



Fact Sheet

International Trusts

Following the introduction of the Belize Trusts Acts in 1992, Belize has become one of the most sought after centres for the establishment of International Trusts - which offer unparalleled advantages in terms of tax and investment planning, estate planning, asset protection, wealth preservation and confidentiality.

What can Trusts be used for?

A Belize Trust can be used for:

- tax and investment planning
- estate planning
- asset protection
- pension planning
- wealth preservation
- corporate structuring
- passing on wealth and property to heirs

Why Belize?

Although there are several offshore centres in which Trusts can be established, Belize ranks highly when applying all of the relevant criteria:

- political stability.
- modern and flexible legislation.
- sovereign and independent country.
- full exemption from taxes (provided the Settlor and Beneficiaries reside outside Belize and the Trust does not include any land situated in Belize).
- fast and efficient registration.
- experienced professional support staff.
- excellent telecommunications.
- a sound system of courts based on English Common Law similar to the British model but with the Caribbean Court of Justice as the final Court of Appeal.
- Westminster style parliament.
- recognition of other types of Trust.

Key Features of a Belize Trust:

The Belize Trust legislation offers some of the most flexible features today. These include:

- the English law against perpetuities does not apply.
- the powers and duties of a Protector are set out.
- the status of a Letter of Wishes is clarified.
- Trustee appointment and removal provisions are flexible and allow for the appointment of a sole Trustee.
- the law contains provisions to simplify the drafting of Trust documents.
- asset protection provisions so that a Trust may not be set aside on the basis of claims from creditors or the order of a foreign court on account of divorce, bankruptcy, etc.
- prospective Settlers may create protective Trusts in their own favour.
- other types of Trusts may be recognised (e.g. the Islamic Waqf and the Chinese Family Settlement).
- registration of the Trust in a closed Registry (i.e. not open to public inspection).
- both charitable and non-charitable Trusts are allowed.
- non-charitable Trusts may have a maximum duration of 120 years.
- Trustees may be given full discretionary powers.
- Purpose Trusts do not need to name beneficiaries.

Additional Protection:

Significant additional asset protection can be achieved by using a combination of a Trust with one or more (IBC's).

Note: All Belize International Trusts must maintain a Trust Agent in Belize.



Fact Sheet

International Trusts

Establishment and Registration of International Trusts in Belize

An International Trust may be created only by an instrument in writing.

Every deed of settlement creating an International Trust shall be signed by the Settlor and the Trustees, and every declaration of Trust shall be signed by the Trustees, and such signatures, if made outside Belize, shall be authenticated before a notary public or other authority authorised by the law of that jurisdiction to administer oaths.

There shall be an International Trusts Registry which shall be maintained by the Registrar of International Trusts and shall be located at the offices of the International Financial Services Commission in Belize.

Information to be submitted for registration:

The Registrar shall maintain a Register of International Trusts and the following information must be submitted upon application for registration by either the Trustee or Trust Agent within 90 days from the establishment of the Trust:

- (i) Name of the Trust.
- (ii) Date of settlement or declaration of the Trust.
- (iii) Date of registration of the Trust.
- (iv) Name(s) of the Trustee(s).
- (v) Name of the Protector (if any).
- (vi) Name and address of the Trust Agent.
- (vii) an affidavit from the Trust Agent verifying that all the information required to be kept by the Trust Agent is duly held and recorded by him in the appropriate record in his office.
- (viii) the appropriate registration fee.
- (ix) Any other information as may from time to time be specified by Regulations.

Information to be kept by Trust Agent in Belize:

Every International Trust established in Belize must maintain a duly licensed Trust Agent who shall maintain a record of International Trusts containing the following information:

- (i) Name of the Trust.
- (ii) Date of settlement of the Trust.
- (iii) Date of registration of the Trust.
- (iv) Name(s) of the Trustee(s).
- (v) Name of Settlor.
- (vi) Name of Protector (if any).
- (vii) Names and addresses of all the beneficiaries.
- (viii) Initial funds settled.



Fact Sheet

International Trusts

- (ix) Additional funds settled.
- (x) Changes in beneficiaries.
- (xi) Change of Protector.
- (xii) Original Trust instrument and any amendments thereto.

The Registrar may from time to time either personally or through inspectors appointed by him, inspect and audit the record of International Trusts maintained by a Trust Agent to verify the contents of the record and ensure its compliance with the law.

Registrar may refuse to register a Trust:

The Registrar shall refuse to register a Trust, if

- (a) the application contains information which is incomplete, incorrect, misleading or intended to deceive; or
- (b) the application for registration is not in conformity with the current law or the Regulations; or
- (c) he determines that, having regard to the contemplated activities of the Trust and the persons connected with the Trust as disclosed in the application for registration, it would not be in the public interest that the Trust should be registered in Belize.

Registrar may cancel the registration of a Trust:

The Registrar shall cancel the registration of a Trust, if

- (a) he is satisfied that a certificate of registration issued by him in respect of the Trust has been obtained by or on account of any fraud or mistake;
- (b) he determines that, having regard to the activities of the Trust and the persons connected with the Trust as disclosed in the application and other Trust documents, it is not in the public interest that the Trust should continue to be registered in Belize;
- (c) the Trust ceases to comply with the provisions of the current law or the Regulations; or
- (d) there is any other fit and proper cause.

Documents may be submitted in any language:

Any document required or desired to be filed or registered with the Registrar may be filed or registered in any language other than the English language, provided that it is accompanied by a certified English translation, and every such English translation shall be treated as the authoritative text.

Every International Trust established in Belize must be registered:

It shall be the duty of every Trust Agent or IFS Practitioner to ensure that every International Trust in respect of which he is the Trust Agent or the service provider, is duly registered.



Fact Sheet

International Trusts

Trust Registry not open to public inspection:

The Register shall not be open for public inspection except that the Trustee or the Trust Agent of a Trust may in writing authorise a person to inspect the entry of that Trust on the Register.

The Registrar shall not disclose any information contained in the Register to any person without the Trustee's or Trust Agent's written authorisation, except where a written request is made to him by the Director of Public Prosecutions, the Director, Financial Intelligence Unit, the Commissioner of Police or other regulatory or enforcement authority, certifying that such information is reasonably required to facilitate a criminal investigation, prosecution or proceeding, whether in Belize or elsewhere, including an investigation into locating the proceeds of crime and any proceedings for the enforcement of a confiscation or forfeiture order made in Belize or elsewhere.

Registrar may request Trust documentation:

The Registrar may by notice in writing to the Trustee or the Trust Agent or the Protector (if any), require the Trustee or the Trust agent or the Protector (if any), to provide to the Registrar, at a time as may be specified, any information or documentation which the Registrar may reasonably require for ensuring that the Trust complies with the provisions of any relevant law or for any other fit and proper cause.

Any power that requires a Trustee or the Trust Agent or the Protector (if any), to produce any document or information shall include a power to take copies thereof or extracts therefrom.

Where a Trustee or the Trust Agent or the Protector (if any), fails to supply the information or to produce any document when required to do so by the Registrar, the Registrar may cancel the registration of the Trust.

Full exemption from taxes and duties in Belize:

Where an International Trust is duly registered and continues to be so registered, then, notwithstanding any provision to the contrary in any other law in Belize

- (a) the Trust shall be exempt from the provisions of the Income and Business Tax Act;
- (b) no estate, inheritance, succession or gift tax or duty shall be payable with respect to the Trust property by reason of any death of any person; and
- (c) all instruments relating to the Trust property or to transactions carried out by the Trustee on behalf of the Trust shall be exempt from stamp duty.

Giving instructions to the Trustee:

The Settlor is usually requested to deliver a Letter of Wishes to the Trustee to guide him as to how he should consider administering the trust.



Fact Sheet

International Trusts

Once the Trust Deed has been executed it is not easily changed. However, the Letter of Wishes is not part of the Trust Deed and can therefore be amended or supplemented at any time to take account of changed circumstances or a change of mind on the part of the Settlor.

Matters covered by the Letter of Wishes will often take the form of asking the Trustee to consult the Settlor during his lifetime and in particular what action he would like the Trustee to consider taking following his death, such as requesting him to care for dependent relatives, attend to the education of children, provide an income allowance for a young person, provide maintenance for a widow or attend to those other matters that are often covered by a will.

A specimen Letter of Wishes is attached.

Free Confidential Consultation:

For a free confidential no-obligation consultation to see if BOSL can assist you and/or your company, please contact:

David A. Jenkins
Belize Offshore Services Limited
No. 1 Orchid Garden Street
Belmopan
Belize

Tel: +501-822-2990
Fax: +501-822-2989
Skype: boslbze
Email: enquiries@bosl.com
Website: www.bosl.com



Fact Sheet

International Trusts

Specimen Letter of Wishes:

[Addressed to the Trustee]

Dear Trustee,

The 'ABC' Trust

You are the Trustee for the time being of the above-named Trust Deed dated the _____ created by me which sets out the trusts upon which you are to hold certain assets received by you from time to time.

I know that I cannot fetter your discretion or determine the way in which you exercise your powers, and the following notes are only intended to explain the circumstances and the principles which I wish you to consider when administering the Trust.

During my lifetime, I would like you to consult me regarding distributions of capital and income, changes to the beneficial class and the appointment of any advisors to the Trust. In the event of my becoming incapable of managing my own affairs or my death I would like you to consult _____ as you would have consulted with me.

[EXAMPLES OF FURTHER PARAGRAPHS]

[After my death, I would like you to hold the Trust Fund for my wife absolutely if she shall then be living and subject thereto upon trust for my children and if more than one in equal shares absolutely.]

or

[After my death, I would like you to hold the income of the Trust Fund for my wife absolutely, if she shall then be living, and, subject thereto, the Trust Funds shall be apportioned equally between my children.]

or

[After my death, I would like you to consult with my executors for guidance in respect of the disposition of the Trust Fund.]

[OTHER PARAGRAPHS DEALING WITH SPECIFIC MATTERS MAY BE INCLUDED]

Yours faithfully,

[Settlor]