



NEWSLETTER

**SEYCHELLES
FOUNDATIONS**

**A Strong Solution for Estate
Planning and Philanthropy**



Intercontinental Trust
(Seychelles) Limited

Offshore foundations, including charitable ones, provide a reliable structure for safeguarding assets and ensuring continuity. Seychelles foundations, in particular, are known for their robust legal framework, privacy, and flexibility, making them an excellent choice for individuals and businesses aiming to secure their legacy and manage succession effectively.

General Features

A Foundation is a legal entity separate from its founder, officers, and beneficiaries. It is established by a founder who endows assets to achieve the objects of the foundation and is managed by a Foundation Council, of which the founder can be a member. The following are the critical needs addressed by foundations:

Succession Challenges

Foundations are an effective tool for resolving succession challenges, which often arise due to inadequate planning or contested wills. These challenges can result in:

- 01 Avoidance of Probate Delays:**
Assets transferred to a foundation are not subject to probate, ensuring seamless and uninterrupted distribution.
- 02 Elimination of Asset Freezing:**
The foundation structure prevents assets from being frozen during disputes, providing immediate access to beneficiaries.
- 03 Business Continuity:**
By holding shares in businesses, foundations ensure operational continuity, shielding companies from inheritance disputes and disruptions.
- 04 Customizable Succession Plans:**
Founders can tailor succession plans, setting specific conditions for beneficiaries (e.g., reaching a certain age or achieving milestones) while avoiding forced heirship laws.

Control and Governance

Control and governance are central concerns for many founders, especially when comparing foundations to trusts:

- 01 Retained Control:**
Unlike trusts, where control shifts entirely to a trustee, Foundations allow founders to serve as council members, enabling direct involvement in decisions.
- 02 Defined Governance Structures:**
Founders can establish a clear framework for how the foundation operates, ensuring that their intentions are followed long-term.
- 03 Transparency and Flexibility:**
While trusts operate on fiduciary relationships, foundations are standalone entities with transparent yet private governance structures that adapt to changing circumstances.

Asset Protection

Foundations provide robust legal protection for assets:

- 01 Shielding Against External Claims:** Assets within a foundation are insulated from creditors and legal challenges, making them inaccessible to external claims.
- 02 Anti-Forced Heirship Rules:** Foundations bypass forced heirship laws, giving founders the flexibility to distribute assets according to their wishes.
- 03 Perpetual Legal Entity:** As a separate legal entity, the foundation ensures that assets remain protected, regardless of changes in the founder's or beneficiaries' circumstances.

Philanthropy: Making a Lasting Impact

Charitable Foundations are an ideal vehicle for philanthropic endeavors, allowing founders to create a meaningful and lasting legacy. Key benefits include:

- 01 Targeted Support for Causes:** Foundations can be structured for charitable or mixed purposes, enabling focused contributions to educational, healthcare, environmental, or other initiatives.
- 02 Legacy Creation:** Foundations ensure that donations and philanthropic efforts continue beyond the founder's lifetime, leaving a positive and enduring impact.
- 03 Cross-Border Philanthropy:** Unrestricted by geographical boundaries, Seychelles foundations facilitate global philanthropic initiatives.
- 04 Flexible Governance:** Founders retain control over the foundation's mission and activities, ensuring their vision is carried out while maintaining accountability.



Key Features of Seychelles Foundations

Seychelles foundations are governed by the Foundations Act of 2009 and offer several attractive features:

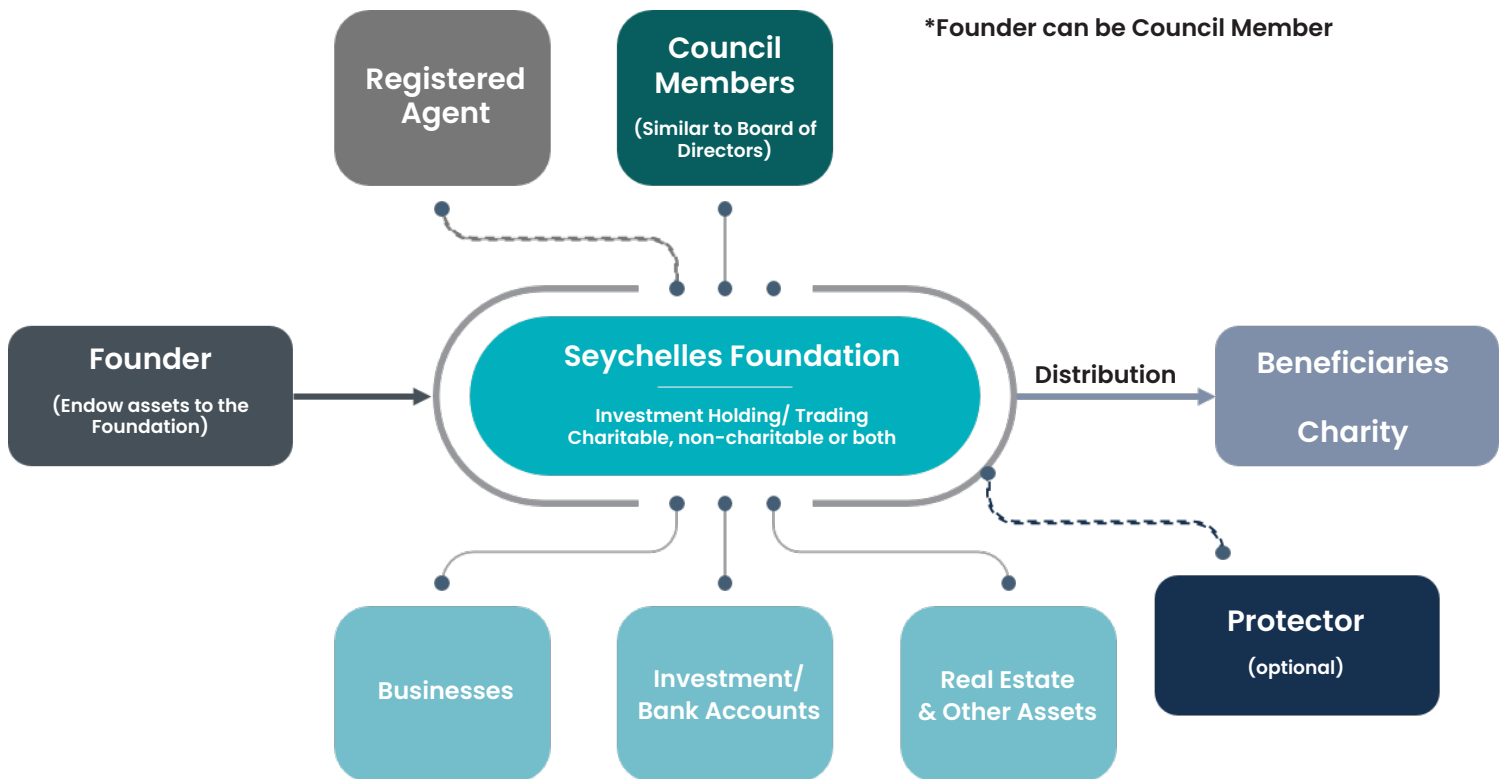
- 01 Council Member:** A foundation must have at least one council member, who may be an individual or a corporate entity, with no residency restrictions in Seychelles.
- 02 Minimum Value of Assets:** Foundations can be established with a minimal value of USD 1 or its equivalent in any currency, making them accessible and versatile.
- 03 Anti-Forced Heirship Rule:** Provides a mechanism to bypass forced heirship laws, ensuring that the founder's wishes are upheld.
- 04 Action/Claim Against Foundation:** Legal claims against a foundation are time-barred after two years from the date of transfer of property to the foundation.
- 05 Continuation:** Seychelles foundations allow for continuation, whether transferring into or out of Seychelles, providing flexibility for evolving needs.
- 06 Tax Benefits:** Foundations are exempt from business tax, income tax, and stamp duty for up to 20 years.
- 07 Asset Holding:** Can hold shares in Seychelles IBCs, CSLs, partnerships, and other entities but cannot hold immovable property in Seychelles.
- 08 Charter and Regulations:** The charter is publicly accessible, while regulations remain private, offering flexibility and confidentiality.
- 09 Setup Time:** Registration takes approximately two days from application submission.

Typical Uses of Seychelles Foundations

Seychelles foundations are commonly used for:

- | | |
|---|---|
| 01 Inheritance / Estate Planning | 02 Wealth Management |
| 03 Asset Protection | 04 Commercial activities and Trade |
| 05 Tax Planning | 06 Philanthropy |

How does a Foundation work? – Common Structure



HOW CAN WE HELP? Our Services

- | | |
|---|---|
| <p>01 Advice on structuring and taxation aspects</p> | <p>02 Drafting of the Foundation Charter and Articles</p> |
| <p>03 Establishment of Foundation</p> | <p>04 General Administration of the Foundation</p> |
| <p>05 Provision of Registered Office</p> | <p>06 Provision of Council Member</p> |
| <p>07 Assistance with the opening and operation of bank accounts</p> | <p>08 Ensuring accounts/ accounting records are in place</p> |

About ITSL

Established in 2005, Intercontinental Trust (Seychelles) Limited is licensed by the Seychelles Financial Services Authority to provide a plethora of financial and fiduciary services.

The ITL Group counts among its clients some of the largest high-profile institutions and multinationals, leading African private equity firms, Top 10 investment banks, investment managers and high net worth individuals, amongst others.

With offices in Mauritius, Dubai, Singapore and South Africa, we stay close to our clients and keep up-to-date with changes occurring in key markets. Our global presence, avant-gardist approach, and world class service have positioned our firm as one of the leading service providers in Seychelles.

Over the years, the ITL Group has been moving up the value chain of services, and uniquely positioning itself as a consolidated and holistic service provider to our clients.

CONTACT US

Intercontinental Trust (Seychelles) Limited ©

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