

FOUNDATIONS

What is a Foundation?

A Foundation is a separate legal entity, without members or shareholders. Generally Foundations are established to reflect the wishes of the founder, who may be an individual or a corporate entity. These wishes are contained within the Foundation's Deed of Incorporation, Articles of Association and Bye Laws. Foundations can be established for a fixed or indefinite period of time and can be used for commercial, charitable or for family purposes.

Foundations are a very important component when structuring the ownership of family and corporate assets. They are particularly important where Trusts are not generally recognized. In many respects they are similar to corporate entities but offer the protection and continuity derived from the use of Trusts.

Offshore Foundations are used for:

- Wealth protection
- Holding assets which can be passed on from one generation to the next (estate planning)
- Inheritance tax planning
- Avoidance of forced heritage rules
- Maintenance of corporate control
- Separation of voting and economic benefits
- Employee share option schemes
- Pension funds
- Art collections
- Charitable purposes
- An important tool in international income, capital gains and estate tax planning
- Used by corporations for employee benefit plans, retirement and stock option schemes, insurance plans and special financing arrangements

Most types of assets can be held by an Offshore Foundation, including shares, investment portfolios, real and intellectual property or Life assurance policies.

When a Foundation is established in an eligible offshore jurisdiction and residents of this offshore jurisdiction are excluded from receiving benefit from the Foundation, then there will be no local taxes applicable to the assets and income of the Foundation.

Expertise of ILS

To find out if a Foundation might be the right fiduciary solution for you, please contact one of our offices through the contact form on www.ilconsultants.com.