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Private Wealth

Family Offices

Jersey Foundations: innovating in dynastic structures

by Sheena Huggett, Director, Private Wealth

As families and assets become more globally dispersed, it's becoming more challenging to assist clients with cross-border planning, tax efficiency and regulatory compliance.

Therefore, demanding us to be more innovative in our thinking.



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It's as simple as...
working with people you trust.



Dynastic structures

Whilst trust and company structures are still a popular choice, clients seeking to preserve their legacy for years to come are increasingly looking for dynastic structures which offer privacy, flexibility and versatility to address the priorities of the family. This leads them to favour more tailored succession planning.

Blending the advantages of both trusts and companies, Jersey Foundations offer families the appealing opportunity to ensure that tax and legal benefits remain whilst also retaining involvement and some influence.

Jersey Foundations are particularly well-suited for families from civil law jurisdictions unfamiliar with common law trusts. Operating under the Foundations (Jersey) Law 2009 ensures that business is conducted within a clear, internationally recognised legal framework.

Private Trust Foundations

VG has assisted clients looking to establish Jersey Foundations with the primary purpose of acting as trustee to Jersey discretionary trusts.

Structurally similar to corporate entities, they appeal to families holding assets across multiple jurisdictions.

Governed by a council which functions like a board of directors and which must have at least one Jersey Qualified Member, family members can be appointed to the council alongside the Jersey service provider to participate in decision-making. This balance is ideal as the family is assured that trust decisions are overseen by a structured and professionally managed body, while they still benefit from remaining involved.

The foundation's Regulations govern its day-to-day operations and decision making processes, providing detailed instructions on how it should act as trustee. It is important that the Founder's vision and long-term goals are embedded into the governance framework to enable the foundation to act effectively and in accordance with the objectives of the Founder. The Regulations outline specific powers of duties of the council and rules for decision making, voting and conflict resolution. It may also include specific instructions on how to manage assets, when beneficiaries receive distributions or guidelines which integrate the family's charitable objectives.

Acting as a trustee qualifies as "financial service business" and is considered regulated activity under Jersey's highly regarded and robust anti-money laundering, countering the financing of terrorism and countering proliferation framework. A Jersey Foundation acting as a trustee may be required to register as a Schedule 2 business. Jersey is a globally respected financial centre, and this additional recent requirement will provide even more assurance to high-net worth families of a foundation's legitimacy in international dealings.

Collaboration not competition

VG is proud to partner with families across a range of jurisdictions and by leveraging upon our historic relationship with clients in the MENA region, we have experience in administering structures holding assets within the progressive International Financial Centres (IFCs) of the UAE such as the Abu Dhabi General Markets (ADGM) the Dubai International Financial Center (DIFC) as well as Bahrain, Jordan, Kuwait and the Kingdom of Saudi Arabia, amongst others.

With clients' best interests at heart, we continue to build on those relationships to ensure stable, secure and regulatory compliant structures are available for families to benefit from within their dynastic structures in these changing times.

As my colleague Paul Roper succinctly said at the STEP Arabia conference in Dubai recently, "Collaboration is more important than competition between IFCs".

I wholeheartedly agree with this statement - clients must come first.

I look forward to exploring more innovative and seamless solutions for international clients and their families into the future.

"Collaboration is more important than competition between IFC's."

Paul Roper
Director of Private Wealth, VG

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