Before she moves a single box she writes the three answers: resident (today) in her home country; income soon to be sourced wherever she performs the work; assets situated across three countries and counting. Four of the lines point to different places. That one page — not a clever structure — is what a good adviser will start from.

THE ALMEIDAS · CHAPTER 1 · THE MAP

Theo and Priya Almeida answer the same three questions and get a more tangled map. They are tax-resident where they currently live; their income is sourced from Priya's local business, a rental in her home country, and Theo's remote work; their assets sit across three countries — including Theo's US retirement accounts. But Theo's line on the map is different in kind: as a US citizen, the United States claims his worldwide income no matter where he lives, so its claim runs through every other answer. Mara's map has overlaps; the Almeidas' map has an overlay.

ADAEZE OKONKWO · CHAPTER 1 · THE MAP

Adaeze Okonkwo maps her three questions as she internationalizes from her home country in Africa. She is resident there and her business is sourced largely at home, but as she expands, income begins to arise abroad and her assets move offshore — foreign accounts and property — for stability and protection. Her three answers, once a single country, are being pulled apart on purpose. And because she earns and lives in a volatile currency while parking wealth in dollars and euros, she feels the gap between where her assets sit and the yardstick she measures them by more keenly than either Mara or the Almeidas.

THE TANAKAS · CHAPTER 1 · THE MAP

Kenji and Yuki Tanaka, newly retired in East Asia, map the three questions for the first time in their lives. They are resident where they have always lived; their income is now mostly a home-country pension, sourced there; their assets are a paid-off home, home-country savings, and a small overseas place they are eyeing for warmer winters. For decades the three answers were one country; now, as they plan to split the year abroad, the answers begin to diverge — at the stage of life when an expensive mistake is hardest to recover from.

THE LARREAS · CHAPTER 1 · THE MAP

The Larreas map the three questions for a dynasty straddling a home country and the United States. Don Rafael, the patriarch, is resident and non-US; his children and grandchildren in South Florida are now US residents and citizens; the family's heritage business is sourced at home but feeds Florida households. Their map is split by the US line — part of the family inside the worldwide-tax net, part outside — and the wealth must cross that line.

SAMPLE CHAPTER · COMPLETE, FROM THE PAID EDITION

This is one of the forty chapters in full — every chapter follows the same shape: the idea, the mechanics, a worked table, an AI-prompt, a “do this now,” four takeaways, and the five recurring cases.

CHAPTER 15

The US-Situs Estate Trap

You can owe the United States estate tax without ever having lived there, worked there, or held its passport — simply for dying while owning the wrong American assets. It is the most overlooked trap in cross-border investing, and one of the easiest to avoid once you see it.

15.1 The tax nobody sees coming

Most cross-border investors know to think about income tax. Far fewer know that the United States imposes *estate tax* on the US-situated assets of *non-US persons* — people who are not US citizens and not US domiciliaries — with no other connection to the country. A non-American who has never set foot in the US can owe US estate tax, at rates rising to around 40%, on US assets they hold at death, above a threshold that for non-domiciliaries is strikingly low (long set at just US\$60,000 of US-situs assets — confirm current). The large exemption that shelters US citizens and domiciliaries (in the multi-millions) simply does not apply to non-domiciliaries. The result is a latent, often six- or seven-figure liability sitting inside the portfolios of non-Americans who hold US shares — a liability most discover, if at all, only when an estate is being administered.

15.2 What counts as US-situs property

The trap turns entirely on *situs* — whether an asset is treated as located in the US for estate-tax purposes — and the rules are specific and sometimes counter-intuitive. Shares in US corporations are US-situs *regardless of where the share certificate or brokerage account is held* — so holding Apple stock through a non-US broker does not help. US real estate is US-situs. US-domiciled funds and ETFs are US-situs. By contrast, and importantly, non-US-domiciled funds (even ones holding US shares), US bank deposits (generally exempt), and certain US debt obligations are typically *not* US-situs for a non-domiciliary. The planning insight follows directly: it is usually possible to get US-market *exposure* without holding US-situs assets, by holding through a non-US-domiciled fund — the same move that solves the withholding problem in Chapter 14.

15.3 The brutal threshold for non-US persons

The arithmetic is what makes this urgent. A US citizen or domiciliary enjoys a very large estate-tax exemption; a non-domiciliary holding US-situs assets gets only the tiny non-resident threshold before US estate tax bites at rates climbing toward 40%. So a non-American with, say, a few hundred thousand dollars of US shares held directly has almost the entire amount exposed to US estate tax on death, payable before the assets can pass to heirs — a fact that can also delay and complicate the administration of the whole

estate across borders. Some countries have *estate-tax treaties* with the US that raise the threshold or change the rules for their residents, so the position depends on the specific country; but absent such a treaty, the exposure is real and large, and it applies to assets the investor probably bought for ordinary diversification, not for any US connection at all.

