

PRACTICAL INFORMATION AND STEPS TO FOLLOW  
AFTER THE PASSING OF A LOVED ONE



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INTERNATIONALE  
À LUXEMBOURG

The loss of a spouse or loved one is one of the most upsetting challenges one can face. As well as the emotional impact, there are numerous practical and administrative hurdles to overcome. With this guide to the inheritance process, we want to help you through these difficult times by providing clear and useful information.

It is essential that you know what administrative measures to take, especially regarding finances. This is why we have a team of experts on hand, ready to step in and answer all your questions.

You can contact the Succession team experts by emailing [successions@bil.com](mailto:successions@bil.com)

# First steps to take

## Organisations to contact

Generally speaking, the local authority of the place of death issues several copies of the death certificate. These must be sent to different organisations with a view to settling all amounts payable and receivable in the event of death.

- Social security, death benefit fund, pension fund (CNAP)
- Insurance company/companies
- Bank(s)
- Employer (if applicable)

## The notary: your key partner

The services of a notary are mandatory in some inheritance situations. More specifically, you must hire a notary in the following circumstances:

1. **Real estate:** If the deceased leaves behind property such as a house, apartment or piece of land, then a notary must be involved in the sale or transfer of ownership.
2. **Will:** If the deceased has written a will, then a notary is needed to confirm its validity and ensure that the wishes expressed in the document are honoured.
3. **Gift:** If the deceased made an "inter vivos" gift, then the notary ensures that all of the stipulated terms, and all applicable laws, have been upheld.

The involvement of a notary in these situations is essential to guarantee that all inheritance related matters are legal and valid. The notary is a qualified professional who will guide you through the legal and administrative process, ensuring that all procedures are followed properly and in accordance with the law. His/her experience gives you peace of mind.

## Management of a life insurance policy

Insurance companies must be notified in the weeks following the death in order to cancel the policies or, if applicable, to transfer them to the spouse's and/or heirs' name.

Examples of companies that provide life insurance:

ALLIANZ – AXA – BALOISE GROUP – CARDIF LUX VIE – FOYER – GENERALI – LA MONDIALE – LOMBARD – ONE LIFE – SOGELIFE – SWISS LIFE – VITIS LIFE – WEALINS

## Management of everyday business

To prevent active contracts from running up unnecessary bills, remember to cancel them or transfer them to your name. The most common ones are for: water, electricity, telephone, insurance, etc.

**Tax:** If the heirs accept the inheritance, then they are required to declare it and pay any tax owed by the deceased.

**Housing:** Inform any landlord or homeowners' association.



# Management of the estate by the beneficiaries

## Who are the legal heirs in Luxembourg?

### Descendants

Children, grandchildren, great-grandchildren

### Ascendants and collateral relatives

Father, mother, brothers and sisters and their descendants

| Number of children | Rights of the children | Rights of the surviving spouse            |
|--------------------|------------------------|---|
| 1                  | 1/2 in bare ownership  | 1/2 in full ownership and 1/2 in usufruct |
| 2                  | 2/3 in bare ownership  | 1/3 in full ownership and 2/3 in usufruct |
| 3 or more          | 3/4 in bare ownership  | 1/4 in full ownership and 3/4 in usufruct |

*For guidance, excluding will and gifts.*

## Accept or renounce the inheritance?

Heirs have the choice:

- Accept outright: tacitly or in writing,
- Accept under benefit of inventory: declaration to be submitted to the Registrar of the District Court
- Renounce: renunciation to be declared to the Registrar of the District Court under whose jurisdiction the inheritance is being managed.

## Inheritance tax and deadlines

An inheritance declaration must be submitted to the Luxembourg Registration Duties, Estates and VAT Authority (*Administration de l'enregistrement, des domaines et de la TVA – AED*):

- Within 6 months, if the deceased died in Luxembourg
- Within 8 months, if the deceased died in Europe
- Within 12 months for the rest of the world

Penalty:

If the declaration is not made on time, then the heirs may be served formal notice, giving them an additional 15 days delay. The heirs will have to pay an additional one tenth of the tax owed and cover any bailiff's fees.

# What BIL will do to help you

In the unfortunate event of the death of one of our client's, we wish to inform you of the steps we take to support you, as an heir, during this difficult time. Our commitment is to provide you with complete and personalised support through the inheritance process. Here is what we do for you:





- **A single point of contact:** Our team of experts is available to answer any questions you may have and guide you through the process.
- **Opening of the estate file:** We will open an estate file, which will be handled by a dedicated Relationship manager or the Succession team. This person will ensure that the beneficiaries' choices are respected, giving tailored support in accordance with your wishes.
- **Freezing of accounts and safe-deposit boxes:** All accounts and related safe-deposit boxes are frozen, including direct debits and standing orders, to prevent any financial movements.
- **Cancellation of powers of attorney and bank cards:** The deceased's power of attorney and bank cards are cancelled to prevent any unauthorised use of banking services.
- **Payment of bills relating to the estate:** Under certain circumstances, we can pay bills relating to the estate. To find out how these solutions are applied, please contact the Succession team or your Relationship manager.
- **Management of borrower protection insurance:** If the deceased had taken out insurance on a loan, we will contact the insurer to ensure that it is handled as per the policy terms.
- **Transfer of accounts into the heirs' name:** You have the option of keeping your loved one's account on the special terms afforded to beneficiaries, as set out below:

## BIL account management options

|             | Recovery of the existing account   | Account closure  |
|-------------|------------------------------------|--|
| Estate file | Subject to BIL acceptance          | Estate file fees Luxembourg:<br><b>EUR 250 per year (excl. VAT)</b>    |
|             | Estate file fees<br><b>Offered</b> | Estate file fees International:<br><b>EUR 500 per year (excl. VAT)</b> |



## Documentation needed for the Bank to work with you:

-  Affidavit or Exemption Certificate
-  Affidavit drawn up by a notary
-  Certificate of inheritance drawn up by a notary
-  "Der Erbschein"

We understand the importance of this process for you and are here to help you every step of the way. Please do not hesitate to contact us if you have any questions.

## Your special contacts at BIL

The Relationship manager or private banker in charge of financial planning: You will find their contact details in the letter accompanying this brochure.

The Succession team experts: You can contact them by emailing [successions@bil.com](mailto:successions@bil.com)

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