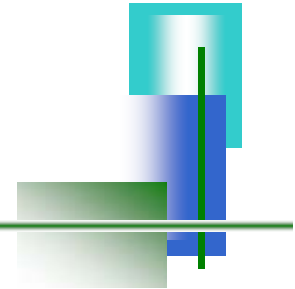




# TRUSTS AND FOUNDATIONS

---



Andrew Greenfield  
May 2009

Consultant  
Dawsons LLP  
2 New Square  
Lincoln's Inn  
London WC2A 3RZ  
[www.dawsonslip.com](http://www.dawsonslip.com)

Director  
Corporate Agents N.V.  
Werfstraat 6  
Curacao  
Netherlands Antilles  
[www.corpag.com](http://www.corpag.com)



# OPENING REMARKS

---



## PRESENTATION WILL COVER

- History of Foundations and Trusts
- What is a Trust?
- What is a Foundation?
- Principal uses of each
- What are the main differences?
- Private Trust Companies?
- Which jurisdiction offers Foundations and Trusts which are not subject to tax?





# TRUSTS AND FOUNDATIONS

---



## HISTORY OF FOUNDATION

- Exists for over one hundred years
- Created by Civil Law System
- Takes corporate form
- Increasingly used in tax planning particularly developed in Liechtenstein





# TRUSTS AND FOUNDATIONS

---



## HISTORY OF TRUSTS

- Exists for hundreds of years
- Created by common law in UK now spread throughout common law countries
- Take the form of a contractual relationship not corporate form
- Widespread use in tax planning





# TRUSTS AND FOUNDATIONS

---



## WHAT IS A TRUST?

- Not entity but contractual relationship.
- Parties Settlor Trustee and Beneficiaries (and Protector)
- Regulatory document Trust Deed
- Holding and managing assets or sometimes a purpose – Vista Trusts
- Trustee can be an individual or corporation
- Defined Interest Trust
- Discretionary Trusts





# TRUSTS AND FOUNDATIONS

---



## WHAT IS A FOUNDATION?

- It is an entity in corporate form
- Parties Directors, Founder, Supervisory Board or Enforcer
- Regulatory Document, By-Laws and Private Regulations/Letter of wishes
- Holds and manages assets but often set up for a purpose





# TRUSTS AND FOUNDATIONS

---



## PRINCIPAL USES OF TRUSTS

- Asset protection (from Creditors)
- Tax Planning
- Dynastic Planning
- Controlled Inheritance/Succession
- Disapplying forced heirship rules
- Charity





# TRUSTS AND FOUNDATIONS

---



## PRINCIPAL USES OF FOUNDATIONS

- Asset Protection
- Tax Planning
- Succession
- Charity





# TRUSTS AND FOUNDATIONS

---



## MAIN DIFFERENCES BETWEEN TRUSTS AND FOUNDATIONS

- Contract/Entity
- Limited in time/No limit
- Confidentiality/Partial confidentiality
- Settlor not retaining control/Founder's rights
- Private Trust Company
- Protector/Supervisory Board
- Trustees liabilities/Director's Duties
- Non-trading/Can trade
- How to choose each case is different





# TRUSTS AND FOUNDATIONS

---



## PRIVATE TRUST COMPANIES

- Enables the family to control various trust decisions
- Exists in several jurisdictions – BVI, Nevis, New Zealand and others
- Family can be directors
- Usually owned by a purpose trust
- Limited to related trust business or unremunerated business
- Can act for several trusts connected to same family
- Does not create a “sham” trust





# TRUSTS AND FOUNDATIONS



---

## MAIN TRUST JURISDICTIONS

- UK
- New Zealand
- Cyprus
- Singapore
- Jersey, Guernsey and Isle of Man
- BVI
- Mauritius
- Bermuda
- Bahamas
- St Lucia
- Nevis
- Cook Islands
- How to choose jurisdiction? What are factors?





# TRUSTS AND FOUNDATIONS

---



Andrew Greenfield

Consultant

Dawsons LLP

2 New Square

Lincoln's Inn

London WC2A 3RZ

Tel: 020 7421 4859

Fax: 020 7421 4890

E-mail: [a.greenfield@dawsonslip.com](mailto:a.greenfield@dawsonslip.com)



DAWSONS  
SOLICITORS