15.4 How to step around it

The good news is that the trap is largely avoidable with foresight. The cleanest move for most non-US investors is to hold US-market exposure through *non-US-domiciled funds* rather than US shares or US-domiciled ETFs directly — capturing the diversification while keeping the assets outside US situs. Other tools, depending on scale and country, include holding US assets through a non-US holding company or other structure (with care — these carry their own income-tax and reporting consequences and can create as many problems as they solve), relying on an applicable estate-tax treaty, and simply right-sizing direct US holdings below the threshold. US real estate is harder to de-situs and usually needs deliberate structuring with cross-border estate advice. The key is that this is a *planning* problem with known solutions — worthless if discovered after death, straightforward if addressed while alive.

15.5 The mirror for US persons

For completeness, the US-person side is the mirror image. US citizens and domiciliaries are subject to US estate and gift tax on their *worldwide* assets, but with a large exemption — and with a critical wrinkle for mixed-nationality couples: the unlimited marital deduction that lets a US citizen leave everything to a spouse tax-free generally does *not* apply where the surviving spouse is *not* a US citizen (a special trust — a QDOT — is the usual workaround). So in a household like the Almeidas, the planning runs both ways at once: protect the non-American from US-situs exposure on her own assets, and structure transfers from the American spouse so they are not caught by the loss of the marital deduction. The two estate problems are different, they coexist in one family, and they need joint, specialist planning.

15.6 Do this now — find your US-situs exposure

If you are *not* a US person, total up your US-situs assets right now: US shares (wherever held), US-domiciled funds/ETFs, and US real estate. If that total is more than trivial, you have a latent US estate-tax exposure — take it to a cross-border estate adviser and consider re-routing US exposure through non-US-domiciled funds. If you *are* a US person with a non-citizen spouse, raise the marital-deduction/QDOT issue specifically. Either way, this is an estate-planning conversation to have while you are alive and well; it cannot be fixed afterward, and it is one of the highest-return hours in this book.

ASSET	US-SITUS FOR A NON-DOMICILIARY?	IMPLICATION
US-company shares (any broker)	Yes	Exposed to US estate tax above the low threshold
US-domiciled fund / ETF	Yes	Exposed — even if it holds non-US assets
US real estate	Yes	Exposed; hard to de-situs — structure deliberately
Non-US-domiciled fund (e.g., Irish)	Generally no	US exposure without US situs — the usual fix
US bank deposits	Generally exempt	Typically outside the net (confirm)

Illustrative and subject to estate-tax treaties and current law; confirm each item with a cross-border estate specialist.

AI PROMPT — FIND MY US-SITUS ESTATE EXPOSURE

Context. I am (not) a US person, resident in [country], and hold these US-connected assets [US shares, US funds, US real estate, amounts]. **Output:** identify which of my assets are likely US-situs for estate tax, estimate roughly how much could be exposed given the low non-domiciliary threshold, explain whether an estate-tax treaty with my country might change it, and outline the usual fixes (non-US-domiciled funds, structuring, treaty relief). If I have a non-citizen spouse and am a US person, flag the marital-deduction/QDOT issue. List what to take to a cross-border estate specialist.

CHAPTER TAKEAWAYS

- **The US taxes the US-situs assets of non-Americans at death** — up to ~40%, above a very low threshold, with no connection to the US required.
- **US shares are US-situs wherever you hold them;** so are US-domiciled funds and US real estate — a non-US-domiciled fund usually is not.
- **The usual fix is to get US exposure through non-US-domiciled funds** — the same move that solves withholding (Ch. 14).
- **US persons face worldwide estate tax with a large exemption** — but a non-citizen spouse breaks the marital deduction (QDOT).

MARA SOLÉ · CHAPTER 15 · THE HIDDEN ESTATE TAX

Mara's direct US-share holdings were, unknown to her, a US estate-tax bomb: as a non-American, almost all of it sat above the tiny non-domiciliary threshold, payable before her heirs could inherit. Having already moved her US exposure into non-US-domiciled funds in Chapter 14, she has incidentally defused it — a reminder that the withholding fix and the estate fix are the same move.

THE ALMEIDAS · CHAPTER 15 · THE HIDDEN ESTATE TAX

For the Almeidas the trap runs both ways. Priya, a non-American, must keep her own US-situs holdings down or wrapped in non-US funds. And because Theo is a US citizen and Priya is not, the unlimited spousal estate transfer does not apply to what Theo leaves her — so they set up the QDOT-type planning their adviser recommends, solving two different estate problems inside one marriage.

ADAEZE OKONKWO · CHAPTER 15 · THE HIDDEN ESTATE TAX

Adaeze's offshore portfolio, built for safety, had concentrated her in exactly the wrong asset for estate purposes: US shares held directly, a large US-situs exposure for a non-American with no other US tie. Re-routing through non-US-domiciled funds (Ch. 14) removes most of it; for the US real estate she bought as a bolt-hole, she takes specialist advice on structuring, since property is far harder to de-situs than shares.

THE TANAKAS · CHAPTER 15 · THE HIDDEN ESTATE TAX

Wanting a global education fund for their grandchildren, the Tanakas almost buy US technology shares directly — which would have quietly created US-situs estate exposure for non-Americans with no other US tie. Warned in time, they hold the same exposure through a non-US-domiciled fund. Even a simple, US-free retiree household can stumble into the US estate net through a well-meant investment.

THE LARREAS · CHAPTER 15 · THE HIDDEN ESTATE TAX

This is the Larreas' sharpest trap, seen from the receiving side. Don Rafael, a non-US person, holds US shares and Florida real estate — US-situs assets exposed to roughly 40% US estate tax above a low threshold on his death — and bequests to his children raise the QDOT issue for any non-citizen spouse. The family moves US holdings into non-US vehicles before the patriarch's estate is caught.

SAMPLE APPENDIX · COMPLETE

One of the six reference appendices that turn the chapters into a working desk.

APPENDIX C

The Situs and US-Situs Exposure Checklist

Situs – where an asset is legally located – governs which country taxes it on transfer and death. This checklist flags where your assets sit, with special attention to the US-situs estate trap.

Situs (Ch. 1) is decisive for estate, gift, and inheritance tax and for which country’s succession law reaches an asset (Ch. 28). The US-situs trap (Ch. 15) is the sharpest example: a non-US person who dies owning US-situs assets above a low threshold can face US estate tax at high rates. Use this to map where each asset sits.

C.1 Typical situs of common assets

ASSET	USUAL SITUS	US-SITUS FOR ESTATE TAX?
Real estate	Where the property is located	Yes, if located in the US
Shares in a company	Often the company’s country of incorporation	US shares = US-situs (even held abroad)
Bank deposits	Varies; often where the account is	US bank deposits often NOT US-situs (special rule)
Bonds / debt	Varies by type and issuer	US-situs debt can be exposed; exceptions exist
Investment / brokerage funds	Where the fund is domiciled	Non-US-domiciled fund holding US shares avoids US-situs
Tangible property	Where it physically is	US-located tangibles = US-situs

Situs rules are technical and asset-specific; confirm each with a cross-border (and US) specialist. The non-US-domiciliary US-situs threshold is low (Ch. 15).

C.2 US-situs exposure flags

- Do you (if not a US person) hold US shares directly — rather than through a non-US-domiciled fund?
- Do you own US real estate or US-located tangible property?
- Would your US-situs assets exceed the low non-domiciliary estate-tax threshold?
- Is your spouse a non-US citizen (raising the QDOT marital issue, Ch. 15, 27)?
- Have you checked whether an estate-tax treaty raises the threshold or alters situs?

The common, low-cost fix for non-US persons is to hold US-market exposure through *non-US-domiciled* funds rather than US shares directly, sidestepping US-situs while keeping the investment exposure (Ch. 14, 15). Confirm before relying on it.

GET THE FULL GUIDE

Forty chapters, six appendices, a ten-model workbook, and the free tools

The complete reference runs the whole arc of a cross-border life — the three questions, not being taxed twice, earning and investing across borders, the move itself, family and succession, citizenship and residency as assets, the return home, and the family office — with five recurring cases drawn from five continents and five stages of life, including the family moving wealth into the United States.

THE COMPANION WORKBOOK — TEN MODELS

1	Flags Planner
2	Residency Day-Counter
3	Treaty / FTC Estimator
4	Withholding Comparator
5	Base-Currency Balance Sheet
6	Property-Abroad Model
7	Exit-Tax Estimator
8	Retirement View
9	Estate-Situs Map
10	Advisory-Team Planner

FREE DECISION TOOLS

- Tax-Residency Day-Counter
- Fund-Domicile & Withholding Comparator
- US-Situs Estate-Exposure Estimator
- ‘Who can tax this?’ treaty wizard
- Pre-Immigration Countdown

WHAT YOU GET

- The full 40-chapter guide (this preview is 2)
- All six reference appendices
- The ten-tab companion workbook
- The five free web tools above

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