

COMMERCIAL • PRIVATE CLIENT • PENSIONS & BENEFITS

Supporting structures

Trusts & foundations - a comparison

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CAREY GROUP

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Trusts & foundations - background

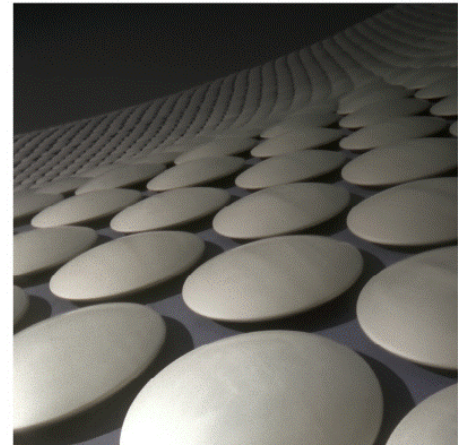
Private clients use both trusts and foundations to hold assets and for succession planning.

Trusts have their roots in the common law, while foundations have their origins in civil law.

But what does this mean in practice? In this short information note, we look at the fundamental differences and similarities of trusts and foundations.

Carey Group are specialists in assisting individuals with the structuring of their wealth.

We have expertise in the design, implementation and administration of trust and foundation structures.



Private Wealth Services

Structuring & inheritance planning

Company formation & administration

Trust formation & administration

Family offices

Marine services

Aircraft services

Relocation services

Trusts & foundations - similarities

There are a number of similarities between trusts and foundations, the principle ones are:

- Assets can be transferred or donated to both
- Both can be revocable
- Both can be created during the founder's/settlor's lifetime or on death
- Both can be unlimited in duration
- Both provide for the appointment of a Protector or Enforcer
- A foundation can have the Founder as member of the Council, who can exercise control over the assets of the foundation. In a similar way, the settlor of a trust can retain certain powers such as to direct investments
- Trusts and foundations are created, inter alia, for asset protection and succession planning.

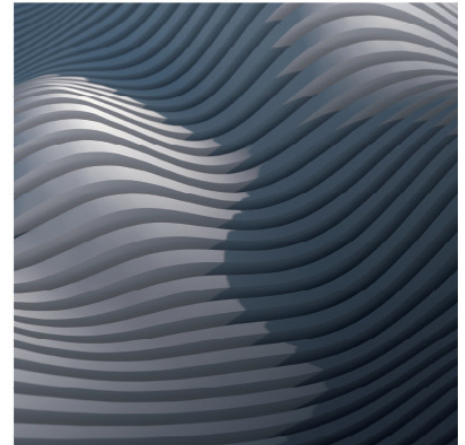


“Carey Group strives to provide clients with the most efficient ownership structures.”

Trusts & foundations - differences

However, there are some notable differences between a trust and foundation:

- A foundation has an independent legal identity and holds assets in its own name. A trust does not have a separate legal identity from its trustees.
- Trustees contract personally in their own name, whereas the council members of a foundation contract in the name of the foundation.
- Members of the Foundation Council act on behalf of the foundation and do not assume personal obligations (unlike trustees).
- The Foundation Charter is a public document, although the Articles remain private. Trust documents remain private.
- Changing the jurisdiction of a trust is straightforward, whereas a foundation needs to be redomiciled.
- The powers of a Foundation Council are generally more limited than those of a trustee, who potentially has unlimited capacity (subject to the overriding requirement to act in the best interests of the beneficiaries).
- A foundation does not require an owner so there is no need for succession planning.



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Which to choose

Both trusts and foundations have arisen from the roots of their own cultures and laws. Both have withstood the test of time through their suitability and flexibility.

Private Trust Company

We must also note the arrival in recent times of the Private Trust Company (PTC), which has been very popular for larger structures such as those holding assets for single families.

Private Trust Companies are chosen as they offer more control over family assets and more discretion, with members of the family able to retain roles of responsibility alongside professional trustees.

Client requirements

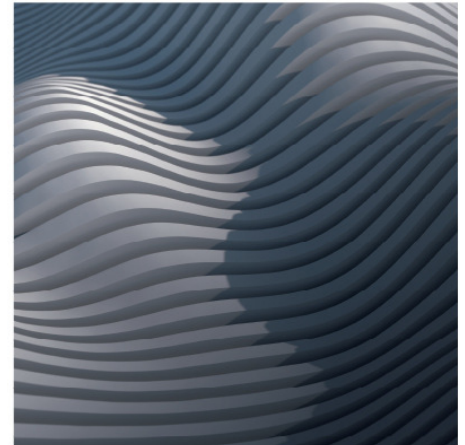
So, trust or foundation?

It depends.

Each individual or family is unique with their own history, culture and issues to address.

Our role is to find a bespoke solution for each, one that both the client is comfortable with and addresses the issues they are looking to resolve.

Either a trust or a foundation can provide the solution to the succession, asset holding & privacy issues facing individuals and families today.



Private Wealth Services

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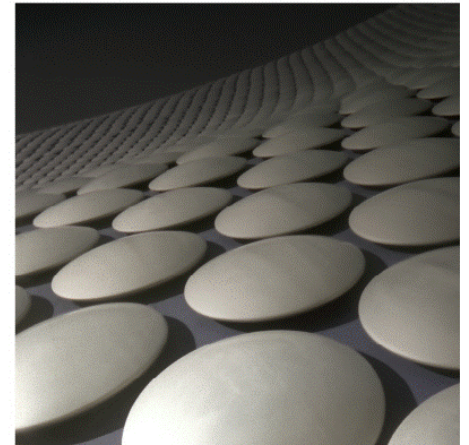
Aircraft services

Relocation services

Private Wealth Services

Carey Group provides a range of wealth management solutions to high net worth individuals and families worldwide.

- Over 120 staff working from 8 EU and non-EU jurisdictions offering corporate and private structures for a broad range of assets
- Independent group majority owned by the partners of Carey Olsen law firm, a leading Channel Islands practice
- Experience of managing different structures with varying governing laws
- Director led administration with real decision making authority
- A trustee board with a broad mix of legal, investment, accounting and administrative experience
- Investment review committee function which uses expertise from external partners to review investment performance and highlight issues for further consideration
- Experience of managing client relationships from multiple jurisdictions in a cohesive manner
- Proven reputation built up over 40 years in the fiduciary market



Private Wealth Services

- **Structuring and inheritance planning**
- **Company formation & administration**
- **Trust formation & administration**
- **Family office services**
- **Pension services**
- **Marine registration**
- **Aircraft services**

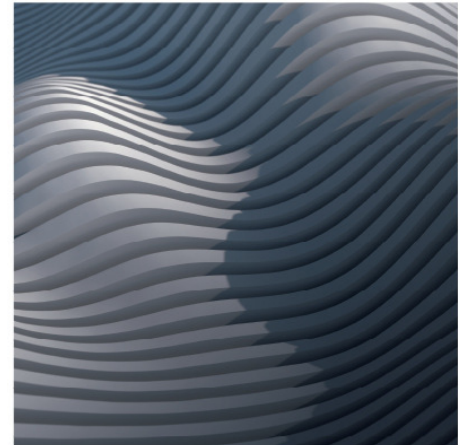
Carey Group Monaco - key contacts



Lindsay Leggat-Smith is Managing Director of the Monaco office. He holds a Law Degree from Edinburgh University and qualified as a Solicitor in Scotland. Moving to Paris in 1971, Lindsay practised commercial law there until 1980 when he transferred to Monaco. There, he dealt with all aspects of private client work, including high value asset transactions, before joining the international trust industry, working for a private banking group until 2003 when he established the Carey Group Monaco office. Lindsay is a member of The Society of Trust and Estate Practitioners and the current Chairman of the Monaco Association of Company Service Providers. He is fluent in English, French and German.



Stéphane Postiferri is a Director and Commercial Manager in the Monaco office. He graduated from Nice Sophia Antipolis University in 1995 with a specialisation in International Business Law Practice and Management. Prior to setting up the Monaco office in 2003 and being appointed Director in 2005, he gained 4 years experience providing commercial, trust and corporate services to private clients and 4 years experience in private banking in Luxembourg, Monaco and Paris. Stéphane is fluent in French, English, Italian and Spanish and is a member of the Society of Trust and Estate Practitioner.



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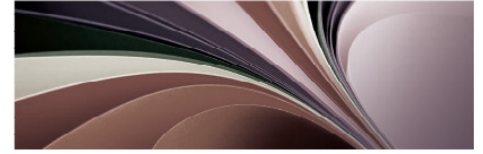
E: info@careygroup.gg

We set up and manage international tax efficient structures for private clients, working in collaboration with other experts (e.g. legal, tax, banking) internationally. Our office includes qualified lawyers, accountants, tax advisers and trust professionals. Languages spoken include English, French, Italian, German and Spanish.

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Locations



- Alderney
- Monaco
- Cyprus
- UK
- Geneva
- Zurich
- Guernsey
- Luxembourg



**To view the full service offerings for each location please visit our website
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* No commission's basis means that we do not advise our clients to use a particular third party for provision of services specifically to receive commission payments. However, we may have agreements in place allowing us to take commission payments from third parties for the provision of services with that particular third party and reserve the right to apply any percentage of the commission payments in the best interest of the client.

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