

Bermuda Offshore Trusts And Estates Advisory

Our interview with FOZEIA RANA-FAHY, Director at MJM Limited, explores the advantages and opportunities for exponential wealth generation and succession planning in Bermuda, as *Executive Global* sit down with one of the country's foremost award-winning law firms servicing High Net Worth clients.

EG How may the offshore jurisdiction of Bermuda benefit High Net Worth Individuals in effectively protecting their assets?

FRF Bermuda is a jurisdiction that enables great flexibility in terms of wealth planning and has the added advantage of being underpinned by a strong legislative system based on the common law legal system of England and Wales. This makes it a great choice for asset protection.

EG What challenges do you typically come across when handling complex international family trusts?

FRF Often complex family trusts have a long history, and the reasons for establishment may have changed since the establishment of the trust, in particular in the second and third generation. This can lead to difficulties in fulfilling the expectations of the various branches of the family, each of which may have very different needs and tax planning considerations. The advent of ever increasing burdens of AML/ATF regulation, record keeping and monitoring requirements can become challenging to meet, especially in discretionary trust structures that include multiple generations.

EG Are there any particular advantages that Bermuda's link with the UK may provide to clients as a British Overseas Territory?

FRF The application of well-established principles of trust law, originating from English law, as well as its sophisticated legal system, an experienced judiciary, and ultimate appeal to the Privy Council gives the jurisdiction both stability and certainty.

EG What differences does Bermuda provide for trusts and asset protection when compared with most other civil law jurisdictions?

FRF Bermuda has statutory protections to prevent the application of forced heirship rules that may apply in civil law jurisdictions.

EG Describe the difference between a purpose and a charitable trust, and how these may be used?

FRF Purpose trusts that are charitable in nature have always been available, within certain well established limitations. Non charitable purpose trusts are available for both commercial and philanthropic goals, and provided that the governance of the purpose trust in any given situation is properly structured, purpose trusts are an effective model for modern commercial transactions.

EG Can Bermuda offshore incorporation also be combined with trust administration to increase the integrity of protection for beneficiaries?

FRF Often trusts own and control complex and varied assets, which are more effectively

managed by corporate ownership or management companies that employ properly trained professionals to run and manage the trust's assets. The trust and the underlying companies can be administered and managed in conjunction with one another with an appropriately arranged support service, whether employed or outsourced.

EG What is it about trust legislation in Bermuda that makes it so beneficial to clients?

FRF Bermuda's legislation and framework is geared to international trust administration, and a number of provisions have been applied to assist trusts in re-organising or approving revisions to the trust instrument in an efficient and timely procedure. This makes Bermuda the primary offshore jurisdiction for updating and revising trust structures where it is expedient to do so.

EG As an award-winning firm consistently recognised for your performance, what can HNWI's expect when seeking your counsel on wealth and succession planning?

FRF MJM has an experienced trust and private client team that provides a first class personal service to HNWI clients.

For further information, please visit:
www.mjm.bm

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