



The Corpag Group

TRUSTS AND FOUNDATIONS: AN UPDATE

Andrew Greenfield
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BRIEF HISTORY

- FOUNDATION: CHARITABLE BACKGROUND
- TRUST: HISTORY UNDER UK COMMON LAW



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BRIEF OVERVIEW

- WHAT IS TRUST/FOUNDATION?



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USES

- DYNAMIC PLANNING
- ASSET PROTECTION
- SUCCESSION PLANNING
- SEGREGATING ASSETS
- ANONYMITY/CONFIDENTIALITY
- PREVENTING DEPLETION OF ASSETS
- AVOIDING COUNTRY RISKS
- FORCED HEIRSHIP



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CHALLENGES

- DIVORCE
- LITIGATION CLAIMS
- CHANGE OF PRIORITIES – NEW GENERATION
- MONEY LAUNDERING/TAXATION
- SHAREHOLDER DISPUTES
- FORM A



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LOSS OF CONTROL – REMEDIES

- PTC
- SUPERVISORY BOARD



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- UPDATE ON RECOGNITION TRUSTS
- REVIEW MAIN TRUST JURISDICTIONS
- MAIN FOUNDATION JURISDICTIONS



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- CHOOSING TRUSTEE
- FOUNDATION DIRECTORS



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USUAL ASSETS HELD

- CASH
- PORTFOLIO
- PAINTINGS
- REAL ESTATE
- PRIVATE SHARES
- PLANES/BOATS

COMMENT ON HIGH RISK ASSETS



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ALTERNATIVE USES:-

- ACTING AS NOMINEE
- CREATING BLOCKER
- SHAREHOLDING TRUST
- PURPOSE TRUST



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UNIQUE FEATURES

- GIFTING FOUNDERS' RIGHTS
- FLEE CLAUSE



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OPTIMISATION

- SEGREGATING BUSINESS AND PERSONAL ASSETS
- DETAILED LETTER OF WISHES
- PROFESSIONAL PROTECTOR/SUPERVISORY BOARD



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ADVANTAGES OVER WILL/SUCCESSION LAWS

- SPEED OF SUCCESSION/LACK OF FORMALITIES
- DEDICATED PURPOSE
- CONFIDENTIALITY
- BALANCING FAMILY INTERESTS



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DISADVANTAGES

- UNFAMILIARITY
- COMPLEXITY
- RETURN OF ASSETS ON WINDING-UP



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SUMMARY

- UNDERUSED
- EXCELLENT TOOL IN WEALTH PLANNING
- CLEAR LEGAL FRAMEWORK



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ANDREW GREENFIELD

DIRECTOR

THE CORPAG GROUP

Email: andrew@corpag.com