

Private Foundations

General Information

A foundation is usually a body corporate that holds assets, usually provided by the Founder* or sometimes by other Dedicators* for a particular purpose or for the benefit of particular Beneficiaries*. Beneficiaries do not usually have any legal or beneficial interest in the assets of the foundation. In the IOM, a foundation must have a Registered Agent* that has responsibility for certain functions. The assets of the foundation are administered by a Council*, who have a fiduciary duty to act in accordance with the foundation instrument and in good faith.

*See definitions

Why form a foundation?

Foundations are an excellent alternative to common law Trusts providing the same level and quality of confidentiality, tax planning, asset protection, estate planning, future wealth preservation and social responsibility.

How does a foundation differ from a trust?

A Foundation differs in main from a Trust in that it is a legal person whilst the Trust is a legal relationship.

In which jurisdictions can we form a foundation?

- Panama
- Liechtenstein
- Isle of Man TAX AD

Tax Advice, Planning and Structuring

The Tax team is comprised of specialists primarily in UK and Isle of Man taxation who assist clients through the continuous changes in tax and regulatory legislation. We have a network of international advisers as well as the technical ability and creative approach to help meet the growing challenge of mitigating tax liabilities in a compliant manner.

We offer a full tax consulting, planning and compliance service on international tax matters including cross border structuring issues for businesses, individuals and families, using both our in-house experts and third party local tax advisors to provide a complete and compliant international solution.

To whom do we offer advice?

Our client base ranges from large corporations and groups to whom we provide a full package of in-house accounting services, to individuals, small charities, trusts and foundations with a handful of transactions.

What other services can we offer?

Our client accounting and tax compliance team are able to offer a full range of services including:

- Statutory accounts preparation for trusts, companies, partnerships and foundations;
- Preparation and submission of tax returns for individuals, companies and trust structures;
- Bookkeeping and regular management accounts;
- Payroll services;
- VAT services.

Frequently Asked Questions

What do I need to do to set up a Trust or a Foundation?

- Complete our Initial Enquiry Form so that we could understand your requirements and recommend a solution
- You will need to provide us with due diligence documentation and pass our screening process.
- Enter into the appropriate agreement
- Transfer assets into the Trust or Foundation

I am uncomfortable about giving my assets to a third party, what assurances do I have that my assets are in safe hands?

The services are provided by a licensed trust and corporate service provider and as such are subject to strict regulations and codes of conduct. The Trustees or Council must preserve and enhance the assets in a way that benefits the beneficiaries in accordance with the terms of the trust agreement or foundation instrument.

Do I still own the assets once they have been transferred to the Trust or Foundation?

No, the assets become the property of the Trust or Foundation.

What if my circumstances change once the Trust or Foundation has been set up?

The Trust or Foundation can be flexible instruments, for example they dictate how the beneficiaries and trustees are appointed and removed. Your needs can therefore be accommodated by the Trust or Foundation instruments.

Who can benefit from the assets of the Trust or Foundation?

Whoever the Settlor*, the Trustees or the Council decide.

Can I be a beneficiary of the Trust or Foundation?

Yes

Are there any other safeguards that I can put in place to ensure that the assets are looked after in accordance with my wishes?

In addition to a letter of wishes, you can also appoint a Protector or Enforcer to the Trust or Foundation. This may be a family member, friend or professional. Depending upon the terms of the trust or foundation agreement the Protector/Enforcer may have the power to remove and appoint trustees and also have the ability to veto certain decisions of the trustees and council. For example, the consent of the Protector or Enforcer may be required to sell an asset or take out loans.

What asserts may be put into the trust?

Just about anything, shares, property, cash, investments, intellectual property and yachts.

Foundations Definitions

What is a Founder?

This is the person upon whose instructions a Foundation is established. The Founder is often the person who transfers assets into the foundation.

What is the Council?

The Council looks after the assets of the Foundation and carries out its objects. Council members have a duty of care, diligence and sufficient capabilities of a reasonable person in carrying out their duties.

What is a Registered Agent?

In the IOM, it is any entity that has a Class 4 licence under the Isle of Man Financial Services Act 2008. Mann Made Corporate Services holds such a licence.

What is a Dedicator?

This is the term for any persons, other than the Founder, who transfers assets into the foundation.

What is a Beneficiary?

A Beneficiary may become entitled to benefit from the foundation in accordance with the foundation instrument but has no automatic interest in the foundation's assets.

Enforcer

The Enforcer has a similar role as the Protector to a Trust and is responsible for ensuring the Council undertakes its duties and acts in the best interest of the foundation. No person can be both an Enforcer and a Council member. A Maltese resident company holding shares in a subsidiary company would be considered as qualifying as a participating holding should certain conditions be met.

Under these rules and depending on the criteria, a 100% refund or 100% exemption (i.e. no taxes would be payable in the first place) would be available.

[Please click here for initial enquiry form](#)

CONTACT US

For more information concerning the Maltese holding structure, the services we can provide and our costs, please contact Sue Brown, director of Mann Made Malta Ltd as follows:

Mann Made Malta Ltd Suite
E 305, The Hub
Triq Sant'Andrija
San Gwann
SGN 1612
Malta

Telephone: +356 2761 1727

Mobile: +356 9996 9305

Email: sue.brown@mannmadegroup.com

Website: www.mannmadegroup.com

The Mann Made Group

Mann Made Malta Ltd is part of the Mann Made Group of companies and has offices in the Isle of Man, United Kingdom, Hong Kong and Malta and is an international group providing corporate and trust structuring and services worldwide. Should you be interested in the services we can provide please visit our website or contact us as follows:

London office

Telephone: +44 (0)20 7100 6799

Email: london@mannmadegroup.com

Isle of Man office

Telephone: +44 (0)1624 682100

Email: iom@mannmadegroup.com

Hong Kong office

Telephone: +852 2815 0080

Email: hongkong@mannmadegroup.com

Italian office

Telephone: +39 366 1116 538

Email: paolo.carlin@mannmadegroup.com