

Seychelles Trust & Foundations:- A comparison

International Foundations and Trusts are used for asset protection, gain control as to how those assets are passed on to future generations while making them flexible, reliable and tax efficient. Should one opt for a Foundation or a Trust, depends on one's requirement. The table below gives an indication of some of the factors one needs to consider before opting of either.

	<u>Seychelles Trust</u>	<u>Seychelles Foundation</u>
Initial assets required	Minimum USD 1	Minimum USD 1
Governing Law	International Trusts Act, 1994	Foundation Act 2009
Currency Permitted	Any	Any
Incorporate Time	4-5 days	4-5 days
Cost	Higher setup cost	Lower setup cost when compared to a Trust.
Constitutional document	Trust deed (not filed with the authorities) No names are available to public	The Charter is the constitutional document of the Foundation. It details its purpose, term, appointment and removal of councillors, beneficiaries, etc. It is registered with the Authorities Regulations detailing other internal procedures are optional and is not required to be filed with the authorities
Succession Planning	Can be used for succession planning	Can clearly outline the beneficiaries and hence acts as a substitute for a will while ensuring proper maintenance of the underlying assets
Duration	Trusts in Seychelles can be formed for a period of 100 years A charitable trust can be formed for perpetuity	Fixed period; or Indefinite period
Re-domiciliation	Can be challenging	Permitted
Taxation	Tax exempt	Tax exempt for a period of 20 years in Seychelles: Income Tax Capital Gains Tax Withholding Tax Inheritance Tax Stamp Duty

Annual Requirement	Required to keep accounting records, no filing requirement	Required to maintain books of accounts at the registered office No annual filing
Local Requirement	Qualified trustee	Registered agent and Registered office
Restrictions on Trust/Trade	Trust cannot hold immovable property in Seychelles. It cannot own shares of domestic companies registered in Seychelles. Settlor cannot be resident of Seychelles. Settlor cannot be sole beneficiary of Trust. An underlying IBC of the trust can conduct business activities.	Unlawful, immoral, or activities contrary to public policy. Business in Seychelles Holding immovable property in Seychelles. Underlying companies owned by a Seychelles Foundation can get benefits of DTA agreements
Confidentiality	No filing with Seychelles authorities. Trust register is not accessible to public. No disclosure of names of settlor or beneficiaries to regulator required	Name of the founder is stated in the charter which is filed with the authorities
Reservation of Rights	Settlor of the trust cannot reserve rights	A founder may reserve, in the charter or regulations, for the founder or any other person, any of the following rights, namely, the right to direct or approve the following – a. investment activities of the Foundation; b. amendment of the charter or regulations; c. appointment or removal of a councillor; d. appointment or removal of any supervisory person; e. rights, entitlements and restrictions of a beneficiary; f. addition or exclusion of a beneficiary; g. proposed continuation of the Foundation as a foundation registered or otherwise established under the written laws of a jurisdiction other than Seychelles;